

**REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE
ON
REPORT NO. 76 OF THE DIRECTOR OF AUDIT
ON
THE RESULTS OF
VALUE FOR MONEY AUDITS**

July 2021

P.A.C. Report No. 76

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Introduction

The Establishment of the Committee The Public Accounts Committee is established under Rule 72 of the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region, a copy of which is attached in *Appendix 1* to this Report.

2. **Membership of the Committee** The following Members are appointed by the President under Rule 72(3) of the Rules of Procedure to serve on the Committee:

Chairman : Hon Abraham SHEK Lai-him, GBS, JP

Deputy Chairman : Hon Paul TSE Wai-chun, JP

Members : Hon Steven HO Chun-yin, BBS, JP
Hon SHIU Ka-fai, JP
Hon YUNG Hoi-yan, JP
Hon LAU Kwok-fan, MH, JP
Hon Tony TSE Wai-chuen, BBS, JP

Clerk : Wendy JAN

Legal Adviser : Timothy TSO

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The Committee's Procedure The practice and procedure, as determined by the Committee in accordance with Rule 72 of the Rules of Procedure, are as follows:

- (a) the public officers called before the Committee in accordance with Rule 72 of the Rules of Procedure, shall normally be the Controlling Officers of the Heads of Revenue or Expenditure to which the Director of Audit has referred in his report except where the matter under consideration affects more than one such Head or involves a question of policy or of principle in which case the relevant Director of Bureau of the Government or other appropriate officers shall be called. Appearance before the Committee shall be a personal responsibility of the public officer called and whilst he may be accompanied by members of his staff to assist him with points of detail, the responsibility for the information or the production of records or documents required by the Committee shall rest with him alone;
- (b) where any matter referred to in the Director of Audit's report on the accounts of the Government relates to the affairs of an organization subvented by the Government, the person normally required to appear before the Committee shall be the Controlling Officer of the vote from which the relevant subvention has been paid, but the Committee shall not preclude the calling of a representative of the subvented body concerned where it is considered that such a representative could assist the Committee in its deliberations;
- (c) the Director of Audit and the Secretary for Financial Services and the Treasury shall be called upon to assist the Committee when Controlling Officers or other persons are providing information or explanations to the Committee;
- (d) the Committee shall take evidence from any parties outside the civil service and the subvented sector before making reference to them in a report;
- (e) the Committee shall not normally make recommendations on a case on the basis solely of the Director of Audit's presentation;
- (f) the Committee shall not allow written submissions from Controlling Officers other than as an adjunct to their personal appearance before the Committee; and

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- (g) the Committee shall hold informal consultations with the Director of Audit from time to time, so that the Committee could suggest fruitful areas for value for money study by the Director of Audit.

2. Confidentiality undertaking by members of the Committee

To enhance the integrity of the Committee and its work, members of the Committee have signed a confidentiality undertaking. Members agree that, in relation to the consideration of the Director of Audit's reports, they will not disclose any matter relating to the proceedings of the Committee that is classified as confidential, which shall include any evidence or documents presented to the Committee, and any information on discussions or deliberations at its meetings, other than at meetings held in public. Members also agree to take the necessary steps to prevent disclosure of such matter either before or after the Committee presents its report to the Legislative Council, unless the confidential classification has been removed by the Committee.

3. A copy of the Confidentiality Undertaking signed by members of the Committee has been uploaded onto the Legislative Council website.

4. Long-established agreement between the Committee and the Administration

Upon receipt of the Director of Audit's report, the Committee has full discretion to decide which part(s) of the report it wishes to select for investigation, either through public hearings or study of supplementary information provided by the relevant parties. During the period between the tabling of the Director of Audit's report in the Legislative Council and the public hearings, it has been agreed between the Committee and the Administration that any public debate on the issues to be further investigated should be avoided by both sides as far as possible. This will ensure that the Committee can carry out public hearings smoothly and in a fair manner. To this end, Heads of Bureaux/Departments and/or public organizations involved and their staff should refrain from initiating any publicity to counter the findings in the Director of Audit's report.¹

5. Communications between the Committee and the Administration on the long-established agreement

Upon the tabling of the Director of Audit's Report No. 76 ("the Audit Report") in the Legislative Council on 28 April 2021, the Immigration Department issued a press release later on the same day in response to the findings in Chapter 1 of the Audit Report on "Management of birth, death and marriage registrations". The Committee was deeply concerned about the matter

¹ The agreed requirements are set out in paragraph 13 of the Administration's Financial Circular No. 2/2020.

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and had written to urge the Chief Secretary for Administration to ensure that the long-established agreement as stated in paragraph 4 above was strictly observed by Heads of Bureaux/Departments, Controlling Officers/Heads of Organizations and other parties concerned.

6. In his reply to the Committee, the Chief Secretary for Administration advised that the Director of Immigration had been reminded to strictly observe the relevant requirements. The Chief Secretary for Administration further assured the Committee that the Administration would continue to cooperate fully with the Committee in performing its role and functions regarding the Director of Audit's value for money audit reports.

7. Moreover, in his reply dated 21 May 2021 to the Committee's request for supplementary information on Chapter 1 of the Audit Report,² the Director of Immigration reassured the Committee that the Immigration Department would pay due attention to the requirement that government departments should avoid making public responses to the Director of Audit's reports before the holding of public hearings by the Committee, and would ensure that there would be no recurrence of similar incident.

8. **The Committee's Report** This Report by the Public Accounts Committee corresponds with the Audit Report which was tabled in the Legislative Council on 28 April 2021. Value for money audits are conducted in accordance with the guidelines and procedures set out in the Paper on Scope of Government Audit in the Hong Kong Special Administrative Region - 'Value for Money Audits' which was tabled in the Provisional Legislative Council on 11 February 1998. A copy of the Paper is attached in *Appendix 2*.

9. **The Government's Response** The Government's response to the Committee's Report is contained in the Government Minute, which comments as appropriate on the Committee's conclusions and recommendations, indicates what action the Government proposes to take to rectify any irregularities which have been brought to notice by the Committee or by the Director of Audit and, if necessary, explains why it does not intend to take action. It is the Government's stated intention that the Government Minute should be laid on the table of the Legislative Council within three months of the laying of the Report of the Committee to which it relates.

² The reply letter dated 21 May 2021 from the Director of Immigration is in *Appendix 5* to this Report.

Consideration of the Director of Audit's Report tabled in the Legislative Council on 28 April 2021 After examining the observations contained in the Director of Audit's Report No. 76 ("the Audit Report"), the Committee has sought and obtained supplementary information from the relevant Controlling Officers on some of the issues raised in each chapter of the Audit Report for consideration of the need for detailed investigation. The Committee appreciates that, in response to the Committee's written questions, the relevant bureaux/departments have provided the Committee with sufficient information to facilitate the Committee's better understanding of the relevant issues involved. Having studied the written responses, which are included in this Report, the Committee has decided that detailed investigation by way of public hearing(s) would not be conducted.

2. **Meetings** The Committee held a total of three meetings in respect of the issues covered in this Report.

3. **Arrangement of the Report** The Committee's observations relating to the issues raised in the Audit Report are set out in Chapters 1 to 7 in Part 4 of this Report.

4. **Acknowledgements** The Committee wishes to record its appreciation of the cooperative approach adopted by all the persons who were invited to provide information. In addition, the Committee is grateful for the assistance and constructive advice given by the Secretary for Financial Services and the Treasury, the Legal Adviser and the Clerk. The Committee also wishes to thank the Director of Audit for the objective and professional manner in which he completed his Report, and for the many services which he and his staff have rendered to the Committee throughout its deliberations.

Foreword

The Director of Audit's Report No. 76 ("the Audit Report") covers a variety of subjects on the administration of government programmes and provision of public services by a total of 12 government bureaux/departments ("B/Ds").

2. In the course of examining the Audit Report, the Committee has raised detailed and in-depth questions with the relevant B/Ds regarding the issues and shortcomings identified in the seven chapters of the Audit Report. The Committee has noted from the Audit Report that there were many cases in which B/Ds' practices had deviated from established procedures, guidelines or regulations. There were also common problems relating to record keeping, contract administration and monitoring of public works projects, which were repeatedly identified by the Committee in previous Director of Audit's reports. Many recommendations in the Audit Report had called for measures to be taken by B/Ds to follow up on non-compliant and outstanding cases.

3. The Committee urges the Administration to ensure that all B/Ds and government-funded organizations should learn from the Director of Audit's reports and implement necessary measures to correct the shortcomings, in particular those common ones identified by the Committee, and to prevent future non-compliance. The Committee hopes that the lessons learned will enable them to improve their control over the expenditure of public funds in the future, with due regard to economy, efficiency and effectiveness.

Chapter 1: Management of birth, death and marriage registrations

The Audit Commission ("Audit") conducted a review to examine the management of birth, death and marriage registrations by the Immigration Department ("ImmD"). Related reviews were conducted in October 2001 and March 2011 respectively.¹

2. Hon Paul TSE Wai-chun declared that he was on ImmD's "List of Appointed Civil Celebrants of Marriages".

3. ImmD is responsible for the registration of births, deaths and marriages, and the provision of related services. The Director of Immigration is appointed as the Registrar of Births and Deaths and the Registrar of Marriages according to the Births and Deaths Registration Ordinance (Cap. 174) and the Marriage Ordinance (Cap. 181) respectively. In 2020, 41 958 births, 50 653 deaths and 28 161 marriages were registered. The registration of births, deaths and marriages and the provision of related civil registration services is under the programme area "Personal Documentation" of ImmD. The actual expenditure on the programme area in 2019-2020 was \$1,289 million. In 2021-2022, the estimated expenditure on the programme area was \$1,369.6 million.

4. The Committee noted the following findings from the Director of Audit's Report No. 76 ("the Audit Report"):

Registration of births and deaths

- from 2000 to 2019, the number of registered births increased steadily from 48 914 in 2004 to a peak of 95 387 in 2011, then dropped significantly by 40% to 57 651 in 2013.² However, the staff establishments for birth registration in ImmD's Births and Deaths General Register Office and Kowloon Births Registry³ only slightly decreased or remained unchanged during the same period.

¹ Chapter 1 of the Director of Audit's Report No. 37 of October 2001 – "Registration of births, deaths and marriages" and Chapter 8 of the Director of Audit's Report No. 56 of March 2011 – "Immigration Department: Operation of the Enforcement Division".

² According to the Census and Statistics Department, the sharp decrease in registered births in 2013 was mainly due to the implementation of the zero-quota policy on obstetric services for Mainland women whose spouses are not Hong Kong residents.

³ ImmD operates four births registries, namely the Births and Deaths General Register Office, Kowloon Births Registry, Sha Tin District Births Registry and Tuen Mun District Births Registry.

Chapter 1: Management of birth, death and marriage registrations

From 2019 to 2020, the number of registered births decreased significantly by 21% from 53 173 to 41 958, resulting in the first natural population decrease since 1960s. There was a need for ImmD to keep under review the manpower deployed on birth registration work;

- ImmD pledged to process a birth registration within 30 minutes at counter. Though ImmD's Controlling Officer's Report showed that ImmD met the standard processing time (i.e. within 30 minutes) in 99.7% of the birth/death/adoption registration cases in 2019, the births registries did not keep records on the processing time of cases at counter in accordance with the Financial Services and the Treasury Bureau's guidelines;⁴
- as at 31 October 2020, there were 150 unregistered birth cases (i.e. registration outstanding for 43 days or more from the date of birth of the child). Audit examination of these 150 cases discovered that:
 - (a) ImmD had not sent first reminder letters to the parents in 43 (29%) of these 150 cases. For the remaining 107 cases with first reminder letters issued to the parents, there were delays of 1 to 61 days (averaging 6 days) in sending the letters in 95 (89% of 107) cases;
 - (b) as at 15 December 2020, there were still 40 cases remaining outstanding, among which seven cases had been outstanding for over six months, but five of them had not been referred to the General Investigation Section ("GIS") under the Investigation Sub-division of ImmD for investigation in accordance with ImmD's guidelines; and
 - (c) according to ImmD, the cases mentioned in (a) and (b) above warranted flexible handling.⁵ However, ImmD's guidelines had not promulgated the details of handling such cases;

⁴ According to the Financial Services and the Treasury Bureau's guidelines, Controlling Officers should satisfy themselves that proper performance records are maintained and, as far as practicable, can be validated.

⁵ Please see Appendix D to the Audit Report for unregistered birth cases as at 31 October 2020 warranting flexible handling.

Chapter 1: Management of birth, death and marriage registrations

- from June 2018 to 31 October 2020, 15 unregistered birth cases were referred to GIS for investigation. As at 31 December 2020, 11 of these 15 cases had been closed while the remaining four were still under investigation. Audit examination of these 11 completed investigation cases discovered that:
 - (a) in one case, GIS only tried to contact the parents by phone on weekdays once a month between November 2018 and February 2019. Field visits conducted by GIS in March 2019 failed to locate the parents. When one of the parents was subsequently intercepted by ImmD in December 2019, prosecution had already been time-barred;
 - (b) for three cases in which investigation could not be completed within four months and thus requiring reporting of progress to the Senior Immigration Officer for directive, the related discussion on such reporting had not been documented in individual case files; and
 - (c) GIS took an average of about five calendar days to commence investigation work after receiving these 11 cases. ImmD's guidelines on handling unregistered birth cases had not set any time target for commencement of investigation;
- while ImmD pledged to process a death registration within 30 minutes at counter, it had not kept records on the processing time for death registration cases, and the waiting time of an applicant was not included in the pledged processing time;
- from January 2015 to October 2020, 103 816 (49%) out of 213 770 registrations of natural deaths were made at least three days after the dates of death (with the longest up to 665 days), which did not comply with the statutory requirement of registering deaths within 24 hours;
- the number of birth record searches significantly increased by 161% from 5 282 in 2010 to 13 810 in 2019, while the number of death record searches increased by 49% from 6 859 in 2010 to 10 211 in 2019. Despite a notable increase in demand for the issue of certified copies of birth/death certificates involving search of records, ImmD had neither included the issue of these certified copies in its Controlling

Officer's Report as key performance measure nor kept records on the number of these certified copies issued;

Registration of marriages

- from January 2015 to October 2020, the utilization rates of ImmD's five marriage registries⁶ on weekdays (17% to 75%) were lower than those on Saturdays (55% to 98%), and only City Hall Marriage Registry was open in both the morning and the afternoon on Saturdays;
- 34 persons on ImmD's "List of Appointed Civil Celebrants of Marriages" as at 20 November 2020⁷ were found ineligible to be a Civil Celebrant of Marriages ("CCM") who must be a solicitor or notary public with a practising certificate as required by the Marriage Ordinance;
- 291 (17%) out of 1 756 CCMs who were on the list of ImmD during the period from January 2015 to November 2020 were not active and had not provided any marriage solemnization service for some five years from January 2016 to October 2020;
- Audit examination of suspected bogus marriages cases handled by ImmD revealed that:
 - (a) as of December 2020, 1 127 (50%) out of 2 237 outstanding suspected bogus marriage cases had been outstanding for more than two years. While ImmD's guidelines required weekly spot check on two cases selected on a random basis from no-further-action cases (i.e. cases requiring no further investigation) and curtailed cases (i.e. long outstanding cases with investigation curtailed for the time being), only 18 cases (8 no-further-action cases and 10 curtailed cases) were selected for spot checking in 2019;⁸

⁶ The five marriage registries are City Hall Marriage Registry, Cotton Tree Drive Marriage Registry, Tsim Sha Tsui Marriage Registry, Sha Tin Marriage Registry and Tuen Mun Marriage Registry.

⁷ As at 20 November 2020, there were 2 277 appointed Civil Celebrants of Marriages ("CCMs") on the list.

⁸ According to ImmD, the number of no-further-action cases and curtailed cases endorsed in 2019 was 19 and 155 respectively.

Chapter 1: Management of birth, death and marriage registrations

- (b) while ImmD's guidelines required that the case file for a priority case of suspected bogus marriage be opened within two weeks after assignment of the case, no such time limit was set for normal cases. For eight normal cases completed in 2019 or 2020, case officers took 1 to 33 days (averaging 19 days) to open a case file upon case assignment;
- (c) while ImmD's guidelines required frequent supervisory checks on the work of investigation teams, only 19 supervisory checks were conducted from 1 July to 29 December 2019 on the 10 teams (i.e. an average of only two checks on each team over the period); and
- (d) in a suspected bogus marriage case referred to ImmD for investigation by a Mainland authority in November 2012,⁹ ImmD conducted five home visits in 2013 but failed to locate the suspect. ImmD successfully contacted the suspect by phone three times in 2013 and requested him to attend an enquiry, but he was absent from all interviews. In early 2019, ImmD found that the suspect passed away in January 2019; and

Implementation of next generation of Application and Investigation Easy Systems

- Audit examination of the implementation of the next generation of Application and Investigation Easy Systems ("APPLIES-2")¹⁰ by ImmD revealed that:
 - (a) two contracts were awarded for the supply and installation of APPLIES-2 at a total one-off cost of \$272.7 million in November 2019, about one year after the time target (i.e. the fourth quarter of 2018) stated in the paper submitted to the Finance Committee of the Legislative Council;

⁹ Please refer to paragraph 3.31 of the Audit Report for details of the case.

¹⁰ In May 2018, the Finance Committee of the Legislative Council approved a sum of \$453 million for the replacement of the existing Application and Investigation Easy Systems, which support a wide range of ImmD's core functions, including birth, death and marriage registrations as well as investigation and enforcement of cases. ImmD has put in place a three-tier project governance structure comprising the Project Steering Committee, a Working Group and a Project Team to oversee the implementation of APPLIES-2.

Chapter 1: Management of birth, death and marriage registrations

- (b) the Project Steering Committee and the Working Group had not held any regular meetings to monitor the project progress since the award of the above two contracts in November 2019 up to February 2021; and
- (c) as of March 2021, the total cashflow requirement of APPLIES-2 project was \$372.2 million and the estimated unspent fund balance was \$80.8 million. However, the cashflow requirement in each of the annual returns on the forecast expenditure of the APPLIES-2 project submitted by ImmD to the Security Bureau and the Financial Services and the Treasury Bureau from 2018 to 2020 was \$453 million, which was the same as the approved project estimate, with no unspent fund balance.

5. The Committee asked for written responses regarding management of births, deaths and marriage registries, implementation of the CCM Scheme, handling of bogus marriages cases, and the progress and use of funding in implementing APPLIES-2. The replies from the **Secretary for Security** and the **Director of Immigration** are in *Appendices 3 to 6*.

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

Chapter 2: Education support measures for non-Chinese speaking students

The Audit Commission ("Audit") conducted a review of the education support measures of the Education Bureau ("EDB") for non-Chinese speaking ("NCS") students.¹

2. Hon Abraham SHEK Lai-him declared that he was a former Chairman of Board of Governors of English Schools Foundation.

3. EDB has introduced a series of enhanced measures to support NCS students' effective learning of Chinese language since 2014-2015 school year (other than calendar years, all years mentioned in this chapter refer to school years). In the period from 2015-2016 to 2019-2020, the total number of NCS students attending kindergartens under the Pre-primary Education Voucher Scheme or the kindergarten education scheme, public sector primary schools, secondary schools and special schools, and Direct Subsidy Scheme schools increased by 2 908 (12.6%) from 23 021 to 25 929. The number of NCS students as a percentage of all students increased from 3.0% to 3.4%. During the same period, the expenditure on the education support measures for NCS students increased by \$211.8 million (87%) from \$244.5 million to \$456.3 million.

4. The Committee noted the following findings from the Director of Audit's Report No. 76 ("the Audit Report"):

Funding support to schools

- in 2018-2019, of the 152 kindergartens receiving enhanced additional funding support for NCS students ("NCS Grant"),² 60 (39%) and 73 (48%) submitted their school plans and school reports³ late respectively. Out of the 266 primary, secondary and special schools receiving NCS Grant of \$0.65 million to \$1.5 million, 168 (63%) and 176 (66%) submitted their school plans and school reports late respectively;

¹ EDB refers to students whose spoken language at home is not Chinese as NCS students.

² EDB provides eligible schools with NCS Grant to enhance the support for NCS students in learning the Chinese language and the creation of an inclusive learning environment in schools. Please refer to paragraph 2.2 of the Audit Report for details.

³ EDB requires schools to submit a school plan and a school report on the deployment of NCS Grant and the support measures every year. Please refer to paragraph 2.7 of the Audit Report for the submission deadlines of school plans and school reports for kindergartens, primary schools, secondary schools and special schools.

Chapter 2: Education support measures for non-Chinese speaking students

- 20 (15%) of the 137 kindergartens receiving NCS Grant in both 2017-2018 and 2018-2019 and 7 (17%) of the 41 primary, secondary and special schools receiving NCS Grant of \$50,000 every year from 2014-2015 to 2018-2019 utilized less than 70% of the total Grant amount;
- of the 283 primary, secondary and special schools that first received NCS Grant ranging from \$0.65 million to \$1.5 million in any school year in the period from 2014-2015 to 2018-2019, 44 (15%) were neither visited by EDB in the school year they first received the Grant nor visited in the following two school years.⁴ By the end of 2019-2020, 26 (9%) schools, which were special schools, had not yet been visited by EDB;
- EDB collected on a yearly basis, through questionnaires, feedback from major stakeholders of the primary and secondary schools receiving NCS Grant ranging from \$0.8 million to \$1.5 million on the implementation of support measures for NCS students by schools. Although there were 433 kindergartens and 52 special schools admitting NCS students in 2019-2020, the survey did not cover these schools;

Capacity building for teachers

- EDB had not set training requirements for schools on teaching NCS students Chinese as a second language. In 2019-2020, there were 988 primary, secondary and special schools (with or without NCS students), and 13 794 teachers teaching Chinese Language at these schools. During the period from 2014-2015 to 2019-2020, 9 986 (72%) of the 13 794 teachers teaching Chinese Language did not attend EDB's training,⁵ and 252 (26%) of the 988 schools did not have teachers who had attended EDB's training. Of the 252 schools, 157 (62%) had NCS students;

⁴ EDB conducts supervisory visits to all kindergartens receiving NCS Grant and primary, secondary and special schools receiving NCS Grant ranging from \$0.65 million to \$1.5 million to monitor the schools' use of NCS Grant.

⁵ EDB organizes professional development programmes on teaching NCS students Chinese as a second language (for teachers of primary, secondary and special schools) and on supporting the learning and teaching of NCS students (for teachers in kindergartens joining kindergarten education scheme).

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- from the launch of the Professional Enhancement Grant Scheme for Chinese Language Teachers (Teaching Chinese as a Second Language)⁶ in 2014-2015 to end of October 2020, only 89 teachers were approved under the Scheme to undertake structured part-time training programmes, representing only 20% of the maximum number of 450 teachers that the Scheme aimed to support;
- in each school year from 2014-2015 to 2019-2020, only 106 to 142 schools with NCS students (10% to 14% of the total number of schools with NCS students) received school-based support services ("SBSS").⁷ Of the 723 schools with NCS students every year throughout the period, 438 (61%) did not receive any SBSS;

Other support measures

- since 2007, EDB had commissioned a tertiary institution to run the Student Support Programme for NCS students. The institution offered remedial programmes after school hours or during holidays for NCS students who were less proficient in Chinese. NCS students enrolled in the Programme were divided into about 50 study groups according to school levels. Audit found that:
 - (a) from 2015-2016 to 2019-2020, the number of schools nominating NCS students to enrol in the Programme decreased by 48 (38%) from 128 to 80, and the number of NCS students nominated to enrol in the Programme decreased by 217 (22%) from 974 to 757;
 - (b) in each school year in the period from 2015-2016 to 2019-2020, around 51% to 57% of the students found that the study materials used in the study groups were not at the appropriate level of difficulty for them;⁸
 - (c) from 2016-2017 to 2018-2019, 437 (20%) of the 2 195 enrolled NCS students dropped out from the Programme, and in

⁶ The objective of the Scheme is to provide funding support to help Chinese Language teachers at primary, secondary and special schools acquire relevant qualifications and structured training about the teaching of Chinese to NCS students on a voluntary basis. Please refer to paragraph 3.9 of the Audit Report for details.

⁷ EDB provides SBSS to help teachers cater for the needs of NCS students in learning Chinese. Please refer to paragraph 3.15 of the Audit Report for details.

⁸ Please refer to paragraph 4.9 of the Audit Report for details.

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each school year, 15 to 21 study groups had average attendance rates at or below 60%; and

- (d) in the period from 2017-2018 to 2018-2019, EDB conducted lesson observations⁹ on 42 study groups. Audit examination of the visit reports revealed that course instructors' performance was rated "1" and "2" in two (5%) and 18 (43%) study groups respectively and students' performance was rated "1" and "2" in three (7%) and 14 (33%) study groups respectively;
- although the number of NCS students eligible to participate in the Summer Bridging Programme¹⁰ increased by 1 226 (22%) from 5 602 in 2013 to 6 828 in 2019, the number of participants decreased by 590 (34%) from 1 730 in 2013 to 1 140 in 2019;
 - EDB implemented a pilot project from 2015-2016 to provide life planning education services to NCS students and regularized the services from 2018-2019 onwards. In the period from 2018-2019 to 2020-2021, Audit found that:
 - (a) EDB sent invitations of quotation to the same five service providers every year, but four (80%) of the five service providers did not respond in 2018-2019 and 2020-2021 and three (60%) did not respond in 2019-2020; and
 - (b) due to the limited capacity of the service provider, the numbers of schools and NCS students with unsuccessful applications for the services each year ranged from 7 to 20 and 121 to 497 respectively. The percentages of schools and NCS students with unsuccessful applications each year ranged from 30% to 56% and 35% to 61% respectively;
 - in January 2021, Audit examined the websites of 105 kindergartens joining kindergarten education scheme in three districts with a significant number of NCS students and discovered that 47 (45%)

⁹ EDB conducts lesson observations to monitor the Student Support Programme. During lesson observations, course instructors' performance and students' performance are rated by EDB staff on a scale of 1 to 4. A higher rating represents a better performance. Visit reports are prepared for follow-up and record purposes.

¹⁰ EDB invites primary schools to run the Summer Bridging Programme during summer vacation to facilitate upcoming Primary 1 NCS students' adaptation to the classroom setting with the use of the Chinese language and help NCS students progress to Primary 2 to 4.

kindergartens did not indicate on their webpages that they would provide interpretation and/or translation services, or allow NCS children and their parents to be accompanied by a Chinese speaking relative/friend during the admission interview; and

- although EDB required secondary schools to make public prior to admission the admission criteria and weighting of each criterion for the Discretionary Places stage of the Secondary School Places Allocation System, of the 52 secondary schools whose websites were examined by Audit in January 2021, 15 (29%) had made public the information only in Chinese.

5. The Committee asked for written responses regarding the measures to: (a) improve the funding support to schools; (b) enhance the capacity of Chinese Language teachers in teaching NCS students Chinese as a second language; (c) boost the participation rates and effectiveness of the Student Support Programme, the Summer Bridging Programme and the life planning education services; and (d) enhance transparency of information about local schools to facilitate NCS students and their parents in making school choices. The replies from the **Secretary for Education** are in *Appendices 7 and 8*.

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

*Chapter 3: Control of trade in endangered species by
the Agriculture, Fisheries and Conservation Department*

The Audit Commission ("Audit") conducted a review to examine the control of trade in endangered species by the Agriculture, Fisheries and Conservation Department ("AFCD").

2. The Government protects endangered species of animals and plants set out in the three Appendices to the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES")¹ through the implementation of the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) ("PESAPO"). CITES regulates international trade of species of animals and plants through a system of permits and certificates in which the required permits/certificates must accompany the species in question when leaving and entering a country. As of December 2020, CITES regulated 38 713 species, including 5 945 species of animals and 32 768 species of plants. They are specified in Schedule 1 to PESAPO ("scheduled species"). AFCD is responsible for administering and enforcing PESAPO, with advice given by the Endangered Species Advisory Committee established under PESAPO. In 2019-2020, the expenditure incurred in the control of trade in scheduled species (including curbing of illegal trade) by AFCD amounted to \$50.8 million.

3. The Committee noted the following findings from the Director of Audit's Report No. 76:

Licensing and inspections

- Audit analysis of the Endangered Species Licensing and Enforcement System ("ESLES")² records of 121 004 consignment inspections³

¹ CITES is an international agreement between governments with the aim to ensure that international trade in specimens of wild animals and plants does not threaten their survival. The specimens are classified into three Appendices according to the degree of threat posed by international trade. Appendix I includes species that are threatened with extinction, Appendix II includes species that are not presently threatened with extinction but may become so unless trade is controlled, and Appendix III includes species identified by any party to CITES as requiring cooperation in controlling their trade.

² ESLES is a computer system used by AFCD to facilitate the issue of licences/certificates and related enforcement work.

³ All import, introduction from the sea, export and re-export shipments of scheduled species, irrespective of whether a licence is required, must be inspected by AFCD upon landing in Hong Kong or prior to export. The importer/exporter should make an appointment with AFCD at least two working days in advance for such an inspection.

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conducted from 2016 to 2020 and examination of selected inspection reports revealed that:

- (a) the inspection ratios⁴ of 103 691 (86%) inspections were not recorded in ESLES;
 - (b) Audit examination of 25 inspection reports prepared by AFCD's inspection officers found that for nine (36%) reports, the inspection officers did not submit the reports within three working days;⁵ and
 - (c) supervisory inspections were only conducted for 0.1% to 1.4% of consignment inspections in each year, which were falling short of the 5% requirement;
- out of 79 944 import, export and re-export licences issued from 2016 to 2020, 13 394 (17%) had expired as at 31 December 2020. However, as at 31 January 2021, the relevant licensees had not responded to AFCD's reminder letters to return the unused licences;
 - Audit selected 19 applications for possession licences⁶ for examination and found that there was no record of measurement of the keeping facilities in four new applications for possession of live specimens;
 - unique markings (i.e. tagging or labelling techniques) were only adopted for a limited number of species, including microchips for captive-bred Asian arowana, holograms for elephant ivory and number tags for crocodilian skin;

⁴ The inspection ratio is the proportion of consignment having been inspected. According to AFCD's operation manual, a minimum inspection ratio is adopted according to the weight or quantity of the specimen, and the actual inspection ratio should be recorded in the inspection report as far as possible.

⁵ According to AFCD's operation manual, inspection officer should submit a written report to his/her supervisor and update the inspection records in ESLES within three working days following the inspection.

⁶ According to PESAPO, the possession of a specimen of an Appendix I species or a live specimen of wild origin of an Appendix II species requires a possession licence issued in advance by AFCD unless it is exempted.

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- the annual target of 1 500 shop inspections⁷ had not been reviewed despite that it had been exceeded by 26% to 107% from 2016 to 2019 (the number of inspections ranged from 1 885 to 3 102 each year);
- Audit selected some 150 shop inspection reports in 2017 for examination and found that 24 shops inspected were no longer in operation. However, 16 (67%) of the 24 shops were not yet removed from the shop list in ESLES as of December 2020;
- from 2016 to 2020, irregularities had been detected in 93 shop inspections. However, the reports of 54 (58%) out of these 93 inspections were submitted 2 to 11 working days after the inspections;⁸

Investigation and prosecution

- from 2010 to November 2020, 6 126 alleged cases in contravention of PESAPO were opened for investigation. As of November 2020, 327 cases were remarked as under investigation and prosecution. Audit selected 20 cases for further examination and found that in 15 cases, investigation and/or prosecution had been completed but AFCD was yet to take the required follow-up actions (e.g. warning letters not yet issued and/or court order for forfeiture of seized specimens not yet applied for);
- as at 30 November 2020, 601 of the 6 126 cases were remarked as pending application for court orders for forfeiture of the seized specimens. For 566 cases out of the 601 cases, the time elapsed from the date of offence was more than one year;

⁷ AFCD will conduct shop inspections at retail outlets of various nature, such as wet market, aquarium, pet shop, flower shop, craft shop, and Chinese medicine shop, to detect possible violations of PESAPO and educate the shop owners regarding the provisions of PESAPO, particularly changes to the legislation.

⁸ According to AFCD's operation manual, on or before the next working day of the inspection, inspection officer should submit to the supervisor the inspection report for premises with irregularities detected and requiring follow-up actions.

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- from 2011 to 2020, there were only on average 29 intelligence reports received from registered informers⁹ each year, accounting for 20% to 40% of all intelligence reports received. The level of reward for cases leading to conviction had not been revised since 1999;

Other related issues

- specimens of scheduled species seized during enforcement of PESAPO were kept under AFCD's custody. Audit noted that no separate list of live specimens ready for disposal was prepared, and disposal/dumping exercises for live/dead specimens were not regularly conducted as required by AFCD's operation manual;
- AFCD had not maintained proper records on inspections to most care centres¹⁰ holding seized live specimens;
- the last stocktaking exercise on dead specimens was conducted in 2013, and annual stocktaking of seized specimens was suspended due to manpower deployment; and
- AFCD commenced a placement scheme in 2011 to rehome pet animals of Appendix II species¹¹ to suitable private individuals. Two non-governmental organizations ("NGOs") had joined the scheme. AFCD had not conducted regular visits to the two NGOs or conducted any overall evaluation of the scheme. Since January 2015, AFCD had not reported to the Endangered Species Advisory Committee the number and species of live animals donated to the two NGOs.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding AFCD's licensing control and inspections of trade in scheduled species, AFCD's work in investigation and prosecution of alleged contravention of PESAPO, stocktaking arrangements of specimens and placement

⁹ To encourage the public to provide information on illegal import, export and possession of scheduled species, AFCD has set up a reward scheme since 1999. An individual who would like to provide information in respect of illegal import, export and possession of scheduled species could register with AFCD as an informer.

¹⁰ Live specimens are sent to appropriate care centres for temporary holding and care.

¹¹ Species that are already available in the pet market and of comparatively lower conservation value.

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scheme of pet animals of scheduled species. The replies from the **Director of Agriculture, Fisheries and Conservation** are in *Appendices 9 and 10*.

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

*Chapter 4: Innovation and Technology Commission:
Efforts in promoting internationally accepted standards and conformity assessment services*

The Audit Commission ("Audit") conducted a review on the efforts of the Innovation and Technology Commission ("ITC") in promoting internationally accepted standards¹ and conformity assessment² services.

2. ITC promotes internationally accepted standards and conformity assessment services to underpin technological development and international trade, and the development of the testing and certification ("T&C") industry in Hong Kong under its programme area "Quality Support". In September 2009, the Government set up the Hong Kong Council for Testing and Certification ("HKCTC") to advise it on the overall development strategies of the T&C industry. The work of ITC relating to quality support is carried out by the Hong Kong Accreditation Service ("HKAS"), the Product Standards Information Bureau ("PSIB"), the Standards and Calibration Laboratory ("SCL") and the Secretariat of HKCTC. In 2019-2020, the expenditure on the programme area "Quality Support" was \$145.5 million.

3. The Committee noted the following findings from the Director of Audit's Report No. 76 ("the Audit Report"):

Hong Kong Accreditation Service

- HKAS set a benchmark on the net increase in the number of accredited organizations each year to facilitate it to review the extent to which its objective of upgrading the standard of operation of conformity assessment bodies ("CABs") had been met. However, for three of the five years from 2015-2016 to 2019-2020, the benchmark set³ had not been met;
- Audit examination of the 31 programmes under the three accreditation schemes of HKAS found that as at 31 December 2020, nine (29%) programmes had not more than two organizations accredited. Out of these nine programmes, two programmes had not granted accreditation to any organization since the programmes' commencement;

¹ Standards (e.g. sets of guidelines, codes of practices and ways of delivering services) are consensus of doing things, specifications for products, test methods or materials.

² Conformity assessment involves a set of processes which demonstrate that specific requirements relating to a product, process, system, person or body are fulfilled. The main types of conformity assessment are testing, inspection and certification. A body that performs conformity assessment services is referred to as a conformity assessment body ("CAB").

³ Please refer to Table 3 of paragraph 2.6 of the Audit Report for details.

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- Audit review of 20 reassessments⁴ conducted by HKAS from 2016 to 2019 revealed that two (10%) reassessments were delayed for 28 days and 37 days respectively. As at 14 October 2020, there were 40 outstanding reassessments with delays, ranging from 7 to 651 days;
- Audit examined the websites of 15 of the 21 accredited organizations that terminated the accreditations for all or part of their accredited activities in 2019 and noted that four (27%) of them still displayed HKAS symbol and/or falsely claimed their accreditation status;
- HKAS had launched accreditation services for medical face masks and the coronavirus disease 2019 ("COVID-19") reverse transcription-polymerase chain reaction ("RT-PCR") testing since April 2020. Up to 28 February 2021, only two accreditation applications had been received from CABs for medical face masks, and no accreditation had been granted. As regards the accreditation for COVID-19 RT-PCR testing, only 5 (22%) of the 23 local COVID-19 RT-PCR testing institutions in the private sector recognized by the Government had applied and obtained the accreditation;

Product Standards Information Bureau and Standards and Calibration Laboratory

- the utilization of Product Standards Resource Centre ("PSRC")⁵ was low. The number of visitors decreased by 10 (58.8%) from 17 in 2015 to seven in 2019;
- PSIB had not maintained inventory records for some inventory items kept in PSRC⁶ and had not conducted inventory checks for PSRC, contrary to the requirements of the Stores and Procurement Regulations ("SPRs")⁷ of the Government;

⁴ HKAS conducts reassessments for each accredited organization regularly to ensure that the standards required for continued accreditation are maintained. The Quality Procedures of HKAS stipulate that the reassessments should be conducted not later than four weeks after their due dates.

⁵ PSRC maintains a repository of standards and standard-related publications for public reference free of charge.

⁶ Please refer to paragraph 3.8(a) of the Audit Report for details.

⁷ According to SPRs, books held on departmental charge and books maintained in departmental libraries should be accounted for in Inventory Sheet and Distribution Record (GF272) or Accession Register (GF39) as appropriate. In addition, annual inventory check should be conducted on inventory stores held by bureaux/departments.

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- PSIB had not devised a mechanism to determine which withdrawn/superseded standards had no reference value and should be disposed of;
- Audit examination of PSIB records revealed that no performance records were kept to substantiate the reported performance for two performance targets, namely "Issue of quotations for standards" and "Processing of orders for licensed reproduction of standards", in the Controlling Officer's Reports of ITC from 2015 to 2019;
- from 2016-2020, ITC did not conduct annual inventory checks for the inventory items of SCL,⁸ contrary to the requirements of SPRs;
- as at 5 January 2021, 381 (33.4%) of 1 141 equipment items of SCL were overdue for scheduled calibration, with an average overdue period of 331.8 days;
- for 4 162 (59.1%) of 7 039 equipment items calibrated for customers from 2015 to 2020, SCL took more than 15 working days to collect the items from the customers for calibration;

Support for Hong Kong Council for Testing and Certification

- from 2016 to 2019, 12% to 35% of the non-official members⁹ attended only one or none of HKCTC's council meetings each year;¹⁰
- from 2016-2017 to 2019-2020, 11% to 50% of the participants of HKCTC's exhibition programmes were CABs associated with council members, but no declarations of interests had been made by them when the work plans of such programmes were discussed and endorsed at council meetings; and

⁸ SCL operates ten laboratories with various types of equipment, parts and tools. In the period from 2015-2016 to 2019-2020, SCL incurred \$98.7 million on purchasing these items. As at 9 December 2020, SCL had 2 608 items of equipment, parts and tools.

⁹ The Chairman and members of HKCTC comprise practitioners from the T&C sector, business sector, professional organizations and representatives of public bodies and government departments.

¹⁰ In the period from 2016 to 2019, 12 council meetings were held (i.e. three meetings per year). In 2020, only two council meetings were held (through video conferencing) due to the outbreak of COVID-19.

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- from 2016-2017 to 2019-2020, HKCTC participated in 18 trade shows under its exhibition programmes, with a total cost of \$1.5 million. Audit examination of these programmes' participation records revealed that while over 300 CABs were invited, only two to five CABs applied for participation in each trade show, and only 12 CABs participated in one or more trade shows.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the operation of HKAS, the work of PSIB and SCL, support provided by ITC for HKCTC and the new accreditation services to help fight COVID-19. The replies from the **Commissioner for Innovation and Technology** and the consolidated replies from the **Secretary for Innovation and Technology** and the **Commissioner for Innovation and Technology** are in *Appendices 11* and *12* respectively.

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

Chapter 5: Management of government vehicle fleet by the Government Logistics Department

The Audit Commission ("Audit") conducted a review of the management of government vehicle fleet by the Government Logistics Department ("GLD"). A related review was conducted in October 2004.¹

2. GLD's work in managing government vehicle fleet includes rendering advice to government bureaux and departments ("B/Ds") on management of their vehicle fleets, vetting requests for additional and replacement vehicles, encouraging the use of electric vehicles, operating a transport pool and ensuring that government drivers maintain a high standard of driving and road safety. In 2020-2021, GLD's revised estimate of annual expenditure on the work in managing government vehicle fleet was about \$161.6 million, of which \$80 million (50%) was related to the procurement of additional and replacement general purpose vehicles. As at 31 December 2020, there were 6 705 vehicles in the government vehicle fleet.

3. The Committee noted the following findings from the Director of Audit's Report No. 76 ("the Audit Report"):

Monitoring of government vehicle fleet

- as at 31 December 2020, eight of the ten departmental transport reviews² planned by GLD for commencement since 2015 had been completed and two were in progress. Seven of the eight completed reviews had taken a long time (ranging from 15.9 to 36.1 months) to complete;
- Audit analysis of the monthly returns on vehicle utilization³ up to October 2020 found that 1 077 entries remained outstanding as at January 2021. The earliest entry yet to be submitted had been outstanding for 58 months;
- Audit sample checking of the data of the monthly returns on vehicle utilization for 2019 input in the Transport Management Information

¹ Chapter 7 of Director of Audit's Report No. 43 – "Management of the government vehicle fleet".

² As an on-going means to enhance the overall efficiency and cost-effectiveness of the government vehicle fleet, GLD conducts departmental transport reviews regularly to examine the appropriateness of the fleet size, fleet mix and usage of B/Ds allocated with government vehicles having regard to their operational needs. After each review, GLD will issue a report with recommendations and advice to the B/D concerned.

³ B/Ds are required to forward to GLD a monthly return on vehicle utilization in two months.

System ("TMIS")⁴ revealed that in 5 381 cases, the B/Ds concerned had reported that the vehicles had been used but there had been no fuel/electric consumption;

- Audit examination of the six exception reports⁵ generated by GLD covering the three-year period from 1 June 2017 to 31 May 2020 revealed that GLD issued extracts of exception reports to B/Ds concerned four months after the report period, and 60 vehicles had been repeatedly captured in four or more of the six exception reports;
- for 2018-2019 and 2019-2020, the actual annual revenue of the transport pool⁶ only accounted for 71.6% of the respective estimated annual revenue, which was estimated by GLD on the assumption that the transport pool resources (i.e. pool vehicles and drivers) were substantially utilized;

Procurement of vehicles

- Audit sample checking of the requests for retaining 566 supernumerary vehicles⁷ approved by GLD from 2016 to 2020 revealed that the cumulative retention periods approved for 206 (36%) supernumerary vehicles were over one year (ranging from 12.1 to 70.7 months);
- Audit examination of the requests for retaining 153 supernumerary vehicles approved by GLD in 2019 revealed that for eight B/Ds, while overall their existing departmental fleets might not have been fully utilized (with average utilization rates for 2018 calculated by GLD ranging from 82% to 90%), GLD approved all of their requests for retaining 54 supernumerary vehicles and there was no documentary

⁴ TMIS is a computer-based system containing data on vehicle inventory, utilization, downtime, maintenance cost and traffic accidents statistics, etc.

⁵ GLD generates exception reports on vehicle utilization from TMIS biannually to facilitate B/Ds in monitoring their vehicle fleets. A vehicle is considered to be under-utilized substantially by GLD if it has been captured in two consecutive exception reports (i.e. covering a period of 12 months). Please refer to paragraph 2.10 of the Audit Report for details.

⁶ GLD operates a transport pool comprising several vehicle types to supplement departmental fleets and provide transport services to B/Ds with no or insufficient departmental vehicles. As at 31 December 2020, there were 48 vehicles in the transport pool.

⁷ A supernumerary vehicle is a replaced vehicle which has reached the end of its economic life but is retained further to provide a time limited service to meet operational needs of a B/D. According to GLD's guidelines, a supernumerary vehicle should not be used further for over one year unless under very exceptional circumstances.

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evidence showing that GLD had considered the overall utilization of their departmental fleets before approving their requests;

- out of 51 delivered general purpose vehicles for which the quotation/tendering exercises were conducted in the period from 2016 to 2019, the whole procurement process of 22 (43%) vehicles had taken more than three years to complete;
- as at 31 December 2020, 96 requests for additional/replacement vehicles approved by GLD in the period from 2016 to 2018 had not yet been delivered by the contractors. Among the 96 requests, five requests had been approved by GLD for more than three years;
- Audit sample checking of 31 tender exercises conducted in the period from 2016 to 2020 revealed that in two exercises, the user requirements had not been fully addressed by the vehicles procured by GLD;⁸

Other related issues

- Audit examination of the number of electric vehicles in the government vehicle fleet in the period from 2016 to 2020 found that the number of electric vehicles accounted for less than 4% (ranging from 2.5% in 2020 to 3.9% in 2017 and 2018) of the government vehicles. The number of electric vehicles decreased by 80 (32%) from 249 as at 31 December 2016 to 169 as at 31 December 2020; and
- from 2016 to 2019, there were 203 traffic accidents in which the Chauffeurs/Special Drivers/Motor Drivers concerned were found blameworthy. As at 31 December 2020, of these 203 cases, the drivers of 168 (83%) accidents had not yet been invited to attend the Remedial Course.⁹

⁸ Please refer to paragraph 3.22 of the Audit Report for details.

⁹ The Remedial Course is of practical nature and arranged for drivers who have been involved in traffic accidents. The objective of the Course is to enable the drivers to have a better understanding of the nature of traffic accidents and to develop a professional and safe driving manner in order to prevent recurrence of similar accidents.

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4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the monitoring of government vehicle fleet by GLD, the procurement of vehicles by GLD and the use of electric vehicles in government vehicle fleet. The consolidated replies from the **Secretary for Financial Services and the Treasury** and the **Director of Government Logistics** are in *Appendix 13*.

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

*Chapter 6: Site formation and associated infrastructure works
for development near Choi Wan Road and Jordan Valley*

The Audit Commission ("Audit") conducted a review to examine the work of the Civil Engineering and Development Department ("CEDD") in managing the implementation of the site formation and associated infrastructure works for the development near Choi Wan Road and Jordan Valley ("the Project").

2. Between November 2001 and January 2007, CEDD awarded three works contracts (Contracts A, B and C)¹ to three contractors (Contractors A, B and C respectively) for the implementation of the Project, and their completions were 8.8 to 13.9 months later than scheduled. The Project was subsequently completed in October 2010. The expenditure of the three contract works was 5% to 27% higher than their original contract sums, resulting in an increase of 24.7% in the original overall contract sum of the Project.² As of October 2020, \$2,057.4 million had been incurred for the Project (i.e. 99% of the approved project estimate at \$2,084 million).

3. The Committee noted the following findings from the Director of Audit's Report No. 76 ("the Audit Report"):

Contractual disputes under Contract A

- in November 2018, the Government paid \$32 million to Contractor A to settle contractual disputes, including claims from Contractor A and counterclaims against Contractor A, resulting in the total contract expenditure amounting to \$1,701.9 million;
- one of the claims from Contractor A was related to the handling of disposal materials. Contractor A was required to transport the excavated disposal materials from the development site to a site in Kai Tak for delivery to disposal sites. Contractor A contended that CEDD was not able to arrange acceptance of disposal materials from disposal sites in a timely manner and claimed for additional payment for stockpiling and handling of disposal materials at the Kai Tak site;

¹ Contract A mainly involved the excavation by blasting of about 9 million cubic metres of in-situ materials and formation of building platforms of about 20 hectares and associated slopes and retaining walls. Contract B mainly involved the construction of two slip road bridges and a footbridge (Footbridge A), and taking over and maintenance of the completed works under Contract A. Contract C mainly involved the construction of two footbridges (Footbridges B and C).

² Please refer to Table 4 of paragraph 1.7 of the Director of Audit's Report No. 76 ("the Audit Report") for details.

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- another claim from Contractor A involved the valuation of concrete buttress works. Contractor A disagreed with the rate applied by the Project consultant in the Bills of Quantities ("BQ")³ for measuring the concrete buttress works involving a type of concrete and claimed for additional payment on top of the amount certified by the consultant. The dispute arose from different contractual interpretations on the applicability of particular BQ items in valuing the concrete buttress works involving the type of concrete in question and the root cause was the inconsistency between contract drawings and BQ in the type of concrete used for the construction of concrete buttresses;
- the counterclaims against Contractor A were related to the rock materials delivered by Contractor A to Shek O Quarry under another contract (Contract D),⁴ which was entered into between CEDD and Contractor D. Contractor D claimed for additional payment for the inadequate quantity and unsatisfactory quality of rock materials delivered by Contractor A to Shek O Quarry. The Government paid a lump sum to Contractor D for settlement of the disputes and counterclaimed Contractor A;

Other issues under Contract A

- before the commencement of Contract A, site investigation had been carried out to ascertain the geological conditions of the site for the design of the Project. However, during the construction stage of Contract A, unforeseeable soil and rock profiles in various areas within the development site were encountered, resulting in an increase of \$230 million in the approved project estimate to cover additional costs arising mainly from variations and additional works under Contract A;
- only 200 boreholes had been included in the original site investigation works for the Project involving a site of about 35 hectares as CEDD discovered the aforesaid geological conditions of the site only after the commencement of the works;

³ According to the Project Administration Handbook for Civil Engineering Works issued by CEDD, BQ is a list of items giving brief identifying descriptions and estimated quantities of the works to be performed. BQ forms a part of the contract documents, and is the basis of payment to the contractor. The main functions of BQ are to allow a comparison of tender prices and provide a means of valuing the works.

⁴ Please refer to paragraph 2.23 of the Audit Report for details of Contract D.

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- two flyrock incidents occurred following the blasting activities at the works site under Contract A in February and June 2003 respectively. Causes of such incidents included unfavourable ground condition in the blasting area and some required protective and precautionary measures not taken or not taken effectively by Contractor A;

Administration of Contracts B and C

- Contract A included the formation works of two slopes, which were substantially completed in December 2006. In March 2008, Contractor B took over the two slopes from Contractor A as required by Contract B for maintenance prior to handing over to the future maintenance government departments. The Project consultant made submissions to the Geotechnical Engineering Office of CEDD in January and July 2008 (i.e. more than one year after the substantial completion of Contract A) for final checking of the two slopes, which found that slope enhancement works were required. As Contract B included no contractual provisions for slope enhancement works, two variation orders at a total cost of \$1.3 million were issued to instruct Contractor B to carry out the related works;
- for three variation orders issued under Contract C, their actual costs increased by 280% to 327% as compared with the estimated costs and exceeded the approving authority of the officer approving their issuance. At the time of implementing Contract C, CEDD had no specific guidelines for dealing with such situation. It was not until May 2019 (after the award of Contract C) that CEDD promulgated guidelines for dealing with a variation with value exceeding its estimate made at the time of approval; and
- contract drawings of Contract C required the use of two specific grades of steel for the steelwork of two footbridges. However, Contract C only included BQ items of another grade of steel which did not fulfill the requirement. The Project consultant thus considered that the steelwork of the two footbridges was omitted in BQ, and CEDD paid \$1.2 million to Contractor C for carrying out the works of the omitted items.

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4. The Committee asked for written responses regarding granting of extensions of time for the Project and the additional expenditure incurred, handling of excavated materials, vetting of contract documents, conduct of pre-tender site investigations, monitoring and reporting of blasting activities, issuance of variation orders, and measures to minimize discrepancies between BQ items and contract drawings. The replies from the **Director of Civil Engineering and Development** are in *Appendices 14 to 17*.

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

Chapter 7: Upgrading and operation of Pillar Point Sewage Treatment Works

The Audit Commission ("Audit") conducted a review of the upgrading and operation of the Pillar Point Sewage Treatment Works ("PPSTW").¹

2. The upgrading and operation of PPSTW was the first sewage treatment works project of the Drainage Services Department ("DSD") adopting the design-build-operate ("DBO")² arrangement. A DBO contract ("Contract A") at a contract sum of \$2,673.7 million was awarded to a contractor ("Contractor A") in July 2010 for the design and construction of the upgrading works as well as the operation and maintenance of the upgraded PPSTW. The upgraded PPSTW commenced operation in May 2014. The total project expenditure for the upgrading works as of October 2020 was \$1,858.9 million and the total payment to Contractor A for the operation of the upgraded PPSTW up to 31 March 2020 was about \$412 million.

3. The Committee noted the following findings from the Director of Audit's Report No. 76 ("the Audit Report"):

Upgrading works of the Pillar Point Sewage Treatment Works

- early deterioration of concrete protective coating at PPSTW had been found since December 2013, and various actions had been taken to address the problem.³ As of January 2021, the investigation to identify the root cause of the matter was still in progress;
- Contract A specified the requirements for the material used in fine screens. In November 2014, it was found that the materials of chain in the fine screens at the upgraded PPSTW included one grade of stainless steel which was at variance with the grade specified under the contract requirements, and there was a durability issue as the main

¹ PPSTW in Tuen Mun was built in 1982. In 2001, to cater for the increase in population and planned new developments in Tuen Mun district and to improve the quality of the effluent discharged from PPSTW, the Environmental Protection Department considered that there was a need to upgrade the capacity and treatment level of PPSTW.

² DBO is a form of contract procurement whereby the contractor is required to design and construct a proposed facility in accordance with all requirements set forth in the contract by the Government. Upon completion, the contractor will be required under the contract to operate and maintain the completed facility for a specified period of time. The ownership of the facility will remain with the Government throughout the contract duration. Upon expiry of the operation phase specified in the contract, the facility will be handed back to the Government free of any charges in a specified condition.

³ Please refer to paragraphs 2.7 to 2.10 of the Audit Report for details.

Chapter 7: Upgrading and operation of Pillar Point Sewage Treatment Works

difference between the two grades was corrosion resistance. In the event, all the chains were replaced by Contractor A at its sole cost in August 2015;

- as of mid-September 2015 (i.e. four months after the expiry of the defects correction period in May 2015),⁴ there were 944 items of defect works not yet completed/rectified by Contractor A. All defects correction works were subsequently completed in November 2015;
- the account of Contract A in respect of the design and build portions was finalized 3.5 years after the substantial completion of the upgrading works of PPSTW in May 2014, exceeding the three-year time limit specified in the Financial Circular No. 7/2017;

Monitoring of operation of upgraded Pillar Point Sewage Treatment Works

- since commissioning of the upgraded PPSTW in May 2014 and up to October 2020, DSD had deducted a total of \$565,920 from the payment to Contractor A on eight occasions involving non-compliances with 5 of the 13 Key Performance Indicators.⁵ The non-compliance involving the highest amount (\$460,980) of payment deduction (accounting for 81% of the total of \$565,920) was related to an unauthorized emergency bypass incident in August 2014. The incident lasted for about 11 hours with about 95 000 cubic metres of untreated sewage discharged and, as a result, 14 beaches were closed for about two days;
- DSD conducted surprise checks for *Escherichia coli* concentration in effluent of PPSTW on 161 days from April 2019 to October 2020. For the 23 days with high *Escherichia coli* concentration in effluent found by the surprise checks, Contractor A had taken nine days to about 20 months to complete the relevant investigations;
- the Labour Department prosecuted Contractor A for violation of the Occupational Safety and Health Ordinance (Cap. 509) in a fatal accident⁶ occurred in October 2014, and Contractor A was convicted and fined a total of \$145,000 in September 2015. DSD had not taken

⁴ According to Contract A, Contractor A should carry out the defect works in the construction works at its own cost within the one-year defects correction period which commenced after the substantial completion of construction works in May 2014.

⁵ Please refer to Table 4 in paragraph 3.8 of the Audit Report for details.

⁶ Please refer to paragraph 3.22 of the Audit Report for details of the fatal accident.

Chapter 7: Upgrading and operation of Pillar Point Sewage Treatment Works

adequate and timely follow-up actions on Contractor A with regard to the fatal accident. It was only in March 2021 that DSD sent a written request to the Labour Department asking for information on the cause of the accident and issued an under-performance notice to Contractor A for poor provision of safety measures during work;

- in September 2020, DSD issued a warning letter to Contractor A stating that it had already issued at least six letters about data inconsistencies and data loss in the Supervisory Control and Data Acquisition System ("SCADA System")⁷ since October 2018 but there was still no significant improvement, and inaccurate data in SCADA System would directly tamper DSD's monitoring of site operation. Contractor A subsequently took about 1.5 years to resolve the problem of data inconsistencies, but the data loss problem was not yet fully resolved as of February 2021;
- according to the records of the Computerised Maintenance Management System,⁸ there were 7 572 maintenance tasks (7 313 for preventive maintenance and 259 for corrective maintenance) completed between January 2019 and October 2020. Audit noted that there was delay in completion for 2 108 (29%) of the 7 313 preventive maintenance tasks, ranging from one day to one year (averaging 12 days) after target completion dates. For the 259 corrective maintenance tasks, there was delay in completion for one task for about five months. Moreover, DSD had not regularly compiled management information on maintenance carried out at PPSTW;
- according to the structural condition survey,⁹ while there were no serious defects or signs of structural distress or instability, 1 290 defects were observed along both internal and external structural elements of the buildings and structures. Contractor A completed the rectification works for all these defects about eight months after issue of the report in May 2020, exceeding the 60-day time limit specified in Contract A;

⁷ SCADA System is a real-time system used for remote control and monitoring of the operation of PPSTW by Contractor A, which is linked to the field equipment.

⁸ The Computerised Maintenance Management System is to facilitate management of systems and equipment, daily operation work, corrective and preventive maintenance of PPSTW. All maintenance and asset related information is recorded, analysed and stored in the System.

⁹ According to Contract A, Contractor A is required to appoint an independent structural engineer to carry out a structural condition survey of the buildings and structures, including assessment on the physical condition of the key structural components at the plant.

Administration of design-build-operate contract arrangement

- the design and construction portions of Contract A were substantially completed in May 2014 and the total contract expenditure (\$1,774.7 million) was much higher than \$500 million. However, as of January 2021, DSD had not conducted a post-completion review for the design and construction portions of Contract A;¹⁰ and
- as of January 2021, the results in the review report of Contract A and DSD's experience gained in monitoring the operation of the upgraded PPSTW were not posted onto the Knowledge Management Portal.¹¹

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding DSD's work in managing the upgrading works of PPSTW and monitoring the operation of upgraded PPSTW. The replies from the **Director of Drainage Services** are in *Appendices 18 to 20*.

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

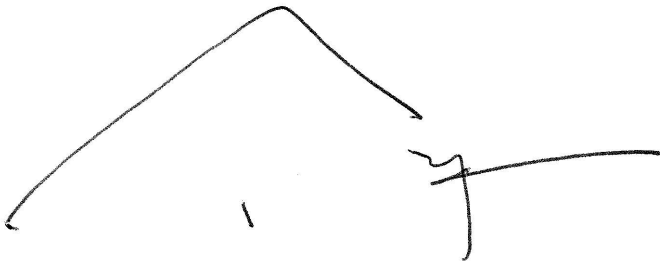
¹⁰ According to the Project Administration Handbook for Civil Engineering Works issued by the Civil Engineering and Development Department, a post-completion review is a useful project management tool and shall be conducted within a reasonable period, say six months, upon the substantial completion of a major consultancy agreement or a major works contract on projects under the Public Works Programme. As a broad guideline, post-completion reviews are generally not warranted for consultancy agreements and works contracts of a project which has a total cost less than \$500 million or of a project which does not involve complicated technical and management issues.

¹¹ According to DSD Technical Circular No. 1/2005, Knowledge Management Portal is a departmental centralized knowledge database to capture valuable experience and enhance effective sharing of information. It is a platform to facilitate storage, retrieval and sharing of useful knowledge and information within DSD.

SIGNATURES OF THE CHAIRMAN,
DEPUTY CHAIRMAN AND MEMBERS OF THE COMMITTEE



Abraham SHEK Lai-him
(Chairman)



Paul TSE Wai-chun
(Deputy Chairman)



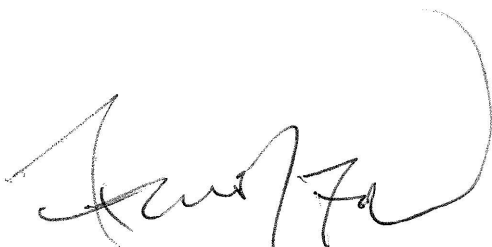
Steven HO Chun-yin



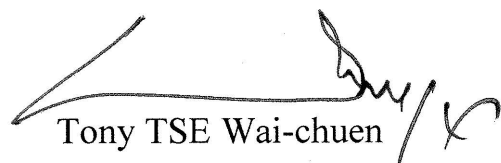
SHIU Ka-fai



YUNG Hoi-yan



LAU Kwok-fan



Tony TSE Wai-chuen

2 July 2021

**CHAPTERS IN THE DIRECTOR OF AUDIT'S REPORT NO. 76
DEALT WITH IN THE PUBLIC ACCOUNTS COMMITTEE'S REPORT**

**Director of
Audit's Report
No. 76**

**P.A.C.
Report No. 76**

<u>Chapter</u>	<u>Subject</u>	<u>Chapter</u>
1	Management of birth, death and marriage registrations	1
2	Education support measures for non-Chinese speaking students	2
3	Control of trade in endangered species by the Agriculture, Fisheries and Conservation Department	3
4	Innovation and Technology Commission: Efforts in promoting internationally accepted standards and conformity assessment services	4
5	Management of government vehicle fleet by the Government Logistics Department	5
6	Site formation and associated infrastructure works for development near Choi Wan Road and Jordan Valley	6
7	Upgrading and operation of Pillar Point Sewage Treatment Works	7

**RULES OF PROCEDURE OF
THE LEGISLATIVE COUNCIL OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION**

72. Public Accounts Committee

(1) There shall be a standing committee, to be called the Public Accounts Committee, to consider reports of the Director of Audit –

- (a) on the accounts of the Government;
- (b) on such other accounts required to be laid before the Council as the committee may think fit; and
- (c) on any matter incidental to the performance of his duties or the exercise of his powers as the committee may think fit.

(2) The committee shall also consider any report of the Director of Audit laid on the Table of the Council which deals with examinations (value for money audit) carried out by the Director relating to the economy, efficiency and effectiveness of any Government department or public body or any organization to which his functions as Director of Audit extend by virtue of any Ordinance or which receives public moneys by way of subvention.

(3) The committee shall consist of a chairman, deputy chairman and 5 members who shall be Members appointed by the President in accordance with an election procedure determined by the House Committee. *(L.N. 214 of 2005)*

(3A) The chairman and 2 other members shall constitute a quorum of the committee. *(L.N. 214 of 2005)*

(3B) In the event of the temporary absence of the chairman and deputy chairman, the committee may elect a chairman to act during such absence. *(L.N. 214 of 2005)*

(3C) All matters before the committee shall be decided by a majority of the members voting. Neither the chairman nor any other member presiding shall vote, unless the votes of the other members are equally divided, in which case he shall give a casting vote. *(L.N. 214 of 2005)*

(4) A report mentioned in subrules (1) and (2) shall be deemed to have been referred by the Council to the committee when it is laid on the Table of the Council.

(5) Unless the chairman otherwise orders, members of the press and of the public shall be admitted as spectators at meetings of the committee attended by any person invited by the committee under subrule (8).

(6) The committee shall meet at the time and the place determined by the chairman. Written notice of every meeting shall be given to the members and to any person invited to attend a meeting at least 5 clear days before the day of the meeting but shorter notice may be given in any case where the chairman so directs.

(7) *(Repealed L.N. 214 of 2005)*

(8) The chairman or the committee may invite any public officer, or, in the case of a report on the accounts of or relating to a non-government body or organization, any member or employee of that body or organization, to give information or any explanation or to produce any records or documents which the committee may require in the performance of its duties; and the committee may also invite any other person to assist the committee in relation to any such information, explanation, records or documents.

(9) The committee shall make their report upon the report of the Director of Audit on the accounts of the Government within 3 months (or such longer period as may be determined under section 12 of the Audit Ordinance (Cap. 122)) of the date on which the Director's report is laid on the Table of the Council.

(10) The committee shall make their report upon the report of the Director of Audit mentioned in subrule (2) within 3 months (or such longer period as may be determined by the Council) of the date on which the Director's report is laid on the Table of the Council.

(11) Subject to these Rules of Procedure, the practice and procedure of the committee shall be determined by the committee.

**Paper presented to the Provisional Legislative Council
by the Chairman of the Public Accounts Committee
at the meeting on 11 February 1998 on
Scope of Government Audit in the
Hong Kong Special Administrative Region -
'Value for Money Audits'**

SCOPE OF WORK

1. The Director of Audit may carry out examinations into the economy, efficiency and effectiveness with which any bureau, department, agency, other public body, public office, or audited organisation has discharged its functions.

2. The term "audited organisation" shall include -
 - (i) any person, body corporate or other body whose accounts the Director of Audit is empowered under any Ordinance to audit;
 - (ii) any organisation which receives more than half its income from public moneys (this should not preclude the Director from carrying out similar examinations in any organisation which receives less than half its income from public moneys by virtue of an agreement made as a condition of subvention); and
 - (iii) any organisation the accounts and records of which the Director is authorised in writing by the Chief Executive to audit in the public interest under section 15 of the Audit Ordinance (Cap. 122).

3. This definition of scope of work shall not be construed as entitling the Director of Audit to question the merits of the policy objectives of any bureau, department, agency, other public body, public office, or audited organisation in respect of which an examination is being carried out or, subject to the following Guidelines, the methods by which such policy objectives have been sought, but he may question the economy, efficiency and effectiveness of the means used to achieve them.

GUIDELINES

4. The Director of Audit should have great freedom in presenting his reports to the Legislative Council. He may draw attention to any circumstance which comes to his knowledge in the course of audit, and point out its financial implications. Subject to these Guidelines, he will not comment on policy decisions of the Executive Council and the Legislative Council, save from the point of view of their effect on the public purse.

5. In the event that the Director of Audit, during the course of carrying out an examination into the implementation of policy objectives, reasonably believes that at the time policy objectives were set and decisions made there may have been a lack of sufficient, relevant and reliable financial and other data available upon which to set such policy objectives or to make such decisions, and that critical underlying assumptions may not have been made explicit, he may carry out an investigation as to whether that belief is well founded. If it appears to be so, he should bring the matter to the attention of the Legislative Council with a view to further inquiry by the Public Accounts Committee. As such an investigation may involve consideration of the methods by which policy objectives have been sought, the Director should, in his report to the Legislative Council on the matter in question, not make any judgement on the issue, but rather present facts upon which the Public Accounts Committee may make inquiry.

6. The Director of Audit may also -

- (i) consider as to whether policy objectives have been determined, and policy decisions taken, with appropriate authority;
- (ii) consider whether there are satisfactory arrangements for considering alternative options in the implementation of policy, including the identification, selection and evaluation of such options;
- (iii) consider as to whether established policy aims and objectives have been clearly set out; whether subsequent decisions on the implementation of policy are consistent with the approved aims and objectives, and have been taken with proper authority at the appropriate level; and whether the resultant instructions to staff accord with the approved policy aims and decisions and are clearly understood by those concerned;

- (iv) consider as to whether there is conflict or potential conflict between different policy aims or objectives, or between the means chosen to implement them;
- (v) consider how far, and how effectively, policy aims and objectives have been translated into operational targets and measures of performance and whether the costs of alternative levels of service and other relevant factors have been considered, and are reviewed as costs change; and
- (vi) be entitled to exercise the powers given to him under section 9 of the Audit Ordinance (Cap. 122).

PROCEDURES

7. The Director of Audit shall report his findings on value for money audits in the Legislative Council twice each year. The first report shall be submitted to the President of the Legislative Council within seven months of the end of the financial year, or such longer period as the Chief Executive may determine. Within one month, or such longer period as the President may determine, copies shall be laid before the Legislative Council. The second report shall be submitted to the President of the Legislative Council by the 7th of April each year, or such date as the Chief Executive may determine. By the 30th April, or such date as the President may determine, copies shall be laid before the Legislative Council.

8. The Director's report shall be referred to the Public Accounts Committee for consideration when it is laid on the table of the Legislative Council. The Public Accounts Committee shall follow the rules governing the procedures of the Legislative Council in considering the Director's reports.

9. A Government minute commenting on the action Government proposes to take in respect of the Public Accounts Committee's report shall be laid on the table of the Legislative Council within three months of the laying of the report of the Committee to which it relates.

10. In this paper, reference to the Legislative Council shall, during the existence of the Provisional Legislative Council, be construed as the Provisional Legislative Council.

香港特別行政區政府
保安局

香港添馬添美道2號



The Government of
Hong Kong Special Administrative Region
Security Bureau

2 Tim Mei Avenue, Tamar, Hong Kong

本局檔號 Our Ref.:

來函檔號 Your Ref.:

CB4/PAC/R76

電話Tel. No.: 2810 2506

傳真Fax No.: 2868 1552

21 May 2021

Ms Wendy JAN
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms JAN,

**Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 76**

Management of birth, death and marriage registrations

I refer to your letter of 12 May 2021 asking for written response of the Security Bureau ("SB") on various issues relating to the registration of deaths as identified in the captioned Director of Audit's Report ("the Audit's Report"). Our written response is set out below to facilitate consideration of the matters by the members of the Public Accounts Committee.

According to section 14 of the Births and Deaths Registration Ordinance (Cap. 174) ("the Ordinance"), deaths from natural causes shall be registered by the nearest relatives or other relevant persons of the deceased within 24 hours¹ after such deaths. Sections 25 and 28 of the Ordinance state that any person charged with the duty of registering deaths who refuses or, without reasonable excuse, omits to register any death of which he/she has had due notice shall be deemed to have committed a breach of the provisions of the Ordinance, and shall be liable on summary conviction to a fine at level 1 (currently at \$2,000) or to imprisonment for 6 months.

¹ The calculation of the time is exclusive of the time necessary for the journey, and of any intervening hours of darkness and of general holidays as defined by the General Holidays Ordinance (Cap. 149).

With regard to the registration of deaths from natural causes beyond the prescribed period as mentioned in the Audit's Report, we were not aware of the relevant statistics before the recent Audit's review. According to the advice of the Immigration Department ("ImmD"), the common reasons that the prescribed time limit for registration of deaths from natural causes is not strictly adhered to might include –

- (i) the nearest relatives or other relevant persons of the deceased might not be able to secure the supporting documents required for death registration (e.g. Medical Certificate of the Cause of Death issued by the registered medical practitioner who attended the deceased person during his/her last illness) within the prescribed period for registration; and
- (ii) the nearest relatives or other relevant persons of the deceased might need to engage undertakers to make funeral arrangements and complete the relevant procedures (including registration of death, application/arrangement of cremation, obtaining the certificate for burial application, etc. at the Joint Office set up by the Food and Environmental Hygiene Department, Department of Health and ImmD). They might not be able to make all necessary arrangements within the prescribed period for registration.

SB concurs with ImmD that a humanistic and realistic approach should be adopted in administering the registration of deaths having regard to the bereaved's need to cope with the grief over the loss of their loved ones and handle the after-death arrangement of their lost loved ones. To this end, subject to the circumstances of individual cases, ImmD considers that being unable to register deaths from natural causes within the prescribed period owing to the abovementioned grounds as reasonable excuses, and therefore would not consider them as breaching the provisions of the Ordinance. In fact, statistics from ImmD show that the vast majority of the deaths from natural causes (around 99%), despite not being registered within the prescribed period, were registered within 14 days (inclusive of the time necessary for the journey, and of any intervening hours of darkness and of general holidays).

The current Births and Deaths Registration Ordinance was enacted back in 1934 and the provision prescribing the time limit for registration of deaths from natural causes has not been reviewed since. Whilst we are unable to ascertain the original legislative intention for the concerned provision given the long lapse of time and the absence of record, one possible reason for setting such a rather stringent requirement might have been to ensure the proper and

prompt handling of the remains of a deceased for better control of environmental hygiene and prevention of diseases at the time. With the substantial improvement in the public health infrastructure, medical care and environmental hygiene over the past decades, we agree that there is room for closer examination as to whether the prescribed time limit should be adjusted taking into account the present-day context and the need of the nearest relatives or other relevant persons of the deceased to handle the after-death arrangement of their lost loved ones while coping with the grief over the loss of their loved ones. SB and ImmD will proceed to conduct a review of the appropriateness of extending the 24-hour limit and subject to the outcome of the review, we will take forward the necessary legislative amendments as early as practicable.

In the meantime, we agree that efforts should be made to ensure better compliance with the existing legal requirement. As per the recommendation of the Audit Commission, ImmD will draw the attention of members of the public of the duty to register deaths from natural causes within the prescribed period through various channels (e.g. ImmD's website, publication of guidance note and pamphlets, etc.). ImmD will also consider taking enforcement actions on doubtful cases involving registration of deaths from natural causes with undue delay.

Yours sincerely,



(Parson LAM)
for Secretary for Security

c.c.
Director of Immigration
Secretary for Financial Services and the Treasury
Director of Audit

香港特別行政區政府
保安局

香港添馬添美道2號



The Government of
Hong Kong Special Administrative Region
Security Bureau

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CB4/PAC/R76

電話Tel. No.: 2810 2506

傳真Fax No.: 2868 1552

27 May 2021

Ms Wendy JAN
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms JAN,

**Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 76**

Management of birth, death and marriage registrations

I refer to your letter of 18 May 2021 asking for written response of the Security Bureau ("SB") on various issues relating to the implementation of the Next Generation Application and Investigation Easy Systems ("APPLIES-2") as identified in the captioned Director of Audit's Report ("the Audit's Report"). Our written response is set out below to facilitate consideration of the matters by the members of the Public Accounts Committee.

The existing Application and Investigation Easy System ("APPLIES") supports a wide range of the services of the Immigration Department ("ImmD"), including -

- (a) processing of visa and permit applications of visitors or Hong Kong residents;
- (b) provision of practical assistance to Hong Kong residents in distress outside Hong Kong;
- (c) processing of birth, death and marriage registrations;
- (d) assessment of right of abode applications; and
- (e) processing of enforcement and investigation cases in relation to those immigration offenders, removees, deportees, etc..

The APPLIES was implemented by phases from 2007 to 2008. The current maintenance contract of the APPLIES will expire in February 2022. The implementation of the APPLIES-2 is to address the obsolescence of hardware and software of the existing APPLIES and to cater for new business needs.

In May 2018, the Legislative Council Finance Committee approved the funding provision of \$453 million for the implementation of the APPLIES-2. In June 2018, the Government Logistics Department issued an open tender on behalf of ImmD to procure two main contracts for the supply and installation of APPLIES-2, and the provision of on-going system support and maintenance services. The tender was closed in August 2018 with eight offers received. During the tender evaluation stage, ImmD had taken a longer-than-expected time in clarifying with tenderers on issues relating to the tender proposals and investigating into allegations in anonymous complaints against the tenderers so as to ensure an open and fair assessment process. The two contracts were respectively awarded to two contractors in November 2019, about one year later than the targeted contract award timeline (i.e. the fourth quarter of 2018).

Taking into consideration of the abovementioned circumstances, the Project Steering Committee endorsed in April 2020 to adopt a “two-phase approach” to ensure a smooth transition from APPLIES to APPLIES-2 without the need to further extend the current maintenance service before the expiry of APPLIES’s maintenance contract in February 2022. In Phase 1, all existing functions of APPLIES would be rolled out by December 2021, which is in line with the original timetable (i.e. the fourth quarter of 2021). As the existing functions of APPLIES would be rolled out before the expiry of the maintenance contract in February 2022, no extra cost/loss would be incurred. In Phase 2, the roll-out of the new functions of APPLIES-2 would be adjusted from the second quarter of 2022 originally to October 2022. At present, the development of the APPLIES-2 is in good progress according to the scheduled timetable. No major risk or issue concerning the project has been identified by ImmD.

With regard to the spending position of the APPLIES-2, apart from the awarded main contracts, more planned procurements for hardware, software and services will be arranged for the full implementation of the APPLIES-2. In addition to the cashflow requirement of \$372 million mentioned in the Audit’s Report, ImmD had completed the latest market researches for the procurement of new system for the 24-hour “1868” hotline of the Assistance to Hong Kong Residents Unit, peripheral devices, anti-virus and application software, etc. in March 2021. The estimated costs of all the upcoming

procurements (together with the contingency provision) sum up to around \$80 million. Subject to the actual amount of the contract sum, ImmD does not foresee any significant underspending of the approved project fund (i.e. \$453 million).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Parson LAM', written in a cursive style.

(Parson LAM)
for Secretary for Security

c.c.
Director of Immigration
Secretary for Financial Services and the Treasury
Director of Audit



電話 Tel : 2829 3838 傳真 Fax : 2824 1675

入境事務處

覆函請註明本處檔號

Immigration Department

In reply please quote this ref : IMM/CR 1708

貴署檔號 Your Ref. : CB4/PAC/R76

21 May 2021

Ms Wendy JAN
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms JAN,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 76
Management of birth, death and marriage registrations

Thank you for your letter of 12 May 2021.

Regarding your request for written response of the Immigration Department to the issues as set out in Part (I) of the Appendix of your letter, we have enclosed our reply for the consideration of the members of the Public Accounts Committee.

The Immigration Department would like to take this opportunity to reassure the Chairman and members of the Public Accounts Committee that this Department will pay due attention to the requirement that government departments should avoid making public responses to Audit Report before the public hearings by the Committee, and will ensure no recurrence of similar incident.

/.....If

香港灣仔告士打道七號入境事務大樓 Immigration Tower, 7 Gloucester Road, Wan Chai, Hong Kong

圖文傳真 Fax (852) 2824 1133 • 電郵地址 E-mail Address : enquiry@immd.gov.hk

網址 Website : www.immd.gov.hk

If you have any enquiries, please contact the undersigned on 2829 3838.

Yours Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'F' followed by a smaller 'H' and a dot.

(FAN Hiu-sing)
for Director of Immigration

c.c. Secretary for Security (with encl.)

Reply to Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 76
Management of birth, death and marriage registrations

Part 2: Registration of births and deaths

- Q1** According to paragraph 2.18 of the Director of Audit's Report No. 76 ("Audit Report"), the Births and Deaths Registration Ordinance (Cap. 174) ("BDO") states that deaths from natural causes shall be registered within 24 hours, and that a person who fails to perform the duty shall be liable on summary conviction to a fine at level 1 or to imprisonment for six months. However, the Audit Commission ("Audit")'s analysis of the data of death registrations at the three death registries for the period from January 2015 to October 2020 revealed that, out of 213 770 registrations of natural deaths, 103 816 (49%) were made at least three days after the dates of death (with the longest being 665 days), well exceeding the 24-hour legal requirement. Do you agree that it is not acceptable to have such a large proportion of cases which are not in compliance with the statutory provision of BDO? Have you assessed the legal implications of such non-compliance? How will you address this issue?
- Q2** Were you aware of the non-compliance before Audit raised the issue in the audit review? If yes, what had been done to address the issue? Were the actions taken effective?
- Q3** According to paragraph 2.19(a) of the Audit Report, the Director of Immigration has said that the time limit for death registration appeared to be on a very stringent side in today's context. While the legal time limit may be stringent in today's context, do you agree that it is not an acceptable excuse for any person concerned not to duly perform the duty to comply with the legal requirement? For cases involving long delays in registration of natural deaths, will you consider taking legal actions against the persons concerned?

(Consolidated reply to Q1-3)

A1-3 According to section 14 of the BDO, the informant (being the nearest relative or other relevant person of the deceased) is required to register a death from natural causes within 24 hours (exclusive of the time necessary for the journey and of any intervening hours of darkness and of general holidays as defined by the General Holidays Ordinance (Cap. 149)) after such death. Section 25 of the BDO provides that any person who being charged with the duty of registering deaths refuses or, without reasonable excuse, omits to register a death shall be deemed to have committed a breach of the relevant provision of the BDO. In accordance with section 28 of the BDO, the offender shall be liable on summary conviction to a fine of HK\$2,000 or imprisonment for 6 months.

As learnt from our operational experiences, ImmD is aware that there are some common reasons for registration of deaths from natural causes beyond 24 hours. For example, relatives of the deceased might not be able to secure the Medical Certificate of the Cause of Death on the same day, or relatives of the deceased took time to follow up funeral arrangements and engage funeral company for completing death registration and related actions (e.g. cremation booking) in one go. Having considered that legal time limit has excluded the time necessary for journey (i.e. travelling time), intervening hours of darkness and general holidays, as well as the practical time for securing the Medical Certificate of the Cause of Death and engaging funeral companies for arrangements, it is not unreasonable that a certain amount of deaths would have been registered beyond 24 hours.

In fact, our statistics shows that a vast majority of natural deaths (around 93%) were actually registered within 7 days. For the particular quoted case where the death was registered 665 days after the date of death was an isolated case, which involved an unclaimed body reported to ImmD by the hospital some 600 days after the date of death.

Having balanced the difficulties encountered by the informant and the implication of beyond 24-hour death registrations as required by the BDO, a more humanistic and realistic approach has been adopted to administer the registration of deaths having regard to the bereaved's

need to cope with the grief over the loss of their loved ones and handle the after-death arrangement of their lost loved ones. Subject to the circumstances of individual cases, being unable to register deaths from natural causes within the prescribed period owing to the abovementioned grounds might generally be considered as reasonable excuses, and therefore would not be considered as a breach of the provisions of the BDO.

ImmD agrees with the Audit's comment and will critically explore measures to enhance publicity to draw the attention of members of the public to the legal time limit for registering deaths. On 21 May 2021, we have added a notice on ImmD's website and updated the guidance note to remind members of the public regarding the legal requirement of registering death within 24 hours for deaths from natural causes. At the same time, ImmD has already kick-started the liaison with the hospitals on 20 May 2021 with a view to exploring the feasibility of seeking their assistance of disseminating information. ImmD will work with the hospitals and solicit their assistance to distribute the said guidance note on application procedure of death registration to relatives of the deceased together with the Medical Certificate of the Cause of Death or other appropriate venues as appropriate so as to remind the relatives of the deceased of the legal time limit for death registration.

With a view to addressing the issue of non-compliance, ImmD is also devising a mechanism to enhance the monitoring of late registration of death cases by requesting informants to explain the reasons of delay in registering the death. For cases in which the death was registered over 24 hours but within 7 days of the death, the informant will have to provide reason for late registration by filling in a supplementary information sheet. For cases in which the death was registered over 7 days after the death, the informant will be required to provide explanation with supporting documents (if any) for late registration on a separate form. ImmD will then examine the facts and circumstances of each case and further actions will be taken on cases where there is no reasonable excuse for such late registration. It is planned to implement this mechanism in June 2021.

As the current BDO was enacted back in 1934 and the provision prescribing the time limit for registration of deaths from natural causes

has not been reviewed since. Whilst we are unable to ascertain the original legislative intention for the concerned provision given the long lapse of time and the absence of record, one possible reason for setting such a rather stringent requirement might have been to ensure the proper and prompt handling of the remains of a deceased for better control of environmental hygiene and prevention of diseases at the time. With the substantial improvement in the public health infrastructure, medical care and environmental hygiene over the past decades, there is room for closer examination as to whether the prescribed time limit should be adjusted taking into account the present-day context and the need of the nearest relatives or other relevant persons of the deceased to handle the after-death arrangement of their lost loved ones while coping with the grief over the loss of their loved ones. ImmD will liaise with SB to conduct a review as appropriate and subject to the outcome of the review, the necessary legislative amendments may be considered.

Q4 According to paragraph 2.5 of the Audit Report, the number of registered births decreased significantly by 21% from 53 173 in 2019 to 41 958 in 2020, resulting in the first natural population decrease since 1960s. According to paragraphs 2.13(a) and 2.14(a) of the Audit Report, you have agreed to continue to keep under review the manpower deployed on birth registration work in the Immigration Department (“ImmD”)’s birth registries and make adjustments where appropriate. Have you conducted any review? If yes, what is the review result; if no, why not?

A4 ImmD conducts manpower review from time to time and makes adjustments where appropriate. For example, following the implementation of the zero-quota policy on obstetric services for Mainland pregnant women whose spouses were not Hong Kong residents, a review of the manpower of Kowloon Births Registry (KBR) had been conducted. In light of the reduction in demand for birth registration, KBR has provided a new one-stop service for birth registration-cum-application for the Hong Kong Special Administrative Region (HKSAR) Re-entry Permits since 2014. Also, it is worthy to note that workload of other services provided by birth registries (e.g. handling search of birth records and applications for certified copy of birth certificates) for all birth registries has increased significantly over the years.

The unusually low number of birth registrations in 2020 was believed to be due to the Covid-19 pandemic and it might not be representative enough to indicate the long-term birth-rate trend in Hong Kong. To better illustrate the workload of birth registries, a comparison on the workload between 2000 and 2019 is shown in Table 1 below. For a more meaningful comparison, figures were drawn between 2000 and 2019 instead of 2020 (the average number of birth registration between 2017 and 2019 is around 54 800).

Table 1: Comparison of Workload in 2000 and 2019

2000	<i>Number</i>	<i>Processing Time (Mins)^{Note}</i>	<i>Total Man Hour (Mins)</i>
<i>Birth Registration</i>	<i>53 720</i>	<i>30</i>	<i>1 611 600</i>
<i>Search of Birth Record</i>	<i>3 351</i>	<i>10</i>	<i>33 510</i>
		Total:	<u>1 645 110 (27 419 hr)</u>
2019			
<i>Birth Registration</i>	<i>53 173</i>	<i>30</i>	<i>1 595 190</i>
<i>Search of Birth Record</i>	<i>13 810</i>	<i>10</i>	<i>138 100</i>
<i>Application for HKSAR Re-entry Permit (KBR only)</i>	<i>12 223</i>	<i>30</i>	<i>366 690</i>
		Total:	<u>2 099 980 (35 000 hr)</u> <u>(+27.6% vs year 2000)</u>

Note: Abovementioned processing times are based on standard processing times at counter of Performance Pledge. Time required for the issuance of certified copy of a birth entry after completion of birth registration and search of birth record, and that for production and issuance of HKSAR R/P are not included.

While the number of birth registration has decreased by 1% from 53 720 in 2000 to 53 173 in 2019, the number of applications for other arrays of duties has seen some increases. To quote, search of birth records

has increased by four folds from 3 351 in 2000 to 13 810 in 2019. A total of 12 223 applications for HKSAR Re-entry Permit were processed by KBR in 2019. Considering the standard processing time of 30 minutes, 10 minutes and 30 minutes respectively for birth registration, search of birth record and application for HKSAR Re-entry Permit, the total man hour required on all works relating to birth registration and application for HKSAR re-entry has increased by 27.6% from 27 419 hours in 2000 to 35 000 hours in 2019. ImmD has gainfully deployed manpower to tackle the increase in workload in other arrays of duties which has not been offset by the decrease in the number of birth registration.

In light of the Audit's comment, ImmD is conducting a review on the manpower of KBR. A review has been commenced on 17 May 2021 to explore the feasibility of enhancing KBR's one-stop service by further providing service of application for HKSAR passport in addition to the existing service of application for HKSAR Re-entry Permits and birth registration. Later, a review on the overall manpower and services of General Register Office will be commenced after the completion of the abovementioned review for KBR.

Q5 According to paragraph 2.6 of the Audit Report, ImmD pledges to process a birth registration within 30 minutes at counter but does not keep records on the processing time. As stated in ImmD's Controlling Officer's Report ("COR"), ImmD met the performance pledge in 99.7% of the birth/death/adoption registration cases in 2019. How did ImmD assess the achievement of the performance pledge without recording the processing time for birth registration cases?

A5 The Immigration Department publishes the Performance Pledge and evaluates its accomplishment of targets every year. Currently, the standard processing time at counter for a birth registration is within 30 minutes under normal circumstances.

Between 2015 and 2020, over 99.5% of birth registrations met the standard processing time. In general, counter officer will assess the nature of each birth registration case and if the case is of complicated nature such as when assessment of Hong Kong permanent resident status

of non-Chinese citizens or further enquiries on the information of the father of an illegitimate child is required, the counter officer will mark down the start and end time of the birth registration. If the processing time eventually exceeds 30 minutes at counter, the counter officer will record the case with reasons accordingly and the deputy officer-in-charge who will collect such information from counter officers and compile statistics on cases where the 30-minute pledge could not be achieved on a regular basis. As the statistics targets to record the percentage of cases where the pledge could not be achieved, we are able to assess the achievement of the performance pledge even though cases processed within the pledged time are not recorded. In fact, during the sample checking conducted by the Audit Commission at different counters, all the processing times of birth registrations were within the pledged time.

Q6 According to paragraphs 2.13(b) and 2.14(b) of the Audit Report, you have agreed to explore the feasibility of introducing a new system function to keep track of the processing time for birth registrations in the next generation of Application and Investigation Easy Systems ("APPLIES-2"), which is expected to be rolled out by phases from the fourth quarter of 2021. Have you completed the feasibility study of introducing such new system function? If yes, what are the findings of the study; if no, what is the progress of the study?

A6 The study of introducing a new system function to keep track of the processing time for birth registrations in the APPLIES-2 has been completed and confirmed feasible. While functions in relation to birth registrations in the APPLIES-2 will be rolled out during the period from the 4th quarter of 2021 to the 3rd quarter of 2022 by phases, ImmD will introduce a new system report to record the processing time of each birth registration in the 1st quarter of 2022 when the system development and testing are completed.

After roll-out of APPLIES-2, time log will be automatically recorded at the start (when the application is indexed) and end point (when the case is routed to officer for assessment) of the birth registration. Report will be available to record the counter processing time of all cases and highlight those cases falling outside the performance pledge.

Q7 According to paragraphs 2.10 and 2.11(b) of the Audit Report, there were 150 unregistered birth cases (i.e. registration outstanding for 43 days or more from the date of birth of the child) as at 31 October 2020. As at 18 March 2021, birth registration for 138 of the 150 cases had been completed and the remaining 12 cases were still outstanding pending submission of documents required for birth registration. Has the birth registration of these 12 outstanding cases been completed? If not, the anticipated processing time to be required for these 12 outstanding cases?

A7 As at 18 May 2021, among the 12 outstanding birth registration cases, nine of them had been registered and three cases were still outstanding. One of these three outstanding cases have been referred to Investigation Sub-division at early stage for their investigation on the suspected offence of the mother. The mother was a former foreign domestic helper and the father's information was not provided in the birth return of the baby. She was suspected of having overstayed in Hong Kong since 27 February 2018 when the unregistered birth case of her baby came to our notice. This case has been referred to Investigation Sub-division for investigation on 6 April 2018, much earlier than the 6-month timeframe. While the case was under investigation, in parallel, attempts have been being made to contact the mother for processing birth registration. Despite our attempts to approach the mother by phone and our sending of two 2 reminder letters, the telephone number was found to have been disconnected and the two reminder letters were bounced back. Until now, we are unable to locate the mother. For the remaining two cases, due to their unusual background, some special considerations are involved. For one case, the couple are not married and the mother is still in a coma. According to Section 12(2)(d) of the BDO, court order is required for the registration of the illegitimate child by the father of the child. The father informed us that the court order will be issued in late May and he will visit birth registry once ready as the submission of relevant court order is requisite for proceeding with the birth registration. For the other case, the couple are also not married. The mother has health problem and the father is in the Mainland. The couple would like to perform birth registration by joint request in accordance with section 12(2)(a) of the BDO. However, due to the COVID-19 pandemic, the father expressed difficulties in applying

for exit endorsement to come to Hong Kong and he was unable to afford the period of compulsory quarantine. We are maintaining close communication with the couple to provide any facilitation in assisting them in the birth registration.

Q8 According to paragraph 2.11 of the Audit Report, ImmD's guidelines had not promulgated the details for handling unregistered birth cases warranting flexible handling (e.g. deferment in sending reminder letters to the parents) due to various reasons. According to paragraphs 2.13(c)(i) and 2.14(c) of the Audit Report, you have agreed to strengthen the relevant parts of the guidelines on handling unregistered birth cases by citing examples of common scenarios warranting flexible handling for ImmD officers' reference. Have you amended the guidelines? If not, when will the enhanced guidelines be available?

A8 In response to the Audit's comment, ImmD have reviewed the internal guidelines and issued a new internal guidelines on the handling procedures of unregistered birth cases on 11 May 2021. Examples of common scenarios warranting flexible handling cited in this new guidelines includes:

- (i) parents/the Social Welfare Department (SWD) had been successfully contacted and reasons for the delay had been acknowledged for flexible handling (e.g. health problem);
- (ii) parents are persons in custody being detained in correctional institutions where assistance from Correctional Services Department is required; and
- (iii) service suspension/special work arrangements had been in place due to special situation (e.g. the COVID-19 epidemic).

All services staff of BDM Registration (Operations) Section were briefed about the strengthened procedures in handling unregistered birth cases and they would comply with the instructions.

Q9 According to paragraph 2.12 of the Audit Report, from June 2018 to 31 October 2020, 15 unregistered birth cases were referred to the General Investigation Section ("GIS") for investigation. As at 31 December 2020, 11 of the 15 unregistered birth cases had been closed while the remaining four were still under investigation. What is the progress?

A9 Under the Births and Deaths Registration Ordinance, parents of every child born shall apply for the registration of the child's birth at a birth registry within a period of 42 days after birth. It is an offence if anyone deliberately fails to register the birth of a child as required by the law. Offenders are liable to a fine at level 1 (\$2,000) or up to six months' imprisonment. While the parents concerned who breached the requirement are liable to penalty, it is worth mentioning that when handling cases of unregistered birth, the benefit and welfare of the newborn are of paramount importance, and locating the parents to complete the birth registration of the children is the foremost consideration rather than conducting investigation or instituting prosecution against them. Among the 11 completed cases, there was a case in which the subject father was brought up to court and sentenced to a fine of \$1,500 after conviction; for three cases, after seeking advice from Department of Justice (DoJ), prosecution was waived due to insufficient evidence; for another six cases, prosecution was waived based on DoJ advice sought on previous cases; the remaining case was concluded with no further action taken since the prosecution had already been time-barred.

For one of the four cases under investigation as at 31 December 2020, the father concerned was intercepted by case officer upon collection of his new Smart Identity Card on 18 May 2021. Arrangement was also made to complete his baby girl's birth registration in the same afternoon. Inquiry into his offence has been conducted and the case would be passed to prosecutorial assessment.

In another case, case officer maintained close liaison with other departments for locating the mother concerned, and upon ongoing record check, it was learnt that she is a subject of investigation under the Police. Whilst she had jumped the police bail since 20 November 2020, the latest information indicated that the mother concerned was

arrested by the Police again and was required to report bail on 20 May 2021. With close liaison and coordination with the Police, case officers successfully intercepted the mother concerned at the police station on 20 May 2021. Although the birth registration of her child had already been performed by SWD, inquiry into her offence has been conducted and the case would be passed to prosecutorial assessment.

For the two remaining cases involving two non-Hong Kong resident foreign mothers, investigation is ongoing. In these two cases, case officers had attempted to contact the mothers concerned and conduct field visits not only on weekdays but also during the weekend and on public holiday. Officer had also maintained effective communication with other government bodies, including Social Welfare Department (SWD), Correctional Services Department, a non-government organization (International Social Service) and the Family Court with a view to discovering more information and contact means of the mothers concerned. While the mothers could not be successfully located after available contact means have been exhausted, all of their particulars have been placed in Immigration Department's computer system, pending interception when they use immigration facilities. One of the two mothers concerned had used immigration facilities, appointment was made with her to attend inquiry but she failed to show up afterwards. Although she remained untraceable, the Director of Social Welfare had been appointed as the guardian of her baby and completed the birth registration, thus ensuring the baby's welfare. Another mother was also an overstayer; her whereabouts and that of her baby remained uncertain. As the mothers had tried to deliberately evade our investigation and consequently obstruct our officers from exercising their duties, case officers enlisted assistance from the Police to put their particulars as wanted persons for interception.

Immigration Department will keep close monitoring on the development of each and every case and strive to locate the parents concerned by various possible means. When information was received indicating the parents might attend Immigration Department offices, other government departments or non-government organisations for facilities or services, Immigration Department will take proactive actions to deploy investigators on-site to complete the inquiry with the parents and arrange them to fulfill their duty to perform the birth registration at the soonest.

Q10 According to paragraph 2.12(a) of the Audit Report, Audit found that in one unregistered birth case: (i) GIS tried to contact the parents by phone once in each month during the period from November 2018 to February 2019 and on each occasion, GIS tried to phone the parents on weekdays with the same set of phone numbers; and (ii) GIS could only contact one parent who was intercepted by ImmD in December 2019 when prosecution had already been time-barred. According to paragraph 2.14(d) of the Audit Report, you have said that ImmD officers will stay vigilant in formulating comprehensive strategies in locating parents for investigation. Have you explored effective strategies in locating the parents? If yes, the details; if no, why not? Will you update the relevant guidelines for ImmD officers' reference?

A10 Immigration Department shall endeavor to formulate the investigation strategy at the soonest when handling unregistered birth cases, completion of every single case would be varied depending on its uniqueness and complexity.

Case officer would make reference to the stipulated guidelines to comprehensively cover all possible means in locating the parents concerned of unregistered birth case for a speedy resolution of the case. Taking the case concerned as an example, within the first four months after receiving the referral from November 2018 to March 2019, case officer not only made phone calls to the reported telephone numbers, which were the only numbers available in Immigration Department records, but also conducted surprise field visits to their four reported addresses. During the course of investigation, case officer also maintained effective communication with other government bodies, including Social Welfare Department (SWD), Correctional Services Department, and the Family Court, with a view to discovering more information and contact means of the concerned parents, with the ultimate aim of locating their whereabouts.

The Director of Social Welfare was appointed as the guardian of the child and completed the birth registration on 12 December 2018. Despite the case officer had taken all the actions mentioned above, the parents were still untraceable. Notwithstanding the welfare of the

child has been properly ensured by SWD and the birth registration successfully completed, Immigration Department continued the investigation efforts and placed the parents' particulars into the computer system on 26 April 2019, so that when they used immigration facilities and clearances, either of them would be intercepted for follow-up action, even though our officer had evaluated that the chance to intercept the parents at control points was slim based on their previous travel pattern (last movement of mother was in July 2017 and father in January 2018). Not until 4 December 2019, the subject mother was successfully intercepted at Lok Ma Chau Control Point when the prosecution had already been time-barred. Even though the above attempts were futile, the actions taken showed that the case officer complied with the guidelines and adopted a comprehensive approach in locating the parents. Indeed, case officer had exhausted all possible means to locate the parents for further investigation in the limited time frame.

The guidelines are considered effective and comprehensive so far, as the concerned parents in 10 out of 11 cases were eventually located and their cases concluded timely using the strategies formulated. With a view to formulating more effective strategy to locate parents concerned for cases of unregistered birth, a new guideline was issued requiring case officers to report the progress of their outstanding cases to Senior Immigration Officer (SIO) at first two months after commencing investigation, and report to the Section Head, i.e. Chief Immigration Officer (CIO) every 2 months thereafter, for seeking directives. If case circumstances warranted or if the concerned parents were involved in other offences, such as perjury or overstaying in Hong Kong, or they had tried to deliberately evade our investigation and consequently obstruct our officers from exercising their duties, case officers would consider enlisting assistance from the Police to put the parents' particulars as wanted persons for interception.

Given that every single case is unique, it has to be considered on its own facts and warrants different strategy, it is not sensible to apply one single rule to all situations, especially investigation of criminal cases. Apart from strictly following guidelines which has always been effective in most cases, case officer would exert his flexibility in handling cases with special circumstances to achieve fruitful result.

Pursuant to Section 7 of Birth and Deaths Registration Ordinance (Chapter 174), the father or mother of every child born alive in Hong Kong shall, within 42 days after the day of such birth, give information to a registrar of the several particulars required to be registered, and shall, in the presence of such registrar, sign and submit to such registrar a register form completed with the information so given. Failing to do so shall be liable to a fine at level 1 (\$2,000) or to imprisonment for 6 months. Nevertheless, according to Section 26 of Magistrates Ordinance (Chapter 227), it is stipulated that the complaint of the aforementioned offence shall be made or such information laid within 6 months from the time when the matter of such complaint or information respectively arose. Therefore, the prosecution is time barred when the mother is intercepted.

Immigration Department reiterated that parents must fulfil their obligations under the law to register the birth of a child so that the rights to medical treatment, education and welfare benefits entitled to their children are not harmed due to delay in following the relevant procedures.

Q11 According to paragraph 2.12(b) of the Audit Report, for three unregistered birth cases with investigation not completed within four months thus requiring reporting to the Senior Immigration Officer for directive, the related discussions had not been recorded in individual case files. According to paragraphs 2.13(c)(iii) and 2.14(e) of the Audit Report, you have agreed to re-circulate the relevant guidelines for reminding the case officers to strictly follow the management of outstanding investigation cases by recording the direction and supervision given by the Senior Immigration Officer in individual case files. What other improvement measures will you take in the management of outstanding investigation cases?

A11 In response to the suggestions made by the Audit Commission, Immigration Department had recirculated the relevant instruction for reminding the case officers to strictly follow the management of outstanding investigation cases. To ensure full understanding and compliance, the said instruction would be arranged for recirculation every 6 months as a reminder.

As mentioned in the Report No. 76 of Director of Audit (Audit report), case officers reported the progress of their outstanding cases in regular group meetings for Senior Immigration Officers' (SIO) information and directives. By recirculating the aforementioned guidelines, case officers were clearly reminded the requirement on making proper record on individual files of all investigation cases to reflect SIOs' due supervision within 4 months after the commencement of respective cases.

Apart from making proper records on case files, a new guideline was particularly issued to enhance the procedures on handling cases of unregistered birth. Case officers are required to report the progress of their outstanding cases to SIO at first two months after commencing investigation, and report to the Section Head, i.e. Chief Immigration Officer (CIO) every 2 months thereafter; case officers are also required to report the progress to CIO 2 months before the expiry of the prosecution time-bar, whichever is earlier. The report and directive from senior officers should be recorded on individual case files.

Q12 According to paragraph 2.12(c) of the Audit Report, Immigration Department's guidelines on handling unregistered birth cases had not set any time target for commencement of investigation. According to paragraphs 2.13(c)(iv) and 2.14(f) of the Audit Report, you have agreed to set a time target, and issue supplementary guidelines stipulating a clear timeframe for commencement of investigation of unregistered birth cases. What is the progress?

A12 For better case management and monitoring purpose, a new guideline was issued by GIS to provide a clear timeframe for commencement of investigation of the unregistered birth (URB) cases. Officers handling URB cases were reminded that all cases should be processed as soon as practicable according to the date of receipt of referral from Birth, Death & Marriage (BDM) Section. According to the guidelines, case officer shall commence investigation, followed by opening case file, within **five working days** after assignment of the URB case.

The aforesaid instruction has been disseminated to all officers of GIS and they were reminded to strictly follow the guidelines and accord priority on the URB cases.

Q13 According to paragraph 2.17 of the Audit Report, similar to birth registrations, ImmD pledges to process a death registration within 30 minutes at counter but does not keep records on the processing time. According to ImmD's COR, ImmD met the performance pledge in 99.7% of the birth/death/adoption registration cases in 2019. How did ImmD assess the achievement of the performance pledge without recording the processing time for death registration cases?

A13 ImmD publishes the Performance Pledge and evaluates its accomplishment of targets every year. Currently, the standard processing times for a death registration at counter is within 30 minutes under normal circumstances.

Between 2015 and 2020, over 99.5% of death registrations met the standard processing time. In general, counter officer will assess the nature of each death registration case and if the case is of complicated nature such as those cases involving clarification of the information on The Medical Certificate of the Cause of Death or further enquiries on the personal data of the deceased, the counter officer will mark down the start and end time of the death registration. If the processing time eventually exceeds 30 minutes at counter, the counter officer would record the case with reasons accordingly and the deputy officer-in-charge will collect such information and compile statistics on case where 30-minute pledge could not be achieved on a regular basis. As the statistics targets to record the percentage of cases where the pledge could not be achieved, we are able to assess the achievement of the performance pledge even though cases processed within the pledged time are not recorded. In fact, during the sample checking conducted by the Audit Commission at different counters, all the processing times of death registrations were within the pledged time.

Q14 According to Table 7 in paragraph 2.17 of the Audit Report, the waiting time for counter services at the Kowloon Deaths Registry on the date of Audit visit (i.e. 12 January 2021) was significantly shorter than that during the eight working days before Audit visit (i.e. 2 to 11 January 2021). Can you explain why?

A14 Due to the specific nature of death registrations, we do not implement a booking system and impose a quota limit for its service. As the Kowloon Deaths Registry (KDR) operates on a first-come-first-serve basis, the waiting time for service will be significantly longer if attendees happen to come together at a certain point of time. By experience, bunching usually appears in morning and after lunch as many attendees may tend to queue for service before the opening of the registry. For the period from 2 to 11 January 2021, the average workload of KDR was ranged from 100 to 153.

Meanwhile, the number of deaths registered on 12 January was at the low side of 104, which was the 2nd lowest number for weekdays during the said period.

It is also worthy to note that the waiting time may vary depending on the complexity of cases on that particular day.

Q15 **According to paragraphs 2.22(a) and (b) of the Audit Report, you have agreed to explore the feasibility of introducing a new system function to keep track of the processing time for death registrations in APPLIES-2 and installing an electronic ticketing system at the Hong Kong Island Deaths Registry. What is the progress?**

A15 Currently, counter officer will assess the nature of each death registration case and if the case is of complicated nature such as those cases involving clarification of the information on The Medical Certificate of the Cause of Death or further enquiries on the personal data of the deceased, the counter officer will mark down the start and end time of the death registration. If the processing time eventually exceeds 30 minutes at counter the counter officer would record the case with reasons accordingly and the deputy officer-in-charge will collect such information and compile statistics on cases where the 30-minute pledge could not be achieved on a regular basis.

The study of introducing a new system function to keep track of the processing time for death registrations in the APPLIES-2 has been completed and confirmed feasible. While functions in relation to death registrations in the APPLIES-2 will be rolled out during the period from the 4th quarter of 2021 to the 3rd quarter of 2022 by phases, ImmD will

introduce a new system report to record the processing time of each death registration in the 1st quarter of 2022 when system development and testing are completed.

After roll-out of APPLIES-2, time log will be automatically recorded in APPLIES-2 at the start (when the application is indexed) and end point (when counter officer indicated the case is finalized in the system) of the death registration. Report will be available to record the counter processing time of all cases while highlighting cases falling outside the performance pledge.

Electronic ticketing system will be rolled out along with APPLIES-2 from in the 4th quarter of this year. By then, informants could obtain a computer-generated ticket showing their queuing number as well as the estimated service provision time from the electronic ticketing system instead of a number tag. Monitors will also be placed inside the waiting area showing the service progress so that the informants could have a better idea on their queuing position. The service of electronic ticketing system will cover the Hong Kong Island Deaths Registry.

Q16 According to paragraph 2.22(c) of the Audit Report, you have said that ImmD will explore measures to encourage members of the public to conduct death registrations as soon as practicable and draw the attention of members of the public of the legal time limit for registering deaths, such as adding a notice on ImmD's website, guidance note, pamphlet, etc. Have you done so? If yes, details of such measures.

A16 In order to encourage members of the public to perform death registrations for the deceased from the natural causes as soon as practicable and draw their attentions to the legal time limit for death registration, ImmD has already updated 1) its homepage and 2) GovHK website by adding important messages in related webpages to remind the public the legal requirement of death registration within 24 hours (for death from natural causes) as specified under section 14 of the BDO on 21 May 2021. Guidance note “How to Apply: Death Registration” made available at death registries on the procedure of death registration incorporating the legal requirements of death registration within 24 hours (for death from natural causes) has been updated on 20 May 2021.

ImmD has also kick-started the liaison with the hospitals on 20 May 2021 with a view to exploring the feasibility of seeking their assistance to distribute the said guidance note “How to Apply – Death Registration” to relatives of the deceased together with the Medical Certificate of the Cause of Death or other appropriate venues so as to remind the relatives of the deceased of the legal time limit for death registration.

Q17 According to paragraphs 2.24(a) and 2.25 of the Audit Report, you have agreed to consider including the issue of certified copies of birth/death certificates involving search of records as one of the key performance measures in ImmD's COR. What is the progress?

A17 The issue of certified copies of birth/death certificates involving search of records will be included as one of the key performance measures in COR from the next financial year.

Q18 According to paragraphs 2.24(b) and 2.25 of the Audit Report, for monitoring the waiting time for death registrations, you have agreed to consider the feasibility of providing "programme tag" with the estimated service time to members of the public so as to enhance ImmD's standard of service. What is the progress?

A18 Electronic ticketing system will be rolled out along with APPLIES-2 in the 4th quarter of this year. By then, informants could obtain a computer-generated ticket showing their queuing number as well as the estimated service provision time from the electronic ticketing system instead of a number tag. Monitors will also be placed inside the waiting area showing the service progress so that the informants could have a better idea on their queuing position.

During the transitional period, ImmD has implemented interim measures since 20 May 2021 to enhance its services by providing information of estimated waiting time to applicants when situation warrants. Upon issuing tags, staff at the Hong Kong Island Deaths Registry and Kowloon Deaths Registry would make reference to the number of informants waiting for services and manpower available to provide an information card advising the informants of the estimated

period of time that he needs to wait before the death registration can be conducted. The informant may approach the Registry in accordance with the estimated waiting time and this would facilitate their personal arrangement by shortening the waiting time at the Registry.

Part 3: Registration of marriages

Q19 According to paragraph 3.3 of the Audit Report, for the period from January 2015 to October 2020, the utilization rates of the five marriage registries on weekdays (17% to 75%) were lower than those on Saturdays (55% to 98%) and only one of the five registries (i.e. City Hall Marriage Registry) was open in both the morning and the afternoon on Saturdays. According to Table 9 in paragraph 3.3 of the Audit Report, for the four registries other than City Hall Marriage Registry, the utilization rates ranged from 73% to 98% on Saturdays during the period. According to paragraph 3.7(a) of the Audit Report, you have agreed to explore the feasibility of increasing marriage ceremony quotas on a demand-driven basis, e.g. on festive dates and/or auspicious dates (weekdays or Saturdays). What is the progress?

A19 Having studied the usage of Marriage Registries and pattern of marriage ceremony over the past few years as well as customs and trend regarding wedding based on online information, we managed to identify some dates (mainly some festive dates and auspicious dates) with a consistent pattern of high demand for marriage ceremony services including Valentine's Day (14 February), "520 I Love You" (20 May), Singles Day (11 November), Christmas Eve (24 December), etc.. As such dates may vary from year to year due to the social trend or the Chinese Almanac (e.g. 02-02-2022 may be very popular but may not for 02-02-2023), regular review will be conducted half-yearly to identify those dates with high demand in the coming year and updated adjustment of quotas will be made accordingly.

As a pilot scheme to be commenced this year, marriage ceremony quotas of Tsim Sha Tsui Marriage Registry and Sha Tin Marriage Registry will be increased on coming Singles Day (i.e. 11-11-2021) and Christmas Eve (i.e. 24-12-2021). Having considered that the legal requirement

of marriage celebrated by the Registrar shall take place between 9 a.m. and 7 p.m. pursuant to section 21(3) of Marriage Ordinance, Cap 181 and due regard to the arrangements of marrying parties on the wedding day, it is initially planned to increase 4 – 5 more quotas (representing an increase of 11 to 13%) at each of the two registries, making a total of 8 – 10 extra time slots in the afternoon on these selected dates. ImmD will continue to monitor the service demand and make appropriate adjustment to meet the service demand.

Q20 According to paragraph 3.7(b) of the Audit Report, you have agreed to consider setting up a performance pledge for the search of absence of marriage record. What is the progress?

A20 The performance pledge for the search of absence of marriage record has been set up in accordance with the standard processing time of seven working days. The Performance Pledge Booklet 2021 and the information on the homepage of ImmD will be updated in June 2021 accordingly.

Q21 According to paragraph 3.11 of the Audit Report, 34 persons on ImmD's list of Civil Celebrants of Marriages ("CCMs") were neither solicitors with practising certificates nor notaries public and hence did not meet the eligibility criteria for a CCM as stated in the Marriage Ordinance (Cap. 181). Can you explain why? Please clarify whether the legality of a marriage will be affected by the eligibility of a CCM.

A21 In accordance with section 5A of the Marriage Ordinance (Cap. 181) ("MO"), the Registrar of Marriages may appoint qualified persons as CCMs. The 34 CCMs concerned were satisfied to have fulfilled the prescribed criteria in Schedule 4 of the MO at the time when they were appointed between 2016 and 2019.

However, after appointment, the 34 CCMs did not renew their practicing certificates upon expiry and failed their statutory obligations to notify the Registrar of Marriage of such in accordance with section 5H(2) of the MO, which stipulates that if a CCM ceases to meet the prescribed criteria, he/she must notify the Registrar of Marriage in writing within 14 days. Pursuant to section 31A(3) of the MO, any CCM who

contravenes section 5H(2) without reasonable excuse shall be guilty of an offence and shall be liable to a fine at level 3, which is HK\$10,000.

To avoid recurrence of similar cases, liaison had been made with the Hong Kong Society of Notaries and the Law Society of Hong Kong about the updated mechanism to ImmD once their members no longer hold valid practising certificates. As a stop-gap measure, we have already implemented measure to monitor the eligibility of the appointed CCMs by checking against the relevant information (i.e. list of members with practicing certificates promulgated by the Law Society of Hong Kong) posted in the websites of the Law Society of Hong Kong and the Hong Kong Society of Notaries (i.e. list of practising members promulgated by the Hong Kong Society of Notaries) against our latest list of CCMs on daily basis. When there is any irregularity revealed, we will verify the concerned parties immediately and review if the appointment of concerned CCM be affected. Meanwhile, appropriate action may consider to be taken on those CCMs who have failed their statutory obligations to notify us of the change.

Nevertheless, the validity of marriage solemnised by those CCMs will not be affected by the CCMs' eligibility for appointment in accordance with section 5F of the MO¹.

Q22 According to paragraph 3.13 of the Audit Report, 291 (17%) of 1 756 CCMs who were on the list of ImmD during the period from January 2015 to November 2020 were not active and had not provided any marriage solemnization service for some five years from January 2016 to October 2020. According to paragraph 3.15(e) of the Audit Report, ImmD will consider inviting dormant

¹ By virtue of section 5F of the MO, without prejudice to the generality of section 27(3), the validity of a marriage celebrated by a CCM shall not be affected by—

- (a) any irregularity in the appointment of the CCM by the Registrar;
- (b) the fact that the CCM was not—
 - (i) eligible for appointment at the time of his appointment; or
 - (ii) eligible for having his appointment renewed at the time of renewal of his appointment, as may be appropriate; or
- (c) the fact that the appointment of the CCM was, at the time of the celebration, liable to be cancelled or suspended.

In accordance with section 27(3), no marriage shall, after celebration, be deemed invalid by reason that any provision of the MO, other than section 27(1) or 27(2), has not been complied with.

CCMs by phases to attend refresher training course on a voluntary basis. What is the progress? Given that refresher training is undertaken only on a voluntary basis, do you think that it is effective?

A22 Paragraph 3 of Schedule 4 to the Marriage Ordinance (“MO”) requires CCM to have completed the training organised for the purposes of the MO as the Registrar of Marriages may specify. In this regard, ImmD will arrange all applicants applying for appointment as a CCM to attend a training course. The content of training course covers the procedures of giving of Notice of Intended Marriage and celebration of marriage, potential offences and penalties relevant to marriage registration, identification of forged documents of identity, etc. Meanwhile, a "Guidance Notes for Civil Celebrants of Marriages" which provides practical guidelines and workflow for CCMs to discharge their duties and a “Code of Practice for Civil Celebrants of Marriages” which provides practical guidance in respect of the professional conduct of CCMs will be given to the applicants for reference during the training course. After the training, the Registrar would publish the appointment of CCM by notice in the Gazette and effect the appointment by giving the CCM written notice specifying the appointment period for five years by virtue of sections 5A(4)(a) and 5A(4)(c) of the MO respectively.

In light of the Audit’s comment, ImmD will enhance the training to those CCMs who were not active and had not provided any marriage solemnization service for some five years upon their applications for renewal of appointment. Meanwhile, ImmD will conduct records check on those renewal applications to see if the applicants have provided any marriage solemnisation service in the last term. If negative, the CCM will be arranged to attend a refresher course and provided with a set of the "Guidance Notes for Civil Celebrants of Marriages" again for reference. The content of the refresher course covers the procedures of giving of Notice of Intended Marriage and celebration of marriage, potential offences and penalties relevant to marriage registration as well as cases sharing. The first refresher course will be conducted in August 2021.

Q23 According to paragraphs 3.14(a) and 3.15 of the Audit Report, you have agreed to take measures to ensure that persons included in ImmD's list of CCMs meet the eligibility criteria mentioned in the Marriage Ordinance. What measures will you take?

A23 According to section 5H(2) of the Marriage Ordinance (MO), if a CCM ceases to meet any of the prescribed criteria specified in Schedule 4 to the MO, he/she must notify the Registrar of Marriage in writing within 14 days of such cessation. Pursuant to section 31A(3) of the MO, any CCM who contravenes section 5H(2) without reasonable excuse shall be guilty of an offence and shall be liable to a fine at level 3, which is HK\$10,000.

With a view to reminding the CCMs of the statutory requirement, ImmD has revised the training materials for CCMs to include the requirement in the training materials and will emphasize the requirement again during the training course. In addition, we have reviewed the departmental homepage and included the legal requirement since 17 May 2021. The "How to Apply - Becoming a Civil Celebrant of Marriages" pamphlet has also been reviewed and revised to highlight the legal requirement. As a further reminder to the CCMs, we have enhanced the notification letter to CCM for collecting renewal appointment certificate by adding the legal requirement as a reminder again.

To avoid recurrence of similar cases, liaison had been made with the Hong Kong Society of Notaries and the Law Society of Hong Kong about the updated mechanism to ImmD once their members no longer hold valid practising certificates. As a stop-gap measure, we have already implemented measure to monitor the eligibility of the appointed CCMs by checking against the relevant information (i.e. list of members with practicing certificates promulgated by the Law Society of Hong Kong) posted in the websites of the Law Society of Hong Kong and the Hong Kong Society of Notaries (i.e. list of practising members promulgated by the Hong Kong Society of Notaries) against our latest list of CCMs on daily basis. When there is any irregularity revealed, we will verify the concerned parties immediately and review if the appointment of concerned CCM be affected. Meanwhile, appropriate

action may consider to be taken on those CCMs who have failed their statutory obligations to notify us of the change.

If a CCM is suspected to have committed an offence under the MO, such as failing the statutory requirement to notify the Registrar of Marriage of his/her cessation to meet prescribed criteria as a CCM under section 5H(2), case will be subject to further investigation and prosecution.

Q24 According to paragraphs 3.14(b) and 3.15(d) of the Audit Report, you have agreed to specify the training requirements of CCMs in ImmD's information pamphlet but not in the Code of Practice. Can you explain why? Have you revised the information pamphlet to include such training requirements?

A24 As regards the Audit's comment at paragraphs 3.14(b), it is recommended to specify the training requirements of CCMs in the Code of Practice or ImmD's information pamphlet "How to apply – Civil Celebrants of Marriages." According to the Marriage Ordinance (MO), it is a prerequisite for all the applicants applying to be appointed as a CCM to complete the training organised by the Registrar. After review, the information pamphlet, which aims at notifying applicants of (i) the application procedure such as the way of form submission and fees required; (ii) the requisite requirements for appointment as CCM; and (iii) regulations to be followed after being appointed and relevant penalties, is considered a more appropriate platform in disseminating pre-appointment information pertaining to training requirements than the Code of Practice, which seeks to disseminate post-appointment practical guide in relation to the CCM's professional conduct in carrying out CCM duties including compliance with the MO and other laws, upholding the standard of service, ensuring due solemnity of marriage, etc..

The statutory requirement for completion of a training course organised by the Registrar of Marriages is included in paragraph 2 under sub-title "Training" of the information pamphlet. The training requirements of CCMs will be updated in the information pamphlet in June 2021.

Q25 According to paragraph 3.19 of the Audit Report, the backlog of outstanding suspected bogus marriage cases increased from 2 634 cases in 2016 to 3 240 cases in 2019. According to paragraph 3.17 of the Audit Report, in order to strengthen the manpower of the Special Task Force Sub-sections ("STF"), 10 new posts were created in 2019 under STF and 21 posts responsible for handling suspected bogus marriage cases in the Outside Investigation Section were redeployed to STF, which was expected to increase the output by 25%. However, according to paragraph 3.21 of the Audit Report, the number of outstanding cases was only reduced by 631 from 3 240 cases in 2019 to 2 609 cases in 2020, largely owing to the reduction in the number of new cases by 919 from 1 417 in 2019 to 498 in 2020. Do you agree that the strengthening of manpower in 2019 to clear the backlog might not be entirely effective? How long will it take to clear the remaining backlog? What are the major factors contributing to the backlog and further measures that can be taken by ImmD to expedite the handling of outstanding cases?

A25 The Immigration Department emphasises that the nature of bogus marriage cases is different from investigation cases involving other immigration offences. There is no offence as "bogus marriages" under the prevailing legislation of Hong Kong, any person who makes use of bogus marriages or facilitates other persons to obtain the requisite documents by aiding them in contracting bogus marriages for the purpose of entering Hong Kong shall be guilty of an offence, such as conspiracy to defraud, making false representation to Immigration officers, etc. Bogus marriage might not involve any victims but only two accomplices committing the crime for their mutual interest. Also, bogus marriage cases involve at least one non-Hong Kong resident who normally resides outside Hong Kong. These cases could not be processed further unless the suspects are intercepted for enquiry, resulting in backlog cases.

In view of the aforesaid difficulties and the uniqueness of each bogus marriage case, investigators need to put more effort to verify the genuineness of a marriage between the parties involved by collecting evidence through various channels, including departmental record check such as the couples co-movement records; conducting spot checks by home visits to ascertain cohabitation evidence in the home settings such

as the couples daily necessities and photos taken together. Investigators may also need to collect circumstantial evidence and statements such as witness statement or testimonies by the neighbours, family members and other persons involved. Separate interviews with the persons involved will also be conducted. As legal advice should be sought in light of complex legal issues involved in these cases, the Immigration Department has to conduct careful analyses and in-depth investigation, and the time required for conducting investigation varies from case to case depending on its complexity. The time required for investigation of suspected bogus marriage cases involving bogus marriage syndicates or multiple suspects will be relatively longer.

The Immigration Department centralised handling of all suspected bogus marriage cases to Special Task Force Sub-sections (STF) since the reorganisation of Investigation Sub-division in June 2019. In this connection, 10 new posts had been created and 21 existing posts under Outside Investigation Section designated to handle suspected bogus marriage cases were redeployed to STF. The total establishment of STF was increased to 53 posts. After the creation of 10 new posts, the manpower designated to handle suspected bogus marriage cases was increased by 23%.

In the first half of 2019 prior to the reorganisation, the Immigration Department arrested 491 suspects and processed 66 curtailed cases. In the second half of 2019 after the reorganisation, the Immigration Department arrested 604 suspects and processed 102 curtailed cases. It can be seen that the Immigration Department's ability to handle cases was significantly improved as the number of arrestees and case curtailment was respectively increased by around 23% and 55%.

In respect of the 2 237 backlog cases of STF as of December 2020, as of April 2021, the number of backlog cases was reduced to 1 798 by STF, representing a decrease of around 20%. With the current establishment of 10 investigation teams and assuming each can handle around 130 cases per annum, it is estimated that around 1.4 year is required to process the abovementioned backlog cases. Under the COVID-19 epidemic effects, there is a reduction in the number of new cases and the Immigration Department will make good use of the opportunity to reduce the number of backlog cases as soon as possible.

Since 2020, the majority of control points exercised special immigration control during the COVID-19 epidemic, resulting in a decrease of interception of suspects at control points. In support of the government's anti-epidemic policy, staff were arranged to be work-from-home on a rotary basis as such the handling of backlog cases was affected.

Furthermore, in processing One-way Permit applications and in case the husband-and-wife relationship is in doubt, the Mainland authorities will pass the particulars of the applicants and their spouses in Hong Kong to Immigration Department for investigation. In 2017-18, there was a significant surge in the number of new cases to be handled due to the sudden influx of over 800 referrals.

The Immigration Department has always placed importance in trimming down case backlog. To expedite the processing of outstanding cases, the Immigration Department will gainfully redeploy manpower resources to form a special team to identify those outstanding cases that require expeditious investigation. The special team will re-assess the 1 798 outstanding backlog cases as at 30 April 2021 and categorise them, in eight weeks, based on their complexity. Cases of lower complexity, such as cases without syndicate elements or multiple marriages will be accorded higher priority in the clearance of backlog. The Immigration Department will strategically deploy available resources to effectively resolve the backlog situation.

Meanwhile, the Immigration Department would actively consider including new features in the Enforcement Case Processing Systems (ENCAPS) under the next generation of Application and Investigation Easy Systems (APPLIES-2), to facilitate the investigation teams and Sub-section Heads in case investigation and monitoring the progress of handling of backlog cases. The new features include strengthening the record check function against the suspects; automatic comparison against the movement record of the suspects; alerts to investigators on the update suspect's record; regular reminders for reviewing the investigation progress. Relevant guidelines would be re-circulated regularly to remind all investigators to follow the stipulated procedures, and ensure that cases could be handled in a timely manner.

Q26 According to paragraph 3.20 of the Audit Report, in 1 501 (67%) of the 2 237 outstanding suspected bogus marriage cases, the suspects were pending interception after all possible means to locate them had been exhausted. Is it practicable for ImmD to apply to the court for warrants of arrest whereby the police can help locate the suspects in appropriate cases? If no, why not; has ImmD explored other more effective ways to locate the suspects?

A26 The application for a warrant of arrest to the magistrate is set at a very high threshold. The Immigration Department has to furnish sufficient evidence to satisfy the magistrate that the suspects had committed bogus marriage related offence(s). Section 72 of Magistrates Ordinance, Cap. 227 of the laws of Hong Kong stipulates that in every case where a complaint is made to or an information laid before a magistrate alleging the commission of any indictable offence then, if the accused is not then in custody, it shall be lawful for the magistrate to issue his warrant after the complaint or information is supported by evidence on oath and to apprehend the accused to cause him to be brought before a magistrate to answer to the complaint or information and to be further dealt with according to law. Under normal circumstances, it is hardly possible for investigators to provide such information to the magistrate before enquiry on suspects or related investigation procedures are made. In view of the above, it may be practically difficult for the Immigration Department to meet such threshold to apply for a warrant of arrest from the court.

In fact, the Immigration Department always spares no effort to combat bogus marriages. During the investigation into suspected bogus marriage cases, investigators will verify the genuineness of a marriage between the parties involved by collecting evidence through various channels, including departmental record check such as the couples co-movement records; conducting spot checks by home visits to ascertain cohabitation evidence in the home settings such as the couples daily necessities and photos taken together. Investigators will also collect circumstantial evidence and statements such as witness statement or testimonies by the neighbours, family members and other persons involved. Separate interviews with the persons involved will also be conducted. If there is reason to suspect that the person involved has committed an offence under Immigration Ordinance or Immigration

Service Ordinance, the Immigration Department investigators may, without warrant, arrest the suspect.

Among the 2 237 outstanding cases mentioned in the Audit Report, suspects of the 1 501 cases were pending interception after all possible means to locate them had been exhausted. As 989 of the 1 501 suspects were outside Hong Kong, the Immigration Department had included their personal particulars into computer systems with a view to intercepting them when they come to Hong Kong. This is considered to be the most effective measure to intercept suspects currently outside Hong Kong. With a view to intercepting the remaining 512 suspects, the Immigration Department had also included their personal particulars into computer systems. They will be intercepted upon using immigration facilities.

Moreover, instead of applying to the court for warrants of arrest, the Immigration Department would take more different measures, which had been adopted in other sophisticated cases, to improve the investigation work on suspected BM cases, including i) to request for up-to-date contact or residence information from other government departments or public organisations, such as Social Welfare Department, Water Supplies Department, Mandatory Provident Fund Schemes Authority, public hospitals, Law Enforcement Agencies, etc.; ii) understanding suspects' pattern of habits and identifying the whereabouts of them by request for information from private companies, such as telecom service provider, Octopus Cards Limited, etc.; and iii) enlisting the assistance from Police to include the suspects as wanted persons in order to intercept them and conduct investigation at the earliest opportunity.

Q27 According to paragraph 3.24(b)(ii) of the Audit Report, you have said that for operational needs, case officers had to keep the curtailed case files (albeit already endorsed by the Section Head as curtailed cases) pending interception of the suspects. According to paragraphs 3.32(c) and 3.33(c) of the Audit Report, you have agreed to remind case officers to send finalized case files to the Investigation Central Administration Section for updating. Have you issued instructions on timely record updating of curtailed cases to facilitate selection of cases for spot checking?

A27 The curtailment of outstanding cases has been adopted in response to the Audit Review by the Audit Commission in 2011 as an administrative measure to trim down backlog of outstanding cases. According to the mechanism, Section Heads would firstly review outstanding cases and endorse curtailment for the time being for the cases (curtailed cases) if cases fall within a certain set of criteria. Investigation process will be reactivated once the suspects of curtailed cases are intercepted. In this regard, curtailed cases are essentially incomplete cases. For curtailed cases, there remain a possibility for suspect interception at any time when the suspects use immigration facilities, case officers therefore need to stand-ready for reactivation of investigation. As a result, it is considered to be necessary for case files to be kept by the case officers for prompt follow-up action. It is also inevitable that the curtailed case files could not be sent to the Investigation Central Administration Section for filing at an earlier time.

The spot check mechanism conducted by the Assistant Principal Immigration Officer of the Investigation Sub-division [APIO(I)] was established in 2003 for the purpose of check-and-balance for cases that have been endorsed no-further-action (NFA) by respective Section Heads (Section Heads may endorse NFA on cases that no further investigation work is deemed required e.g. the suspect has passed away). According to the existing mechanism, APIO(I) would spot check two concluded NFA case files from each investigation section per week randomly selected from those sent to the Investigation Central Administration Section (ICAS) for filing in the preceding week. The number of selected case files depends on the total number of concluded NFA case files sent to ICAS for filing in the preceding week. Nonetheless, as NFA cases and curtailed cases shared the same result code “NF” for result updating before system enhancement, ICAS would also select the curtailed case files for spot checks.

In response to the Audit Recommendation, the Immigration Department has completed system enhancement by introducing a new result code to distinguish curtailed cases from NFA cases. The Immigration Department has also issued guidelines for handling cases of both nature. With the enhanced measures, the ICAS will be able to select appropriate NFA cases for spot check. Meanwhile, investigators have also been

reminded of the importance of sending the completed case files to the ICAS for timely result updating and filing.

Q28 According to paragraphs 3.23, 3.24(d) and 3.30 of the Audit Report, while the Assistant Principal Immigration Officer (Head) of the Investigation Sub-division has to spot check two samples per week from no-further-action cases and curtailed cases from the preceding week randomly selected by the Investigation Central Administration Section (after record updating), only 18 cases were selected for spot checking by the Assistant Principal Immigration Officer in 2019, comprising 8 no-further-action cases (i.e. no further investigation work is required) and 10 curtailed cases (i.e. cases which meet the curtailment criteria for taking no further action for the time being). Do you agree that more checks should have been carried out during the period? Please provide the respective numbers of no-further-action cases and curtailed cases selected for spot checking in 2020.

A28 The Immigration Department reiterated that APIO(I) strictly adhered to the established mechanism to conduct spot checks in order to maintain check-and-balance for no-further-action (NFA) cases. According to the existing mechanism, APIO(I) would spot check two concluded NFA case files from six investigation sections per week randomly selected from those sent to the Investigation Central Administration Section (ICAS) for filing in the preceding week. The number of selected case files depends on the total number of concluded NFA case files sent to ICAS for filing in the preceding week. Nonetheless, as NFA cases and curtailed cases shared the same result code “NF” for result updating before system enhancement, ICAS would also select the curtailed case files for spot checks. As mentioned in the Audit Report, eight cases among the 18 cases of STF spot checked by APIO(I) are NFA cases. These eight cases represents 42% of the 19 NFA cases of STF in 2019.

In 2020, APIO(I) conducted spot checks on 17 NFA cases and eight curtailed cases of STF. For NFA cases of STF, the 17 cases being spot checked represents 52% of the 33 NFA cases endorsed in 2020.

Q29 According to paragraphs 3.29 and 3.30 of the Audit Report, Immigration Department's guidelines require the three Senior Immigration Officers of STF to conduct supervisory checks on the work of the officers in their investigation teams as frequently as possible, in particular those prolonged field operations. However, during the 26-week period from 1 July to 29 December 2019, only 19 supervisory checks were conducted on the 10 teams (i.e. an average of only two checks on each team over the 26-week period) under the command of the three officers. According to paragraph 3.33(e) of the Audit Report, you have said that Immigration Department will re-circulate the relevant guideline to remind and ensure all Sub-section Heads to conduct supervisory checks of field operation as frequently as possible and to make proper record of the visits. Has improvement been made regarding the matter? Please provide the number of supervisory checks conducted each month for each team in 2020.

A29 In response to the Audit Commission's recommendations, the relevant guidelines have been re-circulated to remind the Sub-section Heads of Special Task Force Sub-sections to conduct supervisory checks on their investigation teams and to ensure those checks are properly recorded. Not only sporadic supervisory checks on field operations are performed, the Sub-section Heads also conduct weekly spot checks on sign-on registers (160 spot checks conducted in Jan – Apr 2021) and team diaries (160 spot checks conducted in Jan – Apr 2021), bi-weekly spot checks on exhibit registers (80 spot checks conducted in Jan – Apr 2021), monthly spot checks on teams' case registers (40 spot checks conducted in Jan – Apr 2021) and periodic spot checks on official notebooks (40 spot checks conducted in Jan – Apr 2021), occurrence books (40 spot checks conducted in Jan – Apr 2021), operation equipment (40 spot checks conducted in Jan – Apr 2021) to ensure investigations are in strict compliance with appropriate procedures.

The majority of control points exercised special immigration control during the COVID-19 epidemic in 2020, resulting in a decrease of interception of suspects from control points. In support of the government's anti-epidemic policy, staff were arranged to be work-from-home on a rotary basis, as such field operations were inevitably reduced in numbers. Nonetheless, during the 52-week period in 2020,

there was a total of 44 supervisory checks on field operations conducted by the three Sub-section Heads on the 10 investigation teams (i.e. an average of 4.4 checks on each team over the period).

During the 16-week period from 1 January 2021 to 30 April 2021, there was a total of 20 supervisory checks on field operations conducted by the three Sub-section Heads on the 10 investigation teams (i.e. an average of 2 checks on each team over the period), representing an increase of 66.7% compared to the same 16-week period in 2020 (12 supervisory checks on field operations were conducted).

Q30 According to paragraph 3.31 of the Audit Report, Audit examination of a suspected bogus marriage case (cum suspected bigamy) referred to Immigration Department for investigation by a Mainland authority in November 2012 revealed that the actions taken by STF to locate a suspect were not entirely effective: (i) five home visits were conducted by STF in 2013 for locating the suspect but in vain; and (ii) although STF had successfully contacted the suspect by phone three times in 2013 and requested him to attend an enquiry, he failed to attend the scheduled interview on two occasions and declined to show up on the remaining occasion. It was not until early 2019 that Immigration Department conducted a case update and found that the suspect had already passed away in January 2019. In paragraph 3.33(f), you have said that Immigration Department would further review and draw lessons from this case to look for room for improvement in relation to investigation into suspected bogus marriage cases in future. What measures have you identified to improve the investigation work on suspected bogus marriage cases?

A30 The Immigration Department has been adopting all practicable means to investigate bogus marriage cases by conducting in-depth investigation on persons involved, collecting circumstantial evidence through various sources and different channels and effecting arrest in a timely manner. Regarding Case 1, five surprised home visits were conducted in 2013 for locating the suspect but in vain. Although the suspect had successfully been contacted by phone three times in 2013 and was requested to attend an enquiry, he failed to attend the scheduled interview on two occasions and declined to show up on the remaining one. Apparently, the suspect evaded the investigation deliberately.

As a matter of fact, the Immigration Department would formulate strategies to trace suspects in accordance with their personal background and the circumstances of each case. The existing measures are effective and most suspects within Hong Kong could be successfully intercepted. Learning from the experience of Case 1, the Immigration Department would take more different measures, which had been adopted in other sophisticated cases, to improve the investigation work on suspected BM cases, including i) to request for up-to-date contact or residence information from other government departments or public organisations, such as Social Welfare Department, Water Supplies Department, Mandatory Provident Fund Schemes Authority, public hospitals, Law Enforcement Agencies, etc.; ii) understanding suspects' pattern of habits and identifying the whereabouts of them by request for information from private companies, such as telecom service provider, Octopus Cards Limited, etc.; and iii) enlisting the assistance from Police to include the suspects as wanted persons in order to intercept them and conduct investigation at the earliest opportunity.

Q31 According to paragraphs 3.32(a) and 3.33(a) of the Audit Report, you have agreed to expedite actions to clear the backlog of suspected bogus marriage cases, focusing on cases which have remained outstanding for a long time. What is the progress?

A31 The Immigration Department has always placed importance in trimming down case backlog. As at 30 April 2021, the 2 237 backlog cases mentioned in paragraph 3.19 of the Audit Report was reduced to 1 798, representing a decrease of around 20%. To expedite the processing of outstanding cases, the Immigration Department will gainfully redeploy manpower resources to form a special team to identify those outstanding cases that require expeditious investigation. The special team will reassess the 1 798 outstanding backlog cases and categorise them, in eight weeks, based on their complexity. Cases of lower complexity, such as cases without syndicate elements or multiple marriages will be accorded higher priority in the clearance of backlog. The Immigration Department will strategically deploy available resources to effectively resolve the backlog situation.

Q32 According to paragraphs 3.33(b) and (d) of the Audit Report, you have said that ImmD would step up checking of suspected bogus marriage cases and issue written guidelines on setting a time target for opening of case files for normal cases. What actions have you taken in this regard?

A32 In response to paragraph 3.33(b), the Immigration Department has completed system enhancement by introducing a new result code to distinguish curtailed cases from NFA cases. The Immigration Department has also issued guidelines for handling cases of both nature. With the enhanced measures, the ICAS will be able to select appropriate NFA cases for spot check. Meanwhile, investigators have also been reminded of the importance of sending the completed case files to the ICAS for timely result updating and filing.

In response to paragraph 3.33(d), the Immigration Department has in place guidelines for case management. For priority cases, case officers shall open case files within 2 weeks after assignment to ensure timely follow-up on the cases. For normal cases, case files would be opened in chronological order according to their date of receipt of the referral. A new guideline has been issued to further enhance the case management mechanism. For priority cases, case officers shall commence investigation, followed by opening case files, within five working days after assignment of the bogus marriage case. For normal cases, case officers shall commence investigation, followed by opening case files, within ten working days after assignment of the bogus marriage case.

Part 4: Implementation of next generation of Application and Investigation Easy Systems

Q33 According to paragraphs 4.4 and 4.5 of the Audit Report, Phase 1 of APPLIES-2 (covering the existing functions of the first generation of Application and Investigation Easy Systems) was planned to be rolled out by December 2021, which was only about two months before the expiry of the existing maintenance contract in February 2022. As of January 2021, system analysis and design stage of Phase 1 was one month behind schedule. What is the latest implementation progress of APPLIES-2?

A33 According to the Project Management Plan of APPLIES-2, the stages of System Development, Testing and User Acceptance Test of Phase 1 should be completed by November 2021. Meanwhile, Phase 1 is actively underway and the progress is satisfactory. As at 30 April 2021, no major risk or issue concerning the project was identified.

Q34 According to paragraph 4.9 of the Audit Report, since November 2019 (date of awarding the two contracts for installation and supply of APPLIES-2 (Contracts A and B)) and up to February 2021, the Project Steering Committee and the Working Group had not held regular meetings (either by on-site meeting or video conferencing) to monitor the project progress. Do you agree that this is less than satisfactory?

A34 From January 2020 to February 2021, Hong Kong experienced four waves of COVID-19 infections. To prevent the spread of virus, the government has tightened social distancing measures and implemented work-from-home arrangements for government employees during the periods. As a result, meetings with the Project Steering Committee (PSC) and the Working Group (WG) were impeded. Regarding the adoption of video conferencing, although there were some commonly-used video conferencing solutions in the market, they were mostly riding on public cloud, the data would be sent to public cloud servers which might not be hosted in Hong Kong. Since the APPLIES-2 project involved classified matters, with due consideration on the security and protection of classified information, project highlight reports and classified emails were issued to keep members of PSC and WG abreast of the updated project progress and seek their timely comments and directives. This alternative course of action has in fact served the purpose.

Q35 According to paragraph 4.15(a) of the Audit Report, you have said that ImmD would consider arranging video conferencing in lieu of on-site meeting for future meetings of the Project Steering Committee and Working Group where appropriate. Have you arranged any so far?

- A35** Having considered the recent COVID-19 epidemic situation in Hong Kong, ImmD is preparing to conduct meeting with the Project Steering Committee and Working Group between late May and June 2021.
- Q36** According to paragraph 4.10(a) of the Audit Report, the approved project estimate for the APPLIES-2 project included an estimated sum of \$342.6 million for all hardware, software and implementation services. According to paragraphs 4.10(c) and 4.11 of the Audit Report, the pre-tender estimate for Contracts A and B was \$365.4 million, which was substantially greater than the accepted tender prices totalling \$272.7 million. Given the significant variances between the estimated and actual tender prices, how will you improve the cost estimation in future?
- A36** The market researches as mentioned in paragraph 4.10(c) and 4.11 of the Audit Report refer to the two market researches conducted in 2016 and 2018 respectively. In 2019, Audit Commission conducted a review to examine ImmD's work on the procurement of goods and services. The identified areas for improvement in working out realistic pre-tender estimates (PTEs) in tender exercises of Information Communications Technology projects were mentioned in Report No.73 of the Director of Audit on 28 October 2019. Subsequently, ImmD issued guidelines in accordance with the recommendations including the market condition and economy of scale in determining the PTEs, follow up with major vendors to obtain required information for procurement of Information Technology equipment and services to improve the cost estimation for the tender exercise in all coming projects. ImmD will ensure the close compliance of such guidelines.
- Q37** According to paragraph 4.12 of the Audit Report, as of March 2021, the total cashflow requirement of the APPLIES-2 project was only \$372.2 million with an estimated unspent fund balance of \$80.8 million. However, in the annual returns on the forecast expenditure of the APPLIES-2 project submitted by ImmD to the Security Bureau and the Financial Services and the Treasury Bureau from 2018 to 2020, the cashflow requirement in each of the submissions was \$453 million (which was the same as the approved project estimate) with no unspent fund balance. Why? Did you critically review the latest cashflow requirement of the APPLIES-2 project

when preparing the annual returns on forecast expenditure from 2018 to 2020?

A37 The APPLIES-2 project is progressing actively and for the full implementation of the Systems, other than those awarded main contracts, more planned procurements for hardware, software and services are being arranged under the procurement schedule. According to the actual values of awarded contracts and known expenditures as of March 2021, the cashflow requirement was \$372.2 million, whilst the unspent fund balance of \$80.8 million includes a contingency of \$41.2 million provision.

In March 2021, ImmD had completed the latest market researches for the procurement of new system for the 24-hour “1868” hotline of the Assistance to Hong Kong Residents Unit, peripheral devices, anti-virus and application software, etc. The estimated costs of all the upcoming procurements sum up to around \$80 million. Subject to the actual amount of the contract sum, the actual unspent fund might not be a significant portion. Therefore, ImmD has maintained the same value in the annual returns on the estimated case flow requirements for the APPLIES-2 project submitted to the Security Bureau and the Financial Services and the Treasury Bureau.

Q38 **According to paragraph 4.15(c) of the Audit Report, you have said that ImmD will report to the Financial Services and the Treasury Bureau if any surplus fund in excess of project requirement of APPLIES-2 comes to notice. Have you identified any surplus fund so far?**

A38 No surplus fund is identified thus far. For details, please refer to the reply for Q37.



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入境事務處

覆函請註明本處檔號

Immigration Department

In reply please quote this ref : IMM/CR 1708

貴署檔號 Your Ref. : CB4/PAC/R76

26 May 2021

Ms Wendy JAN
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms JAN,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 76
Management of birth, death and marriage registrations

Thank you for your letter of 18 May 2021.

Regarding your request for written response of the Immigration Department to the issues as set out in Part (I) of the Appendix of your letter, we have enclosed our reply for the consideration of the members of the Public Accounts Committee.

If you have any enquiries, please contact the undersigned on 2829 3838.

Yours Sincerely,

(FAN Hiu-sing)
for Director of Immigration

c.c. Secretary for Security (with encl.)

Reply to Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 76
Management of birth, death and marriage registrations

Q1 According to paragraph 1.5 of the Director of Audit's Report No. 76 ("Audit Report"), "A birth that has not been registered within 12 months after such birth can be registered only with the consent of the Registrar of Births and Deaths (i.e. consented post-registration) and upon payment of a prescribed fee." What are the criteria and factors for the Registrar to consent to such post-registration of birth?

A1 Under section 7 of the Births and Deaths Registration Ordinance, Cap 174 ("BDO"), parents of every child born shall apply for the registration of the child's birth at a birth registry within a period of 42 days after the day of such birth. It is a criminal offence if anyone deliberately fails to register the birth of a child as required by the law. Offenders are liable to a maximum penalty of a fine of HK\$2,000 or up to six months' imprisonment. Parents are required to register the birth of their children in accordance with the law, so as to avoid undermining the rights of their children to medical treatment, education and welfare benefits due to late registration.

According to Section 9(3) of the BDO, no birth shall be registered after the expiry of 12 months from the date thereof except with the consent of the Registrar. For those who were born after 12 months but did not register their births, provided that there is sufficient proof of their birth in Hong Kong, they can register their births with the consent of the Registrar of Births and Deaths and upon payment of the prescribed registration fee.

For post-registration, the applicant is required to apply for a search of his/her birth record in the first instance to ensure that he/she has no registered birth record in Hong Kong. The application should be made by completing the application form (BDR89) and supported with evidence indicative of date and place of birth as well as proof of relationship between the applicant and his/her parents such as hospital or midwife's record and vaccination certificate or post-natal clinic record. Documents such as baptismal certificate can also serve as evidence.

In case the above documents are not available, the applicant should as far as practicable provide other documentary evidence to support his/her application.

Parents of the applicant will be required to make statutory declarations on the applicant's birth in Hong Kong. Other than the information of the applicant, the declarations must include full details of the parents' periods of residence in Hong Kong, date of marriage, date and place of birth of all other siblings, if applicable. If the other siblings were also born in Hong Kong, it must be stated whether their births have been registered. Two additional independent witnesses will normally be required to make a statutory declaration that they have personal knowledge of the applicant's birth in Hong Kong. In the absence of indicative evidence in support of the application, statutory declarations made by parents, relatives, friends or other witnesses alone will not amount to sufficient evidence for post-registration.

If both parents are deceased, two witnesses, of whom one should be a relative of the applicant and the other a personal friend of the parents, will be required to make declarations on the applicant's birth in Hong Kong. Based on the individual case merits, the required declarations and supporting documents may be varied.

Any person giving false information or making a false declaration may be subject to prosecution.

Arrangement for interviewing the witnesses, administration of declaration and scrutiny of documentary evidence, etc. will be made in the order of the receipt of the application. When attending an interview, the parties concerned must produce their identity cards or other documents of identification. Additionally, the applicant is required to submit three recent photographs and all relevant documents for inspection.

Having completed the proper assessment, if it is satisfied that the applicant was born in Hong Kong after examination of the available information and the supporting documents provided, Immigration Department will arrange birth registration for the applicant.

Q2 According to paragraph 1.5 of Director of Audit's Report, fee is required for post-registration of birth. What is the fee for post-registration of birth? When was the last review of such prescribed fee? Does Immigration Department (ImmD) consider the current amount of prescribed fee effective in leading to the expected result?

A2 The Births and Deaths Registration Ordinance, Cap 174 ("BDO") has imposed duty upon the parents to register birth for their child within prescribed time and penalty for breach of this provision. Section 25 of the BDO provides that any person who being charged with the duty of registering birth refuses or, without

reasonable excuse, omits to register a birth shall be deemed to have committed a breach of the relevant provision of the BDO. In accordance with Section 28 of the BDO, the offender shall be liable to a fine of HK\$2,000 or imprisonment for 6 months.

According to Section 9 of BDO, no fee will be charged for a birth registration within 42 days of the birth. For a birth registered after 42 days of the birth but within one year, a fee of HK\$140 will be charged. For a birth registration after one year, the fee will be HK\$680.

It is the Government's policy that fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the services. ImmD has conducted fee reviews (including the fees for post-registration of birth) in accordance with established mechanism in 2018-19 financial year. Based on the outcome of the review, the fees for post-registration remained unchanged.

ImmD had revised its procedures in handling of unregistered birth cases in May 2015 to closely monitor and actively follow up such cases. In February 2018, a special duty team was established to further enhance the handling of unregistered birth cases. According to prevailing procedures, special duty team will take timely follow up action including record checks, contacting parents by phone, issuing reminder letters and paying home visit to the known address of the parents where necessary. From its establishment in February 2018 to March 2020, the special duty team had handled more than 12,000 unregistered birth cases and over 99% of them completed birth registration afterwards.

Q3 According to note 12 to paragraph 1.9 of the Director of Audit's Report No. 76 ("Audit Report"), "According to ImmD, although CCMs have taken up around 51% of the marriage solemnisation cases, the workload at the marriage registries has not decreased to the same extent as ImmD is still involved in the exhibition and filing of marriage notices, matching of the returned duplicate marriage certificate with the marriage notice records, etc.". Does ImmD perform review on the work procedures, and consider the application of innovative technology to enhance the efficiency and streamlining the procedures so as to reduce the manpower requirement? If yes, please provide details. If no, please provide reasons for that.

A3 The Civil Celebrants of Marriage ("CCM") Scheme was implemented in 2006. The purpose of the scheme is to meet the increasing public demand for the Government to provide more flexible marriage solemnisation services and to make use of private sector resources in providing such services.

Despite almost half of the marriages are celebrated by CCMs, their work is confined to certain work steps of the entire marriage registration, namely taking affidavit from the party giving the notice of intended marriage and celebrating a marriage at a place preferred by the marrying parties. Apart from the abovementioned work, ImmD is responsible for:

- inspecting the notice of intended marriage filed through CCM or by marrying parties and arrange for their exhibition;
- perform record check and assess the submitted documents to ensure that the couples fulfilled all statutory requirements;
- contact the CCMs or the marrying parties to request for further supporting documents or arrange interviews to clarify the marital status or other facts as appropriate;
- issue the Certificate of the Registrar (“RC”) which is a prerequisite for conducting the marriage ceremony;
- monitor the return of duplicate of certificate of marriage (“MCD”) by the CCM;
- perform checking and filing of the MCD into the Marriage Register etc.

ImmD has made use of information technology to enhance operation efficiency and provide facilitation of service to members of the public. The appointment booking system and online submission of information for registration of marriage have undoubtedly shortened the counter processing time by saving time required for manual data input. The exhibition of notice of intended marriage on computer monitors and filing of MCDs by digital image have also been automated. Moreover, online application is available for search of marriage records and the certificate of absence of marriage records.

As a new measure for application of technology, under the impending APPLIES-2 system, additional electronic payment methods (i.e. Octopus Card and FPS) will be implemented to bring about more convenience and time-savings. Notwithstanding constraints under the existing legal framework (e.g. pursuant to section 12 of the MO, one of the marrying parties shall appear personally before the Registrar to make an affidavit), we endeavour to continue to look into the feasibility of employing information technology to cope with work related to marriage registration so as to enhance the efficiency and streamline working procedures as far as practicable.

Q4 According to paragraph 1.10 of the Audit Report, the Immigration Department investigated 644 suspected bogus marriages cases in 2019. In the same year, 1 095 persons were arrested and 71 persons were successfully prosecuted. Among the 644 investigated cases, what are the farthest and most recent years of file opening? How many of them are completed cases and outstanding cases? Among the completed cases, how many are no-further-action cases and curtailed cases? Among the outstanding cases, how many suspects could not be located and how many cases are under prosecutorial assessment respectively?

A4 In 2019, the Immigration Department detected 644 new cases of suspected bogus marriage involved 1 417 persons. Case files for these 1 417 suspects were opened in the same year. As at 30 April 2021, the relevant case progress is summarized in Table 1 below.

Table 1: Case progress of suspected bogus marriage cases detected in 2019

Year	No. of case completed			No. of case under investigation		Total
	NFA	Curtailed	Prosecuted / No prosecution	Under prosecutorial assessment	Pending interception	
2019	30	50	514	91	732 (375)	1 417

() refers to the number of cases where all possible means to locate the suspects had been exhausted and the personal particulars of the suspects had been included into computer systems pending interception.

Q5 According to paragraphs 2.12(a) and 2.14(d) of the Audit Report, does the Immigration Department consider that there can be any area of improvement in the investigation?

A5 Immigration Department shall endeavor to investigate unregistered birth cases at the soonest, however, the completion of each case may be varied due to its uniqueness and complexity.

Case officer would make reference to the stipulated guidelines to comprehensively cover all possible means in locating the parents concerned of unregistered birth case for a speedy resolution of the case. Taking the case concerned as an example, within the first four months after receiving the referral from November 2018 to March 2019, case officer not only made phone calls to

the reported telephone numbers, which were the only numbers available in Immigration Department records, but also conducted surprise field visits to their four reported addresses. During the course of investigation, case officer also maintained effective communication with other government bodies, including Social Welfare Department (SWD), Correctional Services Department, and the Family Court, with a view to discovering more information and contact means of the concerned parents, with the ultimate aim of locating their whereabouts.

The Director of Social Welfare was appointed as the guardian of the child and completed the birth registration on 12 December 2018. Despite the case officer had taken all the actions mentioned above, the parents were still untraceable. Notwithstanding the welfare of the child has been properly ensured by SWD and the birth registration successfully completed, Immigration Department continued the investigation efforts and placed the parents' particulars into the computer system on 26 April 2019, so that when they used immigration facilities and clearances, either of them would be intercepted for follow-up action, even though our officer had evaluated that the chance to intercept the parents at control points was slim based on their previous travel pattern (last movement of mother was in July 2017 and father in January 2018). Not until 4 December 2019, the subject mother was successfully intercepted at Lok Ma Chau Control Point when the prosecution had already been time-barred. Even though the above attempts were futile, the actions taken showed that the case officer complied with the guidelines and adopted a comprehensive approach in locating the parents. Indeed, case officer had exhausted all possible means to locate the parents for further investigation in the limited time frame.

The guidelines are considered effective and comprehensive so far. Among the 11 cases as mentioned in 2.12 of the Audit report, the parents concerned in 10 cases were eventually located and their cases concluded timely using the strategies formulated. With a view to formulating more effective strategy to locate parents concerned for cases of unregistered birth, a new guideline was issued requiring case officers to report the progress of their outstanding cases to Senior Immigration Officer (SIO) at first two months after commencing investigation, and report to the Section Head, i.e. Chief Immigration Officer (CIO) every 2 months thereafter, for seeking directives. If case circumstances warranted or if the concerned parents were involved in other offences, such as perjury or overstaying in Hong Kong, or they had tried to deliberately evade our investigation and consequently obstruct our officers from exercising their duties, case officers would consider enlisting assistance from the Police to put the parents' particulars as wanted persons for interception.

Given that every single case is unique, it has to be considered on its own facts and warrants different strategy, it is not sensible to apply one single rule to all situations, especially investigation of criminal cases. Apart from strictly following guidelines which has always been effective in most cases, case officer would exert his flexibility in handling cases with special circumstances to achieve fruitful result.

Pursuant to Section 7 of Birth and Deaths Registration Ordinance (Chapter 174), the father or mother of every child born alive in Hong Kong shall, within 42 days after the day of such birth, give information to a registrar of the several particulars required to be registered, and shall, in the presence of such registrar, sign and submit to such registrar a register form completed with the information so given. Failing to do so shall be liable to a fine at level 1 (\$2,000) or to imprisonment for 6 months. Nevertheless, according to Section 26 of Magistrates Ordinance (Chapter 227), it is stipulated that the complaint of the aforementioned offence shall be made or such information laid within 6 months from the time when the matter of such complaint or information respectively arose. Therefore, the prosecution is time barred when the child's mother is intercepted.

Immigration Department reiterated that parents must fulfil their obligations under the law to register the birth of a child so that the right to medical treatment, education and welfare benefits entitled to their children could be protected.

Q6 According to paragraph 2.12(b) in the Audit Report, "...any investigation cases which cannot be completed within four months will be reported to the Senior Immigration Officer for information and directive." However, after reviewing individual case files, the Audit Commission found that in three cases, there was no documentation on the reporting of the case progress to the Senior Immigration Officer within four months after the commencement of respective case investigation. In this regard, does the Immigration Department currently have a mechanism for the Senior Immigration Officer to proactively monitor the progress of each case?

A6 In response to the suggestions made by the Audit Commission, Immigration Department had recirculated the relevant instruction for reminding the case officers to strictly follow the management of outstanding investigation cases. To ensure full understanding and compliance, the said instruction would be arranged for recirculation every 6 months as a reminder.

As mentioned in the Report No. 76 of Director of Audit (Audit report), case officers reported the progress of their outstanding cases in regular group meetings for Senior Immigration Officers' (SIO) information and directives. By recirculating the aforementioned guidelines, case officers were clearly reminded the requirement on making proper record on individual files of all investigation cases to reflect SIOs' due supervision within 4 months after the commencement of respective cases.

In addition to the monthly group meeting held between SIO and case officers in which the SIO could closely monitor the investigation progress and provide immediate directive regarding unregistered birth cases, a new guideline was issued to enhance the management of unregistered birth cases in particular. Case officers are required to report the progress of their outstanding cases to SIO at first two months after commencing investigation, and report to the Section Head, i.e. Chief Immigration Officer (CIO) every 2 months thereafter; case officers are also required to report the progress to CIO 2 months before the expiry of the prosecution time-bar, whichever is earlier. The report and directive from senior officers should be recorded on individual case files.

Q7 According to paragraph 3.8 of the Audit Report, the Civil Celebrants of Marriages ("CCM") Scheme has been introduced in 2006. How is it operated and supervised since then? Did ImmD conduct any full review on the operation and supervisory mechanism of CCM Scheme, including the areas relating to list of CCMs, application for appointment of renewal and etc.? If yes, what is the result and counter-measures? If no, will ImmD conduct any review later?

A7 The Civil Celebrants of Marriage ("CCM") Scheme was implemented in 2006. The purpose of the scheme is to meet the increasing public demand for the Government to provide more flexible marriage solemnisation services and to make use of private sector resources in providing such services. Under the CCM Scheme, marrying couples may give a notice of intended marriage through a CCM to the Registrar of Marriages or a deputy registrar of marriages. They may also engage a CCM to celebrate their marriage at any place in Hong Kong (other than the office of the Registrar or a place of worship licensed under the MO). The scheme has provided more flexibility and convenience for marrying parties.

Pursuant to Schedule 4 of the Marriage Ordinance ("MO"), solicitors and public notaries meeting paragraphs 1 and 2 of the eligibility criteria for civil celebrants specified in the schedule are eligible to apply to be appointed as CCM. Paragraph 3 of the eligibility criteria provides that the applicant should have completed a training course organised by the Registrar of Marriages for

the purposes of the MO. The content of training course covers the procedures of giving of Notice of Intended Marriage and celebration of marriage, potential offences and penalties relevant to marriage registration, etc. Meanwhile, a “Guidance Notes for Civil Celebrants of Marriages” which provides practical guidelines and workflow for CCMs to discharge their duties and a “Code of Practice for Civil Celebrants of Marriages” which provides practical guidance in respect of the professional conduct of civil celebrants will be given to the applicants for reference during the training course. After the training, the Registrar would publish the appointment of CCM by notice in the Gazette and effect the appointment by giving the CCM written notice specifying the appointment period for five years. The list of CCM will also be published on the departmental homepage.

According to section 5H(2) of the Marriage Ordinance (MO), if a CCM ceases to meet any of the prescribed criteria specified in Schedule 4 to the MO, he/she must notify the Registrar of Marriage in writing within 14 days of such cessation. Pursuant to section 31A(3) of the MO, any CCM who contravenes section 5H(2) without reasonable excuse shall be guilty of an offence and shall be liable to a fine at level 3, which is HK\$10,000. If a CCM is suspected to have committed an offence under the MO, such as failing the statutory requirement to notify the Registrar of Marriage of his/her cessation to meet prescribed criteria as a CCM, case will be further investigated and prosecution may be instigated if there is sufficient evidence.

With a view to reminding the CCMs on the relevant statutory requirement, ImmD has reviewed and revised the training materials for CCMs to include the requirement in the training materials and will emphasize the requirement again during the training course. In addition, we have reviewed the departmental homepage and included the legal requirement. The "How to Apply - Becoming a Civil Celebrant of Marriages" pamphlet has also been reviewed and revised to highlight the legal requirement. As a further reminder to the CCMs, we have enhanced the notification letters to CCMs for collecting renewal appointment certificate by adding the legal requirement as a reminder again.

To ensure the performance of the CCMs, the Registrar will maintain close contacts with the Hong Kong Society of Notaries (HKSJ) and the Law Society of Hong Kong (LSHK) in handling complaints and disciplinary cases relating to CCMs. Liaison had been made with the HKSJ and LSHK about the updated mechanism to ImmD once their members no longer hold valid practicing certificates.

We have also implemented measure to monitor the eligibility of the appointed CCMs by checking against the relevant information (i.e. list of members with practicing certificates promulgated by the LSHK) posted in the websites of the LSHK and the HKSJ (i.e. list of practising members promulgated by the HKSJ) against our latest list of CCMs on daily basis. When there is any irregularity revealed, we will verify the concerned parties immediately and review if the appointment of concerned CCM be affected.

After review, ImmD will enhance the training to those CCMs who were not active and had not provided any marriage solemnization service for some five years upon their applications for renewal of appointment. Meanwhile, ImmD will conduct record checks on those renewal applications to see if the applicants have provided any marriage solemnization service in the last term. If negative, the CCM will be arranged to attend a refresher course and provided with a set of the “Guidance Notes for Civil Celebrants of Marriage” again for reference. The content of the refresher course covers the procedures of giving of Notice of Intended Marriage and celebration of marriage, potential offences and penalties relevant to marriage registration as well as case sharing. The first refresher course will be conducted in August 2021.

ImmD will conduct further review on the CCM Scheme having due regard to the service demand as appropriate.

Q8 According to paragraph 3.11 of the Audit Report, 34 persons on ImmD’s list of CCMs were neither solicitors with practicing certificates nor notaries public. Was there any human negligence or system loophole involved? When did ImmD learn that some of those CCMs did not meet the eligibility criteria as stated in the Marriage Ordinance (Cap. 181)? What measures did ImmD take to follow up the issue so as to avoid recurrence of similar cases?

A8 Please refer to consolidated reply for Q8, Q10 & Q11

Q9 According to paragraph 3.13 of the Audit Report, what factors will be considered when ImmD decides to approve the application for renewal from an inactive CCM? Do the factors include the requirement for the inactive CCM to attend refresher course? If there is any refresher course, what will be its details and content?

A9 Pursuant to section 5A(2) of the Marriage Ordinance (“MO”), the Registrar of Marriages may, upon application of a CCM, renew his appointment as a CCM

if he meets all criteria prescribed in Schedule 4¹ to the MO.

Paragraph 3 of Schedule 4 requires applicant for appointment as CCM to have completed the training organised for the purposes of the MO as the Registrar of Marriages may specify. In this regard, ImmD will arrange all applicants applying for appointment as a CCM to attend a training course. The content of training course covers the procedures of giving of Notice of Intended Marriage and celebration of marriage, potential offences and penalties relevant to marriage registration, identification of forged documents of identity, etc. Meanwhile, a "Guidance Notes for Civil Celebrants of Marriages" which provides practical guidelines and workflow for CCMs to discharge their duties and a "Code of Practice for Civil Celebrants of Marriages" which provides practical guidance in respect of the professional conduct of CCMs will be given to the applicants for reference during the training course.

In light of the Audit's comment, ImmD will enhance the training to those CCMs who were not active and had not provided any marriage solemnization service for some five years upon their applications for renewal of appointment.

¹1. Being—

(a) a solicitor—

(i) holding a current practising certificate issued under section 6 of the Legal Practitioners Ordinance (Cap. 159) which is unconditional save as to the condition of compliance with the Continuing Professional Development Rules (Cap. 159 sub. leg. W) and the Legal Practitioners (Risk Management Education) Rules (Cap. 159 sub. leg. Z); and

(ii) holding a certificate issued by The Law Society of Hong Kong—

(A) certifying that he has practised as a solicitor; or

(B) upon a statutory declaration by him in such form as the Council of The Law Society of Hong Kong may determine certifying that he has been employed while his name is on the roll of solicitors within the meaning of the Legal Practitioners Ordinance (Cap. 159) to provide legal service to the employer,

for a period or periods in aggregate of not less than 7 years; or

(b) a notary public—

(i) who holds a current practising certificate issued under section 40E of the Legal Practitioners Ordinance (Cap. 159) which is unconditional; or

(ii) who is qualified to practise as a notary public under subsection (1) of section 40D of the Legal Practitioners Ordinance (Cap. 159) by virtue of subsection (2) of that section.

2. Has not been—

(a) the subject of a valid order made under section 10(2) of the Legal Practitioners Ordinance (Cap. 159) by a Solicitors Disciplinary Tribunal constituted under section 9B of that Ordinance;

(b) removed from or struck off the register of notaries public before 30 June 2005 under section 42 of the Legal Practitioners Ordinance (Cap. 159) as then in force;

(c) suspended from practice as a notary public before 30 June 2005 under section 42 of the Legal Practitioners Ordinance (Cap. 159) as then in force; or

(d) the subject of a valid order made under section 40J(2) of the Legal Practitioners Ordinance (Cap. 159) by a Notaries Public Disciplinary Tribunal constituted under section 40I of that Ordinance,

during the 3 years immediately preceding the date of the application for appointment as civil celebrant or renewal of appointment as civil celebrant, as may be appropriate.

3. Having completed such training organized for the purposes of this Ordinance as the Registrar may specify.

Meanwhile, ImmD will conduct records check on those renewal applications to see if the applicants have provided any marriage solemnisation service in the last term. If negative, the CCM will be arranged to attend a refresher course and provided with a set of the "Guidance Notes for Civil Celebrants of Marriages" again for reference. The content of the refresher course covers the procedures of giving of Notice of Intended Marriage and celebration of marriage, potential offences and penalties relevant to marriage registration as well as cases sharing. The first refresher course will be conducted in August 2021.

- Q8 According to paragraph 3.11 of the Audit Report, 34 persons on ImmD's list of CCMs were neither solicitors with practicing certificates nor notaries public. Was there any human negligence or system loophole involved? When did ImmD learn that some of those CCMs did not meet the eligibility criteria as stated in the Marriage Ordinance (Cap. 181)? What measures did ImmD take to follow up the issue so as to avoid recurrence of similar cases?
- Q10 According to paragraph 3.15(a) of the Audit Report, ImmD will explore possible measures with the relevant organisations to enhance the existing mechanism so as to ensure that CCMs meet the eligibility criteria as stated in the Marriage Ordinance (Cap. 181). In this connection, ImmD please provide details on the progress.
- Q11 According to paragraph 3.15(a) of the Audit Report, ImmD will explore possible measures with the relevant organisations to enhance the existing mechanism so as to ensure that CCMs meet the eligibility criteria as stated in the Marriage Ordinance (Cap. 181). In this connection, ImmD please provide details on the progress.

Consolidated reply to Q8, Q10 and Q11

- A8, Pursuant to section 5H(2) of the Marriage Ordinance ("MO"), if a CCM ceases
10 & to meet any prescribed eligibility criterion specified in Schedule 4 to the MO,
11 the CCM shall within 14 days of such cessation, notify the Registrar of
Marriages in writing of such cessation. Section 31A(3) of the MO provides
that any CCM who without reasonable excuse contravenes section 5H(2) shall
be guilty of an offence and shall be liable to a fine at level 3 (i.e. HK\$10,000).
If a CCM is suspected to have committed an offence under the MO, such as
failing the statutory requirement to notify the Registrar of Marriage of his/her
cessation to meet prescribed criteria as a CCM, case will be further investigated
and prosecution may be instigated if there is sufficient evidence.

With a view to reminding the CCMs on the relevant statutory requirement, ImmD has revised the training materials for CCMs to include the requirement

in the training materials and will emphasize the requirement again during the training course. In addition, we have reviewed the departmental homepage and included the legal requirement. The "How to Apply - Becoming a Civil Celebrant of Marriages" pamphlet has also been reviewed and revised to highlight the legal requirement. As a further reminder to the CCMs, we have enhanced the notification letters to CCMs for collecting renewal appointment certificate by adding the legal requirement as a reminder again.

In addition, liaison has been made with the Hong Kong Society of Notaries (HKSJ) and the Law Society of Hong Kong (LSHK) about the updated mechanism to ImmD once their member no longer hold valid practicing certificates. ImmD has also implemented measure to monitor the eligibility of the appointed CCMs by checking against the relevant information (i.e. list of members with practicing certificates promulgated by the LSHK) posted in the websites of the LSHK and the HKSJ (i.e. list of practising members promulgated by the HKSJ) against our latest list of CCMs on daily basis. When there is any irregularity revealed, we will verify the concerned parties immediately and review if the appointment of concerned CCM be affected.

- Q12 According to paragraph 3.17 of the Audit Report, Immigration Department would conduct in-depth investigation (e.g. home visit) to verify the genuineness of the matrimonial relationship of the couples when handling suspected bogus marriage cases. Except home visits, what are the major methods and measures used by the Immigration Department to investigate suspected bogus marriage cases; is there any assessment on the effectiveness on those investigation methods and measures? If yes, how is the effectiveness? If no, has Immigration Department considered other measures?
- A12 The Immigration Department emphasises that the nature of bogus marriage cases is different from investigation cases involving other immigration offences. There is no offence as "bogus marriages" under the prevailing legislation of Hong Kong, any person who makes use of bogus marriages or facilitates other persons to obtain the requisite documents by aiding them in contracting bogus marriages for the purpose of entering Hong Kong shall be guilty of an offence, such as conspiracy to defraud, making false representation to Immigration officers, etc. Bogus marriage might not involve any victims but only two accomplices committing the crime for their mutual interest. Also, bogus marriage cases involve at least one non-Hong Kong resident who normally resides outside Hong Kong. These cases could not be processed further unless the suspects are intercepted for enquiry, resulting in backlog cases.

In view of the aforesaid difficulties and the uniqueness of each bogus marriage case, investigators need to put more effort to verify the genuineness of a marriage between the parties involved by collecting evidence through various channels, including departmental record check such as the couples co-movement records; conducting spot checks by home visits to ascertain cohabitation evidence in the home settings such as the couples daily necessities and photos taken together. Investigators may also need to collect circumstantial evidence and statements such as witness statement or testimonies by the neighbours, family members and other persons involved. Separate interviews with the persons involved will also be conducted.

Moreover, the Immigration Department has also been strengthening enforcement via different channels to combat bogus marriages with a multi-pronged and all-rounded approach. Various measures include:

(1) To step up immigration examination on arrivals

When conducting immigration examinations on arriving passengers, the Immigration Department will critically scrutinise doubtful visitors coming to visit their spouses in Hong Kong on the strength of "exit endorsement for visiting relatives" and refuse their entries if their purposes of visit are in doubt. In case any persons are found to have violated the laws of Hong Kong, such as making false representation to immigration officers, enforcement officers of the Immigration Department will carry out in-depth investigations and handle the cases in accordance with the law.

(2) To combat illegal workers

Since those persons entering Hong Kong by means of bogus marriages mainly aim to take up illegal employment in Hong Kong, the Immigration Department will pay particular attention to Mainland residents holding "exit endorsement for visiting relatives" during anti-illegal workers operations. In-depth investigations will be mounted against any suspected cases of obtaining "exit endorsement for visiting relatives" via bogus marriages and the cases will be handled in accordance with the law.

(3) To step up operations against intermediaries

Very often, bogus marriage cases involved intermediaries arranging Mainland residents to contract bogus marriages with Hong Kong residents and then apply for the requisite documents to enter Hong Kong. The Immigration Department has always kept an eye on and conducted investigations into doubtful intermediaries. Cooperation with the Mainland authorities by

exchanging intelligence will also be made with a view to combating intermediaries and bogus marriage syndicates involved in cross-border crimes. Besides, the Immigration Department is also aware that criminal syndicates publish advertisements with wordings such as "making quick cash" and "intermediary for Mainland-Hong Kong marriages" to allure people to engage in bogus marriage on social networking and instant messaging mobile applications, as well as newspapers and web pages. Taking into account the individual circumstances of each case, the Immigration Department will deploy officers in decoy operations to collect evidence to combat illegal activities of bogus marriage intermediaries.

(4) To step up checking of doubtful marriage registration cases

To facilitate effective identification of suspected cases of contracting bigamous marriages on the Mainland and in Hong Kong, the Immigration Department's Enforcement Division established in 2008 a standing checking mechanism with a checking company, which is the only one authorised by the Ministry of Justice of the Mainland to set up in Hong Kong, against suspected bigamy cases. Besides, marriage registries have stepped up examination on suspicious marriage registrations by checking information with the authorised checking company. In handling suspicious marriage cases, the registries will conduct immediate assessment and expedite the checking procedure, and pass the information to the Enforcement Division for analysis at the same time. In addition, suspicious cases identified by the registries will also be referred to the Enforcement Division for intelligence analysis and follow-up actions.

(5) To exchange intelligence and cooperate with Mainland authorities

The Immigration Department will notify Mainland authorities of information on Mainland residents who have committed offences relating to bogus marriage, enabling strict scrutiny of their applications for exit endorsements in future. Mainland residents who have been convicted of offences related to bogus marriage in Hong Kong will normally be barred by the Mainland authorities, upon receipt of the Immigration Department's notification, from obtaining exit endorsements and travel documents for a period of two to five years, depending on the circumstances. This prevents them from revisiting Hong Kong for illegal activities. Mainland authorities will also refer cases of suspected bogus marriage to the Immigration Department for follow-up actions. Mainland and Hong Kong authorities will conduct joint enforcement operations as necessary.

(6) To step up publicity

To remind members of the public of the possible consequences of participating in bogus marriages and the serious implications of committing related offences, the Immigration Department has from time to time disseminated information on crackdowns on bogus marriage syndicates and successful prosecutions of intermediaries and participants through press conferences, press releases, media interviews and etc. In addition, the Immigration Department will continue to disseminate information from different popular publicity channels. For example, a video clip was produced and uploaded to the Hong Kong Immigration Department YouTube channel.

The Immigration Department has all along been evaluating the effectiveness of law enforcement strategies. Various investigation actions will be taken with flexibility and skills in view of the trend of bogus marriages, the modus operandi of criminal syndicates and circumstances of individual cases. From 2006 to April 2021, 2 197 persons committed offences related to bogus marriage were successfully convicted. Apart from a small number of cases where the convicted were sentenced to Community Service Orders of 80 hours or above, the majority of the convicted were sentenced to imprisonment from 4 to 48 months. The Immigration Department considers that the sentences have provided effective deterrence. In addition, for people who were found to have obtained their residence in Hong Kong by means of bogus marriages, their Hong Kong Identity Cards and residence status will be invalidated according to the laws of Hong Kong. Regarding no prosecution cases, the Immigration Department will notify the Mainland authorities of information on Mainland residents and the detailed case background, so that they could strictly scrutinise the concerned Mainland residents' applications for One Way Permit or "exit endorsements for visiting relatives" in the future.

Q13 According to paragraph 3.17 and Note 35 of the Audit Report, in order to strengthen the manpower of the Special Task Force Sub-sections (STF), 10 new posts were created in 2019. The Immigration Department expressed that the annual output was expected to increase by 25% following the creation of posts. The relevant posts have been created for almost 2 years, has the expectation of the increase in output been met? If not, please provide the reason. Please provide the figures of completed cases in the year of 2019 and 2020.

A13 The Immigration Department centralised handling of all suspected bogus marriage cases to Special Task Force Sub-sections (STF) since the reorganisation of Investigation Sub-division in June 2019. In this connection, 10 new posts had been created and 21 existing posts under Outside

Investigation Section designated to handle suspected bogus marriage cases were redeployed to STF. The total establishment of STF was increased to 53 posts. After the creation of 10 new posts, the manpower designated to handle suspected bogus marriage cases was increased by 23%.

In the first half of 2019 prior to the reorganisation, the Immigration Department arrested 491 suspects and processed 66 curtailed cases. In the second half of 2019 after the reorganisation, the Immigration Department arrested 604 suspects and processed 102 curtailed cases. It can be seen that the Immigration Department's ability to handle cases was significantly improved as the number of arrestees and case curtailment was respectively increased by around 23% and 55%.

The Immigration Department handled 1 207, 1 129 and 557 bogus marriage cases in 2019, 2020, and 2021 (January to April) respectively. Please refer to Table 2 for details.

Table 2: Suspected bogus marriage cases handled by the Immigration Department

Year	Case completed	Case curtailed	Case handled
2019	1039	168	1 207
2020	780	349	1 129 (-6.5%)
2021 (as at April)	144	413	557 (+165%)

() denotes the percentage change compared to corresponding period of previous year.

Q14 According to paragraph 3.19 of the Audit Report, there are 2 237 outstanding cases of suspected bogus marriage handled by Special Task Force Sub-sections (STF) as at December 2020. What is the current progress to clear the outstanding cases; how many outstanding cases still remains; is there any target to clear these outstanding cases; if yes, any details; if no, why?

A14 The Immigration Department has always placed importance in trimming down case backlog. As at 30 April 2021, the 2 237 backlog cases mentioned in paragraph 3.19 of the Audit Report was reduced to 1 798, representing a decrease of around 20%. Among the 1 798 backlog cases, suspects of 1 147 cases were pending interception after all possible means to locate them had been exhausted. The Immigration Department had included their personal particulars into computer systems. They will be intercepted upon using immigration facilities.

To expedite the processing of outstanding cases, the Immigration Department will gainfully redeploy manpower resources to form a special team to identify those outstanding cases that require expeditious investigation. The special team will re-assess the 1 798 outstanding backlog cases and categorise them, in eight weeks, based on their complexity. Cases of lower complexity, such as cases without syndicate elements or multiple marriages will be accorded higher priority in the clearance of backlog. The Immigration Department will strategically deploy available resources to effectively resolve the backlog situation.

Regarding setting a time target for clearing backlog cases, the Immigration Department emphasises that the nature of bogus marriage cases is different from investigation cases involving other immigration offences. Bogus marriage might not involve any victims but only two accomplices committing the crime for their mutual interest. Also, bogus marriage cases involve at least one non-Hong Kong resident who normally resides outside Hong Kong. These cases could not be processed further unless the suspects are intercepted for enquiry, resulting in backlog cases. In view of the aforesaid difficulties and the uniqueness of each bogus marriage case, investigators need to put more effort to verify the genuineness of a marriage between the parties involved by collecting evidence through various channels, including departmental record check such as the couples co-movement records; conducting spot checks by home visits to ascertain cohabitation evidence in the home settings such as the couples daily necessities and photos taken together. Investigators may also need to collect circumstantial evidence and statements such as witness statement or testimonies by the neighbours, family members and other persons involved. Separate interviews with the persons involved will also be conducted. As legal advice should be sought in light of complex legal issues involved in these cases, the Immigration Department has to conduct careful analyses and in-depth investigation, and the time required for investigation varies from case to case depending on its complexity. The time required for investigation of suspected bogus marriage cases involving bogus marriage syndicates or multiple suspects will be relatively longer. Therefore, it is not practicable to set a general time target for bogus marriage cases.

Q15 According to paragraph 3.19 of the Audit Report, the Audit Commission revealed that there were 1 127 outstanding cases of suspected bogus marriages remained outstanding from 2 years to 11 years, which was 50.4% of the total outstanding cases. Has the Immigration Department studied the factors contributing to such long outstanding period and reasons for remained incomplete? If yes, what are the details and what are the measures, and how effective are the measures implemented?

A15 The Immigration Department has always placed importance in trimming down case backlog. Concerning the factors contributing to the backlog, the Immigration Department emphasises that the nature of bogus marriage cases is different from investigation cases involving other immigration offences. Bogus marriage cases involve at least one non-Hong Kong resident who normally resides outside Hong Kong. These cases could not be processed further unless the suspects are intercepted for enquiry, resulting in backlog cases. In addition, many bogus marriage cases might not involve any victims but only two accomplices committing the crime for their mutual interest.

In view of the aforesaid difficulties and the uniqueness of each bogus marriage case, investigators need to put more effort to verify the genuineness of a marriage between the parties involved by collecting evidence through various channels, including departmental record check such as the couples co-movement records; conducting spot checks by home visits to ascertain cohabitation evidence in the home settings such as the couples daily necessities and photos taken together. Investigators may also need to collect circumstantial evidence and statements such as witness statement or testimonies by the neighbours, family members and other persons involved. Separate interviews with the persons involved will also be conducted. As legal advice should be sought in light of complex legal issues involved in these cases, the Immigration Department has to conduct careful analyses and in-depth investigation, and the time required for conducting investigation varies from case to case depending on its complexity. The time required for investigation of suspected bogus marriage cases involving bogus marriage syndicates or multiple suspects will be relatively longer.

On the other hand, the majority of control points exercised special immigration control during the COVID-19 epidemic since 2020, resulting in a decrease of interception of suspects at control points. In support of the government's anti-epidemic policy, staff were arranged to be work-from-home on a rotary basis as such the handling of backlog cases was affected. Furthermore, in processing One-way Permit applications and in case the husband-and-wife relationship is in doubt, the Mainland authorities will pass the particulars of the applicants and their spouses in Hong Kong to Immigration Department for investigation. In 2017-18, there was a significant surge in the number of new cases to be handled due to the sudden influx of over 800 referrals.

As at 30 April 2021, the 2 237 backlog cases mentioned in paragraph 3.19 of the Audit Report was reduced to 1 798, representing a decrease of around 20%. To expedite the processing of outstanding cases, the Immigration Department will gainfully redeploy manpower resources to form a special team to identify

those outstanding cases that require expeditious investigation. The special team will re-assess the 1 798 outstanding backlog cases and categorise them, in eight weeks, based on their complexity. Cases of lower complexity, such as cases without syndicate elements or multiple marriages will be accorded higher priority in the clearance of backlog. The Immigration Department will strategically deploy available resources to effectively resolve the backlog situation.

Meanwhile, the Immigration Department would actively consider including new features in the Enforcement Case Processing Systems (ENCAPS) under the next generation of Application and Investigation Easy Systems (APPLIES-2), to facilitate the investigation teams and Sub-section Heads in case investigation and monitoring the progress of handling of backlog cases. The new features include strengthening the record check function against the suspects; automatic comparison against the movement record of the suspects; alerts to investigators on the update suspect's record; regular reminders for reviewing the investigation progress. Relevant guidelines would be re-circulated regularly to remind all investigators to follow the stipulated procedures, and ensure that cases could be handled in a timely manner.

Q16 According to paragraph 3.28 of the Audit Report, the Audit Commission selected 10 outstanding suspected bogus marriage cases of Special Task Force Sub-sections (STF) for examination, 8 of the 10 cases were not accorded priority, investigation of these 8 cases could not be completed in 4 months after case assignment. According to the case officers, the main reasons for not being able to complete these cases were heavy workload and the need to investigate more urgent cases. Please advise:

- (a) Current staff establishment for handling normal cases and priority cases;
- (b) Has the Immigration Department reviewed if the current staff establishment is sufficient to cope with the increasingly heavy workload; if yes, what is the review outcome; if no, can the review be performed sooner; and
- (c) Following the above question, has it been evaluated by the Immigration Department if each investigator carries too heavy case load leading to large amount of backlog cases? If yes, what is the evaluation outcome; if it find that the case load is too heavy for investigators, will the Immigration Department increase manpower to expedite the handling of backlog cases?

A16 Under the existing staff establishment, there are 10 investigation teams under the Special Task Force and each team consists of five to six team members. Each investigation team will be assigned with both normal and priority cases. The investigation teams would strictly follow internal guidelines and accord priority in handling those cases which are defined as priority cases.

Investigation team would prioritise the cases according to the individual case circumstances, time of referral, seriousness, etc.

After a comprehensive review on the strategy and manpower in the combat against bogus marriages conducted in 2019, the Immigration Department centralised handling of all suspected bogus marriage cases to Special Task Force Sub-sections (STF) since the reorganisation of Investigation Sub-division in June 2019. In this connection, 10 new posts had been created and 21 existing posts under Outside Investigation Section designated to handle suspected bogus marriage cases were redeployed to STF. The total establishment of STF was increased to 53 posts. After the creation of 10 new posts, the manpower designated to handle suspected bogus marriage cases was increased by 23%.

In the first half of 2019 prior to the reorganisation, the Immigration Department arrested 491 suspects and processed 66 curtailed cases. In the second half of 2019 after the reorganisation, the Immigration Department arrested 604 suspects and processed 102 curtailed cases. It can be seen that the Immigration Department's ability to handle cases was significantly improved as the number of arrestees and case curtailment was respectively increased by around 23% and 55%.

The Immigration Department has always placed importance in trimming down case backlog. As at 30 April 2021, the 2 237 backlog cases mentioned in paragraph 3.19 of the Audit Report was reduced to 1 798, representing a decrease of around 20%. To expedite the processing of outstanding cases, the Immigration Department will gainfully redeploy manpower resources to form a special team to identify those outstanding cases that require expeditious investigation. The special team will re-assess the 1 798 outstanding backlog cases and categorise them, in eight weeks, based on their complexity. Cases of lower complexity, such as cases without syndicate elements or multiple marriages will be accorded higher priority in the clearance of backlog. The Immigration Department will strategically deploy available resources to effectively resolve the backlog situation.

Q17 According to paragraph 3.33(a) of the Audit Report, the Immigration Department will assess the manpower requirements and taking appropriate measures with a view to trimming down the number of backlog cases. Please advise:

(a) How do the relevant measures contribute to expedite actions in handling and reducing backlog cases?

- (b) Will the Immigration Department consider introducing innovative technologies to assist in expediting the processing and managing the outstanding cases? If yes, what are the details and costs involved; and
- (c) Will the Immigration Department aim at shortening the time frame for processing the abovementioned 2 237 backlog cases upon the assessment of the manpower requirements?

A17 After a comprehensive review on the strategy and manpower in the combat against bogus marriages conducted in 2019, the Immigration Department centralised handling of all suspected bogus marriage cases to Special Task Force Sub-sections (STF) since the reorganisation of Investigation Sub-division in June 2019. In this connection, 10 new posts had been created and 21 existing posts under Outside Investigation Section designated to handle suspected bogus marriage cases were redeployed to STF. The total establishment of STF was increased to 53 posts. After the creation of 10 new posts, the manpower designated to handle suspected bogus marriage cases was increased by 23%.

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The Immigration Department has always placed importance in trimming down case backlog. As at 30 April 2021, the 2 237 backlog cases was reduced to 1 798, representing a decrease of around 20%. To expedite the processing of outstanding cases, the Immigration Department will gainfully redeploy manpower resources to form a special team to identify those outstanding cases that require expeditious investigation. The special team will re-assess the 1 798 outstanding backlog cases and categorise them, in eight weeks, based on their complexity. Cases of lower complexity, such as cases without syndicate elements or multiple marriages will be accorded higher priority in the clearance of backlog. The Immigration Department will strategically deploy available resources to effectively resolve the backlog situation.

Meanwhile, the Immigration Department would actively consider including new features in the Enforcement Case Processing Systems (ENCAPS) under the next generation of Application and Investigation Easy Systems (APPLIES-2), to facilitate the investigation teams and Sub-section Heads in case investigation and monitoring the progress of handling of backlog cases.

The new features include strengthening the record check function against the suspects; automatic comparison against the movement record of the suspects; alerts to investigators on the update suspect's record; regular reminders for reviewing the investigation progress. In May 2018, the Finance Committee of the Legislative Council approved a sum of \$453 million for implementing APPLIES-2.

Q18 According to paragraph 3.33(f) of the Audit Report, the Immigration Department will further review and draw lessons from Case 1 to look for room for improvement in relation to investigation into suspected bogus marriage cases in future. So far, how does the Immigration Department further review Case 1? What lessons have been drawn from Case 1 to enhance the investigation work, especially avoiding the recurrence of prolonged investigation found in Case 1?

A18 The Immigration Department has been adopting all practicable means to investigate bogus marriage cases by conducting in-depth investigation on persons involved, collecting circumstantial evidence through various sources and different channels and effecting arrest in a timely manner. Regarding Case 1, five surprised home visits were conducted in 2013 for locating the suspect but in vain. Although the suspect had successfully been contacted by phone three times in 2013 and was requested to attend an enquiry, he failed to attend the scheduled interview on two occasions and declined to show up on the remaining one. Apparently, the suspect evaded the investigation deliberately.

As a matter of fact, the Immigration Department would formulate strategies to trace suspects in accordance with their personal background and the circumstances of each case. The existing measures are effective and most suspects within Hong Kong could be successfully intercepted. Learning from the experience of Case 1, the Immigration Department would take more different measures, which had been adopted in other sophisticated cases, to improve the investigation work on suspected BM cases, including i) to request for up-to-date contact or residence information from other government departments or public organisations, such as Social Welfare Department, Water Supplies Department, Mandatory Provident Fund Schemes Authority, public hospitals, Law Enforcement Agencies, etc.; ii) understanding suspects' pattern of habits and identifying the whereabouts of them by request for information from private companies, such as telecom service provider, Octopus Cards Limited, etc.; and iii) enlisting the assistance from Police to include the suspects as wanted persons in order to intercept them and conduct investigation at the earliest opportunity.

Q19 According to paragraphs 4.2 and 4.3 of the Audit’s Report, the Next Generation Application and Investigation Easy Systems (“APPLIES-2”) was implemented later than the target completion date stated in the FC funding paper and Project Management Plan. In view of this:

(a) Please describe in detail the latest implementation progress of APPLIES-2 and the spending situation of the project vote;

A19 At present, the APPLIES-2 project is in active progress and it is expected that (a) the Visa Automation (VISAS) System and Assistance to Hong Kong Residents, Births, Deaths and Marriage, Right of Abode Decision Support (ABROADS) System could be rolled out before end of 2021, which is in line with the target completion date stated in the FC funding paper, i.e. the 4th quarter of 2021.

The APPLIES-2 project adopts a “two-phased approach” to ensure a smooth transition from APPLIES to APPLIES-2. In Phase 1, all existing functions of APPLIES would be rolled out before the expiry of APPLIES’s maintenance contract in February 2022, whereas new functions of APPLIES-2 would be implemented in Phase 2. According to the Project Management Plan, the stages, i.e. “System Development, Testing and User Acceptance Test” of Phase 1 would be completed by November 2021. So far, no major risk or issue concerning the project has been identified.

With regard to the spending position of the APPLIES-2, apart from the awarded main contracts, more planned procurements for hardware, software and services will be arranged for the full implementation of the APPLIES-2. In addition to the cashflow requirement of \$372 million mentioned in the Audit’s Report, ImmD had completed the latest market researches for the procurement of new system for the 24-hour “1868” hotline of the Assistance to Hong Kong Residents Unit, peripheral devices, anti-virus and application software, etc. in March 2021. The estimated costs of all the upcoming procurements (together with the contingency provision) sum up to around \$80 million. Subject to the actual amount of the contract sum, ImmD does not foresee any significant underspending of the approved project fund (i.e. \$453 million).

Q19 What is the monitoring mechanism put in place by ImmD for APPLIES-2?

(b) What are the number of staff and post required by ImmD for carrying out the monitoring mechanism and the total annual expenditure involved?

A19 ImmD has adopted a three-tier project governance structure, including Project (b) Steering Committee (PSC), Working Group (WG) and Project Team, to oversee the implementation of APPLIES-2 project.

The PSC is accountable for the progress and performance of the project. The PSC was chaired by the Deputy Director of ImmD, while its membership was jointly formed by Security Bureau, Office of the Government Chief Information Officer and ImmD. It comprises the Chairperson, Executive, Senior User, IT advisor and Senior Technical roles.

The WG looks after the quality assurance work on behalf of the PSC from the business, user and technical perspectives. The WG was chaired by the Assistant Director (Information Systems) of ImmD whereas the membership was formed by ImmD. The WG consists of three roles, namely the Business Assurance Coordinator (Chairperson), the User Assurance Coordinator and the Technical Assurance Coordinator.

The Project Team assists to supervise the project management aspects including project schedule, procurement of hardware, software and implementation services, program development progress and reporting of potential risks and issues to WG and PSC. The Project Team was headed by Chief Immigration Officer and the membership was from ImmD business and technical aspects. The team works with the Contractor Project Team to provide business and technical requirements and review their deliverables.

No additional staff / post was created for the project governance and the related cost is internally absorbed.

In addition to the above mentioned project governance, Immigration Department Information Systems Coordination Committee, which is the Department's Information Technology Steering Committee also monitors the implementation progress of and makes recommendations on important issues relating to the APPLIES-2 project.

Q19 Why the actual date of the contract award was about 1 year later than the target completion date stated in FC funding paper? Does it incur substantial losses?
(c) And

A19 In May 2018, Finance Committee approved the funding provision for implementing APPLIES-2 to replace the existing APPLIES. In June 2018, the Government Logistics Department issued an open tender on behalf of Immigration Department to procure two main contracts for the supply and installation of APPLIES-2, and the provision of on-going system support and maintenance services. The tender was closed in August 2018 with eight offers received. During the tender evaluation stage, extra time was spent to clarify with tenderers on issues relating to tender proposals and investigate on

matters alleged in some anonymous complaints against the tenderers so as to ensure an open and fair assessment process. The two contracts were eventually awarded to two contractors in November 2019, about one year after the targeted contract award timeline, i.e. the fourth quarter of 2018, as stated in the funding paper.

Taking into consideration of the circumstances, the Project Steering Committee endorsed to adopt a “two-phased approach” which was carefully and strategically planned to ensure a smooth transition from APPLIES to APPLIES-2 without the need to further extend current maintenance service before the expiry of APPLIES’s maintenance contract in February 2022. In Phase 1, all existing functions of APPLIES would be rolled out. Therefore, no extra cost / loss will be incurred.

Q19 What specific measures are in place to strengthen the monitoring of the implementation progress of APPLIES-2 and catch up with the original schedule in order to ensure a smooth transition of APPLIES-1 to APPLIES-2 before the expiry of APPLIES-1’s maintenance contract in February 2022?

A19 The Project Team closely monitored the planned project activities, work progress of and deliverables submitted by the contractors and paid special attention to critical tasks in order to timely identified issues in taking remedial measures. The PSC and WG received project progress report (including information of project status, key activities and milestones, and outlook for next period) for monitoring the project’s implementation progress. Besides, the Project Team also reported to the Immigration Department Information Systems Co-ordination Committee regarding the project development status and important issues. The above arrangements has served the purpose for monitoring of APPLIES-2 project. So far, no major risk or issue affecting the transition from APPLIES to APPLIES-2 has been identified.

Q20 According to paragraph 4.8 of the Audit’s Report, ImmD had put in place a three-tier project governance structure comprising Project Steering Committee, Working Group and Project Team to oversee the implementation of APPLIES-2. In view of this, please advise:

(a) What are the intentions, functions and operations of the establishment of the three-tier project governance structure?

A20 Regarding the intentions and functions of the three-tier project governance structure, please refer to the response to Q19(b) for details.

Concerning the operation of the establishment, details are as follows:

The Project Team monitors the day-to-day project activities and report the

project progress to the WG to ensure all deliverables are on track in accordance with the Project Management Plan and meet the quality expectations. Any project risks and issues identified will be escalated to the WG.

The WG monitors the project's work progress according to the project schedule and examine the deliverables submitted by the contractors and recommendations made by the Project Team. The WG will make recommendations to the PSC on the deliverables as well as on the proposed mitigation/solution when there is project risk/ issue.

The PSC oversees and steers the implementation of APPLIES-2 project by providing overall direction and guidance to the WG and Project Team. Endorsement of project deliverables and payment of project milestones are rested with the PSC.

Q20 (b) The total number of members of the PSC, WG and Project Team; Why PSC and WG had not held regular meetings from November 2019 to February 2021; and

A20 (b) The total number of members of the PSC, WG and Project Team, including the chairperson and secretary, is 13, 14 and 36 respectively.

From January 2020 to February 2021, Hong Kong experienced four waves of COVID-19 infections. To prevent the spread of virus, the government has tightened social distancing measures and implemented work-from-home arrangements for government employees during the periods. As a result, meetings with the Project Steering Committee (PSC) and the Working Group (WG) were impeded. Since the APPLIES-2 project involved classified matters, with due consideration on the security and protection of classified information, project highlight reports and classified emails were issued to keep members of PSC and WG abreast of the updated project progress and seek their timely comments and directives. This alternative course of action has in fact served the purpose.

Q20 (c) At this stage, is ImmD satisfied with the effectiveness of implementing the three-tier project governance structure? Can it achieve the original purpose of establishing the structure?

A20 (c) The management and monitoring of the APPLIES-2 project by the three-tier project governance structure are found to be effective. The three-tier project governance structure achieved the original purpose.

Q21 According to paragraph 4.9(c) of the Audit's Report, ImmD expressed that APPLIES-2 project involves confidential matters. After careful consideration of security and protection of confidential data, ImmD decided not to hold any video conference for APPLIES-2 PSC and WG meeting during the outbreak of the COVID-19 epidemic. In view of such, would ImmD consider existing practice of progress report submission and email consultation could completely substitute video-conferencing or meetings? If not, would ImmD take reference from the practice of other departments that need to hold meetings when confidential matters are involved?

A21 According to the Office of the Government Chief Information Officer's guideline, one should not use public cloud unified communication services to communicate classified information. The commonly-used video conferencing solutions in the market were mostly riding on public cloud. Therefore, with due consideration on the security and protection of classified information, ImmD had decided not to adopt video conferencing solution for convening PSC and WG meetings. The arrangements to issue highlight reports and classified emails to keep members of PSC and WG abreast of the updated project progress and seek their timely comments and directives in lieu of onsite meeting or video conferencing has in fact served the purpose.

Q22 According to paragraph 4.11(a) of the Audit's Report, APPLIES-2 contracts for Category A and Category B account for one-off cost of \$272.7 million stated in Tender Evaluation Report, which was 25% or \$92.7 million lower than the pre-tender estimate of \$365.4 million. Please clarify if contracts for Category A and Category B only supply and install Category A and Category B systems under APPLIES-2? The said contracts do not include all the necessary hardware and software (see para. 4.12 of the Audit's Report)? Please confirm if the pre-tender estimate of \$365.4 million has included the estimated sum for all hardware, software and implementation services as mentioned in paragraph 4.10(a) of the Audit's Report.

A22 The two main contracts, i.e. Contracts A & B, are only for the supply and installation of APPLIES-2 and the provision of on-going system support and maintenance services. Other hardware and software, for example, workstations, peripheral devices, network equipment, anti-virus and application software, are not covered by these two main contracts.

The estimated cost for the procurement of all hardware, software and implementation services required for the implementation of APPLIES-2 as mentioned in paragraph 4.10(a) of the Audit Report, i.e. \$342.6 million, has covered the cost for contract A & B.

- Q23 According to paragraph 4.12 of the Audit's Report, there were other expenditures and procurements to be arranged as mentioned by ImmD, please elaborate. Please also enlist the items not included in Contract A, B, C and D. What are the latest procurement status?
- A23 Other than Contracts A, B, C & D which were awarded through the first and second tenders for the implementation of APPLIES-2 project, ImmD will conduct the 3rd tender exercise to acquire the hardware, software and services for the implementation of the new 1868 system to replace the existing "Hotline for Assistance to Hong Kong Residents Unit" system under the APPLIES-2 project scope. On the other hand, ImmD planned to purchase the remaining hardware, software and implementation services which are necessary for the implementation of APPLIES-2. Examples of these items are receipt printer, tag printer, octopus card reader and document editor software, etc. Currently, procurements of these items are underway or under preparation of tender documents.



中華人民共和國香港特別行政區政府總部教育局

Education Bureau

Government Secretariat, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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27 May 2021

Clerk to Public Accounts Committee,
Legislative Council Complex,
1 Legislative Council Road,
Central, Hong Kong
(Attn: Ms Wendy JAN)

Dear Ms JAN,

Public Accounts Committee

**Consideration of Chapter 2 of the Director of Audit's Report No. 76
Education support measures for non-Chinese speaking students**

Your letters to the Secretary for Education dated 12 and 18 May 2021 on the
captioned subject were well received. Please find the English version of our
responses to the questions set out in the Appendices of your letters.

For enquiries, please contact the undersigned on 3509 8505.

Yours sincerely,

(Benjamin YUNG)
for Secretary for Education

c.c. Secretary of Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: john_nc_chu@aud.gov.hk)

**Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 76
Education support measures for non-Chinese speaking students**

Response from the Education Bureau

Part 2: Funding support to schools

Enhanced support measures for non-Chinese speaking (NCS) students are intended to provide additional resources to complement the wide array of funding already made available to schools in delivering their education services for their students (including but not limited to NCS students). Schools are encouraged, but not mandated to exhaust the additional funding and resources, to make the best use of these additional support measures that best meet the needs of the schools and their NCS students.

The additional funding support for NCS students ("NCS Grant") is a grant provided to schools for specific purposes, i.e. to enhance their support for NCS students' learning of Chinese and to create an inclusive learning environment in schools. The Education Bureau (EDB) requires schools to establish effective financial management process to deploy their resources in a cost-effective and timely manner, and ensure that the expenditures incurred are reasonable and necessary for education purposes. We also encourage schools to holistically plan and exercise flexibility in deploying various resources available to support their NCS students having regard to the specific circumstances and needs of their students. To enable schools to have the flexibility in resource management and operational planning, schools are allowed to retain different school grants (including the NCS Grant), up to an accumulated level not exceeding the total provision of the respective grant for the school year. Most of the schools receiving the NCS Grant have made good use of the resources. In the 2018/19 school year, out of the total funding amount of \$327.8 million allocated, about \$298.8 million (i.e. 91%) had been fully utilised by schools.

Our response to the Public Accounts Committee's questions on Part 2 of Chapter 2 of the Director of Audit's Report No. 76 are in the ensuing paragraphs.

- 1) According to paragraph 2.8 of the Director of Audit's Report No. 76 ("Audit Report"), in the 2018/2019 school year (other than calendar years, all years mentioned hereinafter refer to school years), of the 152 kindergartens (KGs) receiving the NCS Grant, 60 (39%) submitted their school plans late and 73 (48%) submitted their school reports late. In the same year, of the 266 primary, secondary and special schools receiving the Grant ranging from \$0.65 million to \$1.5 million, 168 (63%) submitted their school plans late and 176 (66%) submitted their school reports late. Please advise:
 - (a) the reasons for schools submitting their school plans and school reports late;
 - (b) whether the delays had affected the efficiency and effectiveness of the EDB's efforts in providing professional advice and support to schools on their planning and implementation of support measures for NCS students; and
 - (c) the measures taken by EDB to ensure that schools submit their school plans and school reports in a more timely manner and whether the timeliness of the submissions has improved.

EDB's response

- (a) Primary, secondary and special schools receiving the NCS Grant are required to submit to EDB an annual school plan and school report concerning the support for NCS students by end of November every year. As noted in the Audit Report, most late submissions were delayed by less than a month. As gathered from some schools with belated submissions of school plans and school reports, they might have taken more time than anticipated to complete the administrative work in finalising the school plans and school reports. Such work include collecting the student data of the new intake each year, verifying the NCS student data with parents for the calculation of the NCS Grant, identifying the learning needs and Chinese proficiency of these NCS students through assessments in order to devise appropriate support measures. Some schools might encounter delay in completing the formality to have the school plans and school reports properly endorsed by their Incorporated Management Committees (IMCs)/School Management Committees (SMCs), the first meeting of which is normally convened in October to November. It was also noted that the first-timers for receiving the NCS Grant might usually spend an even longer time to complete all the work required.

As for KGs, we understand from some KGs that some belated submissions were due to insufficient manpower and experience in handling the administrative work in time, especially in the initial years of implementing the new KG education scheme (Scheme). These duties include setting up

new systems in budgeting, accounting, procurements, etc. to meet requirements under the Scheme; submission of applications for various grants; determining remuneration packages for teachers; formulation of school-based support measures, etc. Given the high mobility of students (including NCS students) in the KG sector throughout the school year, some KGs had to revise their plan after the commencement of the school year and seek fresh endorsement from the school management committee/school operators as necessary. For the school reports which include the report on the use of the NCS Grant, some KGs were working under a tight schedule as they could only finalise the report upon the finalisation of their school accounts for the school year after 31 August.

- (b) It is an on-going and interactive process for EDB to engage in professional dialogues with the schools receiving the NCS Grant about the support measures rendered to NCS students. The monitoring and support work of EDB commences at the very beginning of every school year. For instance, EDB arranges visits to primary and secondary schools receiving the NCS Grant the first time the soonest possible at the beginning of the school year and provides these schools with intensive support and guidance. Hence, the requirement for schools to submit planning and reporting documents is just part of EDB's monitoring and support mechanism. Individual schools' delays in submitting school plans and school reports do not affect EDB's effort in providing professional advice and support to schools because the timeframe for disbursement of the NCS Grant is effected as scheduled, and EDB continues to monitor the support for NCS students through school visits, and daily communication with the schools.
 - (c) In light of the recommendations of the Audit Report, we will continue our efforts to remind schools to closely observe the timeliness in submitting the school plans and school reports. Starting from the 2021/22 school year, we will further highlight the importance of timely submission of school plans and school reports in our official correspondence with the primary, secondary and special schools and KGs concerned. We also plan to introduce a new measure to require primary, secondary and special schools receiving the NCS Grant to submit in writing the reasons for belated submissions of school reports and/or school plans for 14 calendar days or more. For belated cases without justifiable reasons or repeated late submissions, we may issue advisory letters to the IMCs/SMCs of the schools concerned as appropriate.
- 2) According to paragraph 2.10 of the Audit Report, in the 2018/2019 school year, a total amount of \$327.8 million of NCS Grant was provided to 650 schools. Of this amount, \$298.8 million (91%) was utilised by the schools. In the same school year, EDB clawed back from 45 schools \$2.44 million of unutilised NCS Grant. As schools are allowed to retain unutilised Grant up to the amount of Grant for the school year, although the amount of Grant clawed

back was not large, the amount of unutilised Grant retained by schools was much greater. Please advise:

- (a) the total amount of unutilised NCS Grant retained by the schools at the end of the 2018/2019 school year;
- (b) whether EDB considers the situation of 45 schools with unutilised NCS Grant exceeding the amount of Grant for the school year not satisfactory;
- (c) whether EDB had ascertained why some schools had large amount of unutilised Grant;
- (d) whether EDB was satisfied that the under-spending of the Grant by these schools were fully justified; and
- (e) whether EDB had provided any professional advice and support to these schools on their planning and implementation of support measures for NCS students.

EDB's response

- (a) At the end of the 2018/19 school year, the approximate aggregate and average sums of the NCS Grant retained (including the cumulative surplus carried forward from previous years) are as follows:

Types of KG/Schools	NCS grant retained	
	Aggregate sums	Per school/KG
KGs	\$16.27 million	\$130,000
primary/secondary/special schools receiving \$50,000	\$5.54 million	\$30,000
primary/secondary/special schools receiving \$0.65 million to \$1.5 million	\$101 million	\$400,000

- (b) to (d)

In the 2018/19 school year, the 45 schools which had retained NCS Grant exceeding the amount of Grant for the school year accounted for only less than 7% of all funding schools. Amongst these 45 schools, two KGs were involved and the total amount clawed back was small, i.e. around \$30,000. A total of eight schools received the additional funding ranging from \$0.65 million to \$1.5 million, including two schools requiring clawback arrangements due to cessation of school operation. The remaining schools received only \$50,000. In other words, these schools had retained a relatively small amount of funding. The major reasons cited by the schools for the under-spending were that the cost of after-school Chinese language support programmes was relatively low and the additional funding was merely used to procure related learning and teaching materials, and that there were difficulties in service procurement and recruiting suitable part-time tutors for

the after-school programmes and/or additional teaching staff. Overall, EDB considers schools' explanations not entirely unreasonable.

- (e) Schools are provided with a comprehensive framework as well as proper guidance for planning and monitoring their funding utilisation and implementation of support measures. Through scrutiny of school plans and reports, daily liaisons with schools and school visits, EDB provides on-going professional advice and support to schools regarding whether the funding has been deployed within the ambit of the NCS Grant and whether schools should make better use of the Grant.
- 3) According to paragraph 2.11 of the Audit Report, of the 137 KGs that were provided with the NCS Grant in both the 2017/2018 and 2018/2019 school years, 20 (15%) utilised less than 70% of the total amount of the Grant provided during the two-year period. Of the 41 primary, secondary and special schools that were provided with the Grant of \$50,000 in all the years over the period from the 2014/2015 to 2018/2019 school years, seven (17%) utilised less than 70% of the total amount of the Grant provided during the whole period. According to paragraphs 2.12(b) and 2.13 of the Audit Report, EDB has agreed to step up monitoring of the utilisation of NCS Grant by schools and encourage schools with unjustified under-spending to make good use of the Grant to support NCS students as far as possible. Please advise the actions taken and whether EDB had noticed any cases of unjustified under-spending.

EDB's response

Overall, EDB considers schools' explanations for under-spending not entirely unreasonable. In view of the Audit Commission's recommendations, EDB will step up the monitoring of schools admitting a relatively small number of NCS students in their funding utilisation. Starting from the 2021/22 school year, if the surplus situation of such schools reaches 70% or above of the respective year's funding provision, EDB will require them to provide justifications and an improvement proposal, with a view to encouraging the schools to make good use of the funding to support NCS students as far as possible. In tandem, EDB will continue to deploy existing monitoring and support measures, including conducting school visits to advise schools and KGs on effective deployment of resources; organising experience sharing sessions among schools; and/or issuing reminders to individual schools with unjustified under-spending for making improvements, if any, etc.

- 4) According to paragraph 2.16(b) of the Audit Report, of the 283 primary, secondary and special schools that first received the NCS Grant ranging from \$0.65 million to \$1.5 million in any school year in the period from the 2014/2015 to 2018/2019 school years, 44 (15%) were neither visited by EDB in the school year they first received the Grant nor visited in the following two

school years. By the end of the 2019/2020 school year, 26 (9%) schools, which were special schools, had not yet been visited by EDB. Please advise why all the 26 schools not yet visited were special schools.

- 5) According to paragraphs 2.19 and 2.20 of the Audit Report, EDB has agreed to take measures to arrange supervisory visits to the schools in a more timely manner. Please advise:
- (a) the measures taken by EDB to improve the timeliness of supervisory visits to schools; and
 - (b) whether EDB has visited all the 26 special schools to provide them with professional advice and support on the use of the Grant by now. If not, whether EDB has a timetable to visit these schools.

EDB's response

4 and 5(b)

In the first three school years since the introduction of the NCS Grant, priority had been accorded to ordinary schools as most of these schools were first-timers for receiving the Grant at the initial stage of implementation of the support measures for NCS students. In tandem, EDB provided advice through daily liaisons to all schools receiving the NCS Grant (including the 26 special schools). For special schools, the “Chinese Language Curriculum Second Language Adapted Learning Framework (for NCS Students with Intellectual Disabilities)” (Adapted Framework) was under development then and was formally launched for implementation in the 2018/19 school year. Acknowledging that the new Framework needed time to take root in special schools, it was our original plan to conduct supervisory visits to special schools concerned starting from the 2019/20 school year. Despite the social incidents and the outbreak of the COVID-19 pandemic affecting the daily operation of schools in the 2019/20 and 2020/21 school years, EDB has made endeavours to visit the special schools concerned as far as possible. Amongst the aforesaid 26 special schools, three schools were no longer eligible for the NCS Grant and hence school visits to these schools were no longer applicable. So far in the 2020/21 school year, EDB has visited five of them and will arrange visits to another four. For the remaining 14 special schools, EDB plans to complete all the visits by the 2021/22 school year.

5(a)

In view of the Audit Commission's recommendations, EDB has reviewed the work plan on supervisory visits having regard to the manpower resources available. We will accord priority to those schools newly provided with the NCS Grant so as to provide timely advice and support to those schools with regard to their planning of the use of the Grant and the implementation of the support measures, both of which will be under scrutiny. Besides, priority will be accorded to schools requiring additional support or experiencing problems in planning the

support measures. In the interest of resource management, we will also explore how to streamline and adopt multiple ways such as video conferencing instead of on-site visits for those schools which have already accumulated experience in using the NCS Grant with no major operational problems identified.

- 6) According to paragraph 2.23 of the Audit Report, in the 2019/2020 school year, while there were 433 KGs and 52 special schools admitting NCS students, no feedback was collected from major stakeholders of KGs and special schools through questionnaire survey on the support measures for NCS students by schools. Please advise the reasons for not collecting feedback from major stakeholders of KGs and special schools through questionnaire survey.
- 7) According to paragraphs 2.24 and 2.25 of the Audit Report, EDB has agreed to strengthen measures to ensure that feedback from major stakeholders of KGs and special schools is collected. Please advise when EDB will start collecting feedback from major stakeholders of KGs and special schools through questionnaire survey.

EDB's response

(6) and (7)

All along, EDB has collected feedback from major stakeholders on the support measures for NCS students through different channels, and learnt about the implementation of relevant measures in schools. EDB does not conduct questionnaire surveys with stakeholders of KGs in the same manner as practised in primary and secondary schools because much of the qualitative feedback from school teaching staff is collected through school plans, school reports and school visits. The school plans contain specific information on how KGs use the NCS grant, the professional training teachers have attended, different modes of learning activities to support NCS students, and ways to strengthen communication with parents of NCS students and promote cultural integration. During the school visits, officers collect feedback through interviews with school personnel and reviews of school documents as well as lesson observations. 87% of the KGs receiving the NCS Grant were visited in the first year of implementation and the remaining KGs were visited in the second year. 49 KGs were visited for the second time in the second year of implementation. While it is not feasible to collect views from KG students through questionnaire survey in view of their tender age, EDB officers would converse with NCS students during school visits to understand their Cantonese communication skills and learning outcomes. As for special schools in receipt of the NCS Grant, the stakeholder survey did not cover them in view of the development of the Adapted Framework as well as the planning and development of different methods assessing how NCS students learn the Chinese language in special schools in early years.

In view of the Audit Commission's recommendations, starting from the 2021/22 school year, the coverage of the stakeholder survey will be expanded to KGs and special schools to collect feedback from major stakeholders in a more comprehensive manner.

Part 3: Capacity building for teachers

- 8) According to paragraph 3.3 of the Audit Report, in the 2019/2020 school year, there were 988 primary, secondary and special schools (with or without NCS students), and 13 794 teachers teaching Chinese Language at these schools. Of the 988 schools, 252 (26%) did not have teachers who had attended EDB's pertinent training during the period from the 2014/2015 to 2019/2020 school years. Of the 252 schools, 157 (62%) had NCS students. Of the 13 794 teachers teaching Chinese Language in the 988 schools, 9 986 (72%) did not attend EDB's training during the period. Please advise whether EDB agrees that setting training requirements for teachers can facilitate EDB in ensuring that teachers continue to develop their professional capacity in teaching NCS students Chinese as a second language.
- 9) According to paragraphs 3.7 and 3.8 of the Audit Report, EDB has agreed to consider the need to set appropriate training requirements for primary, secondary and special school Chinese Language teachers on teaching NCS students Chinese as a second language. Please advise the progress and the training requirements to be set by EDB for these teachers.

EDB's response

(8) and (9)

EDB agrees that teachers have to continually build their capacity to meet students' needs. With regard to the recommendation that EDB should consider the need to set appropriate training requirements for primary, secondary and special schools with NCS students, with a view to facilitating the professional development of Chinese Language teachers on teaching NCS students Chinese as a second language, EDB will pay due regard to differences in school-based circumstances and teachers' professional development needs, and deliberate on and explore the need for this requirement via existing engagement and consultation channels.

In analysing the readiness of teachers receiving training on teaching NCS students Chinese as a second language, we consider it more reasonable and relevant to focus on those teachers who need to teach NCS students instead of all the 988 schools and 13 794 teachers as suggested in the Audit Report. Furthermore, teachers have all along participated in a wide array of professional development opportunities in different modes. Attending courses offered by EDB is only one of the various modes of teacher professional development. Teachers also join programmes offered by tertiary institutions as well as engage in different kinds of in-house professional development activities and cross-school experience sharing.

In view of the variety of teacher professional development activities, different types of teachers' professional development should also be counted to reflect how teachers learn instead of the confining to the courses offered by EDB when calculating teachers' training hours. EDB would continually organise different modes of professional development programmes for Chinese Language teachers to join in accordance with school-based circumstances and teachers' professional development needs.

In gist, EDB is following up the recommendation. We have commenced engaging Chinese Language teachers and language experts in deliberation, and will further engage school head representatives to consider such a recommendation from the perspective of school management.

10) According to paragraph 3.10 of the Audit Report, there has been only 99 applications received for the Professional Enhancement Grant Scheme for Chinese Language Teachers (Teaching Chinese as a Second Language) ("PEG Scheme") since its launch in the 2014/2015 school year. As at end of October 2020, 89 of the 99 teachers were approved under the PEG Scheme to undertake structured part-time training programmes, representing only 20% of the maximum number of 450 teachers that the PEG Scheme aimed to support. According to paragraph 3.11 of the Audit Report, EDB has informed the Audit Commission ("Audit") of the reasons for the lukewarm response to the PEG Scheme. Please advise:

- (a) why EDB was unable to foresee these factors before the PEG Scheme was launched; and
- (b) the measures taken/to be taken by EDB to address the identified factors in order to improve participation in the PEG Scheme.

EDB's response

- (a) EDB had abolished the so-called "designated school" system since the 2013/14 school year, and the number of local mainstream schools admitting NCS students began to surge. To address an apparent need for enhancing teachers' professional capability of teaching Chinese as a second language in these schools, the PEG Scheme was thus devised and launched on a pilot basis in the 2014/15 school year. In the absence of any precedent, the training quota of 450 in the PEG was proposed based on our best estimate that up to around 3% of the total number of Chinese Language teachers in all publicly-funded schools in the 2012/13 school year would join the scheme. The number was intended as a quota rather than a target for the purpose of earmarking funding for the PEG.

In addition, EDB held focus group meetings in 2013 to collect the views of some stakeholders, including school heads and teachers. The attendees

indicated their support and interest in the PEG Scheme. EDB also consulted the Standing Committee on Language Education and Research (SCOLAR), of which membership covered representatives from different levels of schools. There was a general consensus among the stakeholders that award-bearing postgraduate programmes (either diploma or master's degree) covering a broad range of curriculum, instructional and assessment designs on teaching Chinese as a second language should be provided under the PEG Scheme.

- (b) EDB has attempted to encourage participation in the PEG Scheme through various promotion channels, including issuing circular memorandums and letters to schools, leveraging online channels to reach out to the teaching community through the social media page of the Committee on Professional Development of Teachers and Principals and SCOLAR website.

In addition, EDB, upon SCOLAR's endorsement, raised the maximum subsidy to be provided under the PEG Scheme in 2016 (from \$30,000 to \$34,000) and 2018 (\$34,000 to \$64,000) respectively. In addition, the PEG Scheme provides an additional subsidy (i.e. an extra 30% of the tuition fee of the study programme, up to an additional maximum of \$30,000) to applicants of the PEG Scheme who continue to teach NCS students Chinese in schools offering the formal local curriculum for a total of three years within five years upon graduation.

Furthermore, EDB made some fine-tuning in the framework of the recognised programmes in 2017 and 2020, such as increasing the proportion of online learning elements to 25% to allow teachers more flexibility in scheduling their studies. The recognised programme providers and other tertiary education institutions were well informed of the refinements.

- 11) According to paragraphs 3.13 and 3.14 of the Audit Report, EDB has agreed to review the way forward for the PEG Scheme. Please advise the timetable, progress, and results (if any) of the review.

EDB's response

Currently, EDB is conducting an overall review of the PEG Scheme and collecting views from stakeholders including participating teachers as well as their school management. The relevant review results and the proposed way forward are planned for report to SCOLAR before the end of 2021.

- 12) According to paragraph 3.17 of the Audit Report, in each school year in the period from the 2014/2015 to 2019/2020 school years, there were 106 to 142 schools that received school-based support services ("SBSS"), representing only 10% to 14% of the total number of schools with NCS students. Of the 723 schools with NCS students every year throughout the period, 438 (61%)

did not receive any SBSS. Among the 438 schools, many had NCS students accounting for more than 10% of the total number of students in the schools. Please advise:

- (a) whether any schools had been identified by EDB as in need of SBSS but were reluctant to apply for the services. If affirmative, whether EDB had followed up with these schools their reasons for not applying for SBSS and the efforts made to help EDB on these schools to address their needs; and
- (b) the reasons for unable to boost the schools' interest in applying for SBSS.

EDB's response

- (a) SBSS is one of the many additional support measures available to schools. Participation is entirely voluntary. Schools may choose to participate in certain years but not others, taking into account their changing needs and circumstances. It is not the intention, nor is it advisable, to associate schools participating in SBSS with low-performing schools "requiring intensive support". That said, EDB has established an internal platform for identifying and addressing diverse school needs, with officers from Regional Education Offices (REOs) to follow up with the schools' applications closely. Priority will be accorded to these schools if they submit applications for SBSS. Nearly all of these schools identified by EDB had applied for and were allocated relevant SBSS.
 - (b) EDB provides multifarious types of support to schools with NCS students (including funding, teacher training, student support, etc.), with a view to addressing their different needs appropriately. Each type of support has its own merits and opportunity costs. EDB has to stress that SBSS, as one of the support measures, is a very intensive type of professional development in terms of the investment of time and effort by teachers and EDB. It is not the policy intent for SBSS to cover all schools in Hong Kong. The number of participating schools should not be used as the success criterion of SBSS or as an indication of the popularity of SBSS among schools without considering the intricate factors behind the schools' choice and the SBSS provided. Given the broad range of new curriculum development goals which schools need to address in recent years and that the proportions of NCS students vary a lot across schools, schools have different support needs and would prioritise their support needs across the years. Therefore, it is not realistic to expect a high percentage of schools to request support relating to NCS students every year.
- 13) According to paragraphs 3.23(a) and 3.24 of the Audit Report, EDB has agreed to step up efforts in assisting schools in their review on the needs for capacity building for their teachers and encouraging schools to make good

use of SBSS where necessary. Please advise the actions taken by EDB, the responses from schools and the effectiveness of the actions in addressing the issue.

EDB's response

Under the principles of school-based management, schools need to review their situations and analyse schools' and teachers' development needs. These needs will then be prioritised and appropriate teacher professional development plans will be devised accordingly, which may include the application for SBSS to enhance the effectiveness of learning and teaching. EDB officers, including those in the REOs and Quality Assurance Sections, will give concrete and professional advice to schools, with a view to strengthening their self-reflection culture and leading sustainable development under the spirit of the School Development and Accountability framework. Those that are identified with a support need in respect of different curriculum areas will be strongly encouraged to apply for SBSS. EDB will continue to strengthen schools' effectiveness through various means.

EDB and the tertiary institutions will conduct more territory-wide dissemination sessions and strengthen the professional learning community activities for schools to share their good practices and achievements under SBSS. This will encourage more schools in need of support to submit their applications for relevant support services.

14) According to paragraph 3.20 of the Audit Report, Audit analysed the school visits conducted by EDB on the six University-School Support Programme projects completed in the period from the 2014/2015 to 2018/2019 school years and found that the percentage of schools visited by EDB and the frequency of visits per school varied significantly. Please advise whether EDB had monitored these visits to ensure that the frequency and the coverage were proper and well justified. If affirmative, the details; if not, why not.

EDB's response

EDB puts due emphasis on evaluating the quality of the services provided from a professional perspective, and setting straightjacket quantitative performance indicators for schools of varying needs is not considered the most crucial success criterion. Given the large number of participating schools supported by the service providers, EDB officers monitored the effectiveness of the services through professional exchanges with service providers via emails and phone calls. Regular on-site visits were paid to observe each type of support rendered by service providers, such as collaborative lesson planning meetings, lesson observations, and workshops, rather than giving direct support/visit to each and every school. In case of schools with specific concerns, EDB officers exercised their professional judgement and paid more visits to them with the service providers.

In this regard, internal suggestions have been provided to EDB officers for monitoring the services, including the frequency of school visits, as well as the nature and foci of the activities being observed. Such requirements have also been reiterated at regular meetings.

The quality and effectiveness of the services have also been evaluated annually through questionnaire surveys, focus interviews and gathering qualitative and quantitative information during on-site visits and lesson observations by EDB professional officers. The results of the surveys and focus interviews, as well as the observations of EDB officers during monitoring visits, have been well documented.

In gist, the success of SBSS hinges on a number of factors, including quality of services rather than frequency of school visits. There cannot be a simple quantitative parameter to safeguard professional support services of qualitative nature in education. Nonetheless, EDB would continue reviewing and enhancing the existing measures for monitoring the services whenever necessary so as to enhance their quality.

15) According to paragraphs 3.23(b) and 3.24 of the Audit Report, EDB has agreed to issue clear guidelines on the on-site evaluation of projects commissioned to tertiary institutions under SBSS. Please advise the timetable and progress.

EDB's response

As mentioned before, internal suggestions have been provided to support officers for monitoring the services, including the frequency of school visits, as well as the nature and foci of the activities being observed. These suggestions are now being spelt out clearly. The guidelines will include service specifications for the service providers, frequency of EDB officers' monitoring visits, coverage and sampling method for schools being visited and other monitoring measures that are in place. A balance will be struck between the operational needs and manpower available in EDB for monitoring visits without sacrificing the quality of the SBSS. The guidelines are expected to be ready before the commencement of the 2021/22 school year.

Part 4: Other support measures

16) According to paragraphs 4.3 and 4.4(a) of the Audit Report, in the period from the 2015/2016 to 2019/2020 school years, the number of schools nominating NCS students to enrol in the Student Support Programme (SSP) decreased by 48 (38%) from 128 to 80 and the number of NCS students nominated decreased by 217 (22%) from 974 to 757. According to EDB, the decrease might be attributable to the fact that starting from the 2014/2015 school year, EDB had put in place a series of enhanced support measures for NCS students.

Schools admitting NCS students had been provided with more resources for developing school-based programmes to suit the learning needs of their NCS students. Please advise whether the above situation implied that the resources provided to NCS students were more than enough or the Programme was lack of attractiveness.

EDB's response

Upon the implementation of the series of enhanced support measures for NCS students since the 2014/15 school year, schools have had more choices for arranging education support services for NCS students. In comparison, these school-based programmes address the particular needs of individual schools better than the SSP. Besides, given that the SSP is supplementary in nature, schools might prefer having their school-based programmes that are more tailored for their own students. EDB will review the complementarity of the SSP with other activities and programmes in the long run. Meanwhile, EDB will take various measures to promote the SSP to NCS students and schools.

17) According to paragraphs 4.5, 4.6(b) and 4.7 of the Audit Report, in the period from the 2016/2017 to 2018/2019 school years, of the 2195 NCS students enrolled in the SSP, 437 (20%) dropped out of the Programme. In each school year during the period, 15 to 21 study groups (i.e. 32% to 45% of the total number of study groups) had average attendance rates of not more than 60%. EDB advised that since the 2014/2015 school year, schools had been providing more after-school activities and school-based support to NCS students and there might be time clash with other student programmes and activities. Please advise:

- (a) whether the above situation implied that the support measures for NCS students were more than they needed; and
- (b) the measures taken by EDB to encourage and facilitate students to attend lessons under the Programme and improve the drop-out rate and the attendance rate, as well as the effectiveness of the measures in improving the drop-out rate and the attendance rate.

EDB's response

- (a) The SSP, as a supplementary learning programme, is one of the choices available for NCS students. It is understandable that at times there may be time clashes. That said, students will still benefit by joining part, if not all, of the SSP. EDB will review the complementarity of the SSP with other activities and programmes in the long run.
- (b) Before the commencement of the SSP, EDB offers assistance to the service provider in arranging venues in convenient locations easily accessible to

participating students, with a view to minimising their commuting time. During the course of the SSP, the service provider is requested to communicate regularly with participating schools and parents on students' learning progress, including their attendance situation. In case of frequent absentees, EDB requests the service provider and participating schools concerned to render appropriate assistance, e.g. changing class or venue for the students in need. There are various factors affecting students' attendance, including casual leaves, having time clashes with other activities/programmes, parental involvement and recognition of its importance, etc. EDB will continue to monitor the situation and offer suitable assistance.

- 18) According to paragraphs 4.8 and 4.9 of the Audit Report, NCS students enrolled in the SSP are divided into study groups according to school levels. However, the results of the questionnaires completed by NCS students in the period from the 2015/2016 to 2019/2020 school years revealed that in each school year, around 51% to 57% of the students found that the study materials used in their study groups were not at the appropriate level of difficulty for them. Please advise:
- (a) whether EDB agrees that this was one of the reasons for the high drop-out rate and the low attendance rate;
 - (b) whether EDB had taken any remedial actions to address the problem revealed by the questionnaires. If affirmative, the details and why the problems were not improved; if not, the reasons; and
 - (c) the measures taken/to be taken by EDB to ensure that students are arranged into study groups of appropriate levels to cater for their individual learning needs.

EDB's response

- (a) and (b)

To enhance the learning effectiveness, EDB has reminded the service provider to cater for NCS students' learner diversity. To better address their diversified learning needs, course instructors have devised learning activities and related teaching materials of different levels of difficulty. The service provider also provides training for the course instructors and teaching assistants to enhance their mastery of pedagogical skills. However, views collected from the questionnaires reveal that the above measures have room for enhancement. The students' unstable attendance would have also impacted on their learning effectiveness. We will explore further measures to enhance the effectiveness of the programme.

(c) According to the prevailing practice, students from the same grade level are allocated into the same learning group and their Chinese language proficiency is assessed at the commencement of the classes. To better address students' learner diversity, EDB and the service provider will consider the feasibility of conducting an assessment of students' Chinese language proficiency before the commencement of the classes so as to arrange the students into different learning groups according to their Chinese language proficiency, instead of their grade levels, to enhance learning effectiveness.

19) According to paragraph 4.12 of the Audit Report, of the lesson observations in the 42 study groups conducted by EDB in the period from the 2017/2018 to 2018/2019 schools, course instructors' performance was rated "1" and "2" in two (5%) and 18 (43%) study groups respectively and students' performance was rated "1" and "2" in three (7%) and 14 (33%) study groups respectively. Please advise:

- (a) whether EDB had taken any follow-up actions on the study groups with course instructors' performance or students' performance that were rated "1" (i.e. "poor") or "2" (i.e. "satisfactory"). If affirmative, the details and the effectiveness of the follow-up actions; if not, why not; and
- (b) the measures taken/to be taken by EDB to improve the course instructors' performance and students' performance.

EDB's response

- (a) EDB conducts regular lesson observations, with a view to having a better understanding of course instructors' teaching performance. After the lesson observations, verbal feedback and recommendations are provided on the spot for enhancing the performance of instructors. Besides, EDB maintains close liaisons with the service provider to reflect the observations and give advice for improvement. Specifically, EDB has advised the service provider to refine the learning and teaching materials into appropriate levels of difficulty to better match the Chinese proficiency of the NCS students, to advise the course instructors on effective pedagogies to meet the diverse learning needs of the students, and to provide more training to their course instructors, etc.
- (b) EDB will arrange more lesson observations to monitor more closely the teaching performance of the course instructors, and offer advice and appropriate assistance to enhance their teaching quality. Besides, in the 2-year contract for the 2020/21 to 2021/22 school years, one of the course instructors' requirements of "having at least one year of experience in teaching Chinese to NCS students or conducting related teaching research" has been revised to "having at least one year of experience in teaching Chinese to NCS students or conducting related teaching research in Hong

Kong” to ensure the relevancy of the experience in the local context to better meet the learning needs of the NCS students in Hong Kong.

- 20) According to paragraph 4.18 of the Audit Report, although the number of NCS students eligible to participate in the Summer Bridging Programme increased by 1 226 (22%) from 5 602 in 2013 to 6 828 in 2019, the number of NCS students participating in the Programme decreased by 590 (34%) from 1 730 in 2013 to 1 140 in 2019. The participation rate was low and decreased continuously from 31% in 2013 to 17% in 2019. According to EDB, there were competition and time clash with other student programmes and activities conducted in the summer, hence students might have difficulties in attending the lessons. Please advise:
- (a) whether EDB had taken any measures to tackle the problem. If affirmative, the details of the measures, why the situation was not improved and how EDB will fine-tune the measures; and
 - (b) the measures taken by EDB to step up efforts in encouraging schools to nominate NCS students to enrol in the Summer Bridging Programme and the effectiveness of the measures.

EDB’s response

- (a) The participating schools have been advised by the EDB to avoid arranging the programme in the peak periods when NCS students usually return to their home countries. However, during the summer holidays, some students have other engagements and might not accord top priority to the programme. EDB will enhance the quality and attractiveness of the programme by developing more attractive teaching contents and activities, and rendering professional advice to improve the administrative arrangements of the programme.
 - (b) EDB issues a circular memorandum in April/May every year to invite schools to join the Summer Bridging Programme. EDB will contact schools having joined the programme in the previous years in advance to encourage them to join again. EDB will also promote the programme by producing more information leaflets and placing more advertisements in different media channels including radio, newspapers, websites and other publications for people of different races.
- 21) According to paragraph 4.26 of the Audit Report, every year for the period from the 2018/2019 to 2020/2021 school years, invitations of quotation were sent to the same five service providers for life planning education services but the responses were lukewarm. Four (80%) of the five service providers did not respond in the 2018/2019 and 2020/2021 school years and three (60%) did not respond in the 2019/2020 school year. Please advise:

- (a) how these service providers were chosen;
- (b) why EDB continued to invite the service providers who repeatedly did not respond to previous invitations but not attempting to invite other service providers;
- (c) the reasons for the lukewarm response from the service providers; and
- (d) whether there are other suitable service providers who may be interested in providing the services.

EDB's response

- (a) There are only a limited number of service providers providing life planning education services for NCS students. EDB has not compiled a list of suppliers. The five service providers were selected based on EDB's best knowledge and understanding of the sector.
 - (b) Life planning education services for NCS students is relatively new in the sector. There are only a limited number of potential service providers that have experience or interest in providing such services to secondary schools.
 - (c) EDB has learnt that service providers did not submit any bids mainly because: (i) they had insufficient manpower to run a new programme; (ii) they had no interest in starting a new programme; and (iii) they had concerns over the COVID-19 pandemic.
 - (d) EDB will continue to approach schools and the Hong Kong Association of Careers Masters and Guidance Masters to identify other potential service providers and expand the invitation list as far as possible. For the provision of services for the 2021/22 and 2022/23 school years, we have invited tenders through open tendering procedures.
- 22) According to paragraph 4.27 of the Audit Report, the demand from schools for on-site support services on life planning education was high. Many schools and NCS students did not succeed in the applications for the services due to the limited capacity of the service provider. Please advise:
- (a) whether EDB had assessed the demand for the services before launching the services. If affirmative, whether the actual demand exceeded what EDB had estimated; if not, why not;
 - (b) whether EDB agrees that it is highly undesirable for a high percentage of NCS students to be denied the opportunity to receive the services that they needed; and

- (c) the measures taken by EDB to increase the capacity in the provision of the services and the effectiveness of the measures in increasing the capacity.

EDB's response

- (a) EDB's objective is to strengthen teachers' knowledge and capacity for organising life planning education activities for NCS students through the one-year school-based on-site support services. After completion of the services, trained schools can develop their own school-based life planning education activities. To maximise the impact, priority to participate in the one-year services has been given to schools with high intake of NCS students and the services are provided by batches (16 schools per school year). All such schools will have participated in the programme eventually. The number of applications varied in the past three years. Each year, the service provider organises a manageable number of on-site services to ensure their quality. Apart from the school-based on-site support services, the service provider also organises one-off career exploration activities in each school year. According to the records, the provision of such activities can meet the demand.
 - (b) As explained in (a) above, the aim of on-site support services is to "train the trainers" and schools are prioritised with reference to their number of NCS students. Eventually, all schools with high intake of NCS students will have participated in the programme. Schools not yet selected can apply for the career exploration activities.
 - (c) EDB will explore the feasibility of increasing the number of participating schools for the 2021/22 to 2022/23 school years. EDB will continue to evaluate the effectiveness through collecting views from teachers and students, conducting evaluation meetings with the service provider, etc.
- 23) According to paragraph 4.36 of the Audit Report, in the first stage (i.e. the Discretionary Places (DP) stage) of the Secondary School Places Allocation (SSPA) System, each student may apply to not more than two secondary schools. EDB requires secondary schools to make public prior to admission the admission criteria and weighting of each criterion. Of the 52 secondary schools whose websites were examined by Audit in January 2021, 15 (29%) had made public the admission criteria and weighting of each criterion only in Chinese but not in English and four (8%), while making public the information in both Chinese and English, had the icon directing to the English webpage shown in Chinese only. Please advise:
- (a) the assistance provided by EDB to NCS students and their parents to help them apply to secondary schools which disclose the admission criteria

and weighting of each criterion for the DP stage of the SSPA System only in Chinese; and

- (b) the measures in place to encourage secondary schools to make public the admission criteria and weighting of each criterion for the DP stage of the SSPA System in both Chinese and English, in order to help parents of NCS students understand such information to facilitate school choices and the effectiveness of the measures.

EDB's response

- (a) The prevailing SSPA System provides all eligible students, irrespective of their races or places of birth, with equal opportunities for admission to public sector secondary schools. For the DP stage of the SSPA System, EDB has all along required schools to make public the admission criteria and weighting of each criterion in advance and to ensure the consistency and completeness of the information published. In addition to uploading their admission criteria and weighting of each criterion to schools' webpages, participating secondary schools may also publish such information in the Secondary School Profiles, the bilingual versions of which, are available in both the printed and electronic versions. Based on the Secondary School Profiles 2020/2021, over 90% of the participating secondary schools have made available their admission criteria and weighting of each criterion for the assessment in the DP stage in the English version of the Secondary School Profiles.

Furthermore, EDB provides hotline service for answering parents' enquiries on SSPA matters, including enquiries related to the admission criteria and weighting of each criterion of individual secondary schools, and for providing appropriate assistance to parents in need. Specifically, to facilitate NCS students and their parents in understanding the SSPA System and obtaining the relevant information, with a view to making informed school choices, EDB has been organising dedicated briefing sessions in English with simultaneous interpretation services in major languages for people of different races before the commencement of the DP stage in each SSPA cycle.

- (b) In view of Audit Commission's recommendations, EDB will appeal to participating secondary schools, through various channels such as the SSPA Committee and the Notes for Secondary Schools on Handling Applications for Secondary One Discretionary Places appended to EDB's circular letter, to announce their admission criteria and weighting of each criterion in both Chinese and English on their webpages in addition to publicising the aforesaid information in the Secondary School Profiles. In tandem, EDB will conduct regular checking of schools' webpages, and follow up with schools as appropriate.

24) According to paragraph 4.43(a) of the Audit Report, EDB had been collecting information to monitor the implementation of the support measures for NCS students and making refinements in an on-going manner. Please advise the progress and whether EDB had conducted any comprehensive reviews on the overall effectiveness of all enhanced measures implemented since the 2014/2015 school year in supporting NCS students' learning of the Chinese language. If affirmative, the results of the reviews; if not, whether EDB has any plan to conduct the review.

EDB's response

Regarding KG education for NCS students, the KG education scheme has been implemented starting from the 2017/18 school year. Starting from the 2019/20 school year, a 5-tiered grant is provided for Scheme-KGs according to the number of NCS students admitted. Scheme-KGs are required to strengthen support for their NCS students, including supporting them in learning Chinese, fostering a diversified culture and building an inclusive environment. With EDB's enhancement of the provision of grant and professional development for teachers, and advice given to the KGs on the school plans and during the school visits, KGs develop and improve the school-based support measures and make appropriate use of the additional grant to help NCS students learn Chinese effectively. The on-going review has provided useful information in monitoring the implementation of the support measures. Experience gained in the first two years' implementation has thrown light on the needs of refinement and enhancement through provision of a 5-tiered grant which has been implemented since the 2019/20 school year. We will continue to keep in view the progress and monitor the implementation.

As regards primary and secondary education, the educational measure for NCS students to learn the Chinese language using Cantonese is unique to Hong Kong. The measure will be refined on a need basis while it takes time for such a measure to take root. Besides, we need to understand that the learning effectiveness of NCS students is also affected by other factors (such as parents' expectation and cooperation, and students' learning attitude). It is therefore neither possible nor appropriate to assess the effectiveness of the measures solely based on the improvement of the Chinese proficiency of NCS students.

As a matter of fact, with the implementation of the series of enhanced support measures for NCS students starting from the 2014/15 school year, the number of schools admitting NCS students has increased from about 590 in the 2013/14 school year to about 650 in the 2020/21 school year, which covers about 70% of the schools in the territory. In view of the above, the Government's policy intent of encouraging and supporting the integration of NCS students into the community, including facilitating their early adaptation to the local education

system is being attained progressively. EDB will continue collecting and taking into consideration the views from stakeholders, so as to refine the support measures as necessary.

Education Bureau
27 May 2021

**Consideration of Chapter 2 of the Director of Audit's Report No. 76
Education support measures for non-Chinese speaking students
Questions and information request**

Response from the Education Bureau (EDB)

Part 2: Funding support to schools

- 1) According to paragraph 2.7 of the Director of Audit's Report No. 76 ("Audit Report"), EDB reviewed the school plans and the school reports submitted by schools to assess their planned and actual uses of Non-Chinese speaking (NCS) Grant, with a view to providing professional advice and support to schools, etc. Please advise whether any problems were identified in the reviews conducted by EDB in the past. If affirmative, please advise the support provided by EDB to schools, and whether abuse of the funding by schools was identified and EDB's follow-up action.

EDB's response

Based on the school plans and reports collected, schools' deployment of the NCS Grant is in general considered proper and within the ambit. For instance, those schools receiving the NCS Grant ranging from \$0.65 million to \$1.5 million largely adopted a holistic approach in resource planning and deployment of staff by flexibly combining various resources available to schools to support their NCS students' learning of Chinese and the creation of an inclusive environment in schools. As for schools admitting a relatively small number of NCS students, they suitably deployed the additional funding of \$50,000 to offer after-school Chinese language support programmes to their NCS students.

Since the provision of the NCS Grant, only two irregular cases involving weak school administration and/or misunderstanding of the ambit of the funding were identified. For such cases, EDB took follow-up actions immediately to further explain to schools the proper ambit of the additional funding and require them to make rectifications.

- 2) According to paragraph 2.8 of the Audit Report, quite a number of schools receiving the NCS Grant for strengthening the support to NCS students did not submit their school plans or school reports in a timely manner. Would EDB please advise:

- (a) Whether EDB was aware of the situation before the Audit Commission conducted the audit inspection; and
- (b) Whether EDB had tried to find out the difficulties of the schools concerned and whether relevant support was provided to them (such as providing templates of school plans /reports for their reference)?

EDB's response

- (a) EDB adopts an ongoing approach to engage kindergartens (KGs) and schools receiving the NCS Grant in professional dialogues regarding the support measures rendered to NCS students, and keeps track of the progress of schools' submission of school plans and school reports. We were aware of the situation that some schools were late in their submission of school plans and reports, and had issued written and/or verbal reminders to the schools concerned.
- (b) Through ongoing engagement and professional dialogues, EDB had gathered views from KGs/schools on the reasons for and difficulties encountered by schools with belated submissions of school plans and school reports. The key observations were set out in our response to Question 1 in Appendix 1.

Apart from sending reminders and highlighting the importance of timely submission, EDB has also taken steps to facilitate compliance. For instance, templates of school plan and school report are provided to KGs and schools to facilitate their preparation of the documents. Besides, we have enhanced an e-platform facilitating primary, secondary and special schools to complete the school plans and school reports in a more systematic and smooth manner. We also share good practices of support measures amongst schools and KGs through our regular contacts with them, supervisory school visits and sharing sessions, etc.

- 3) According to paragraph 2.11 of the Audit Report, a number of schools had not fully utilised the Grant. Had EDB ascertained whether these schools had encountered difficulties and provided support to these schools, including sharing with them the success stories and experiences of other schools?

EDB's response

As mentioned in Appendix 1, the NCS Grant provides additional resources to schools to supplement the rich array of resources already available to them. Our focus is to ensure that schools establish effective financial management processes to deploy their resources in a prudent, cost-effective and timely manner, and that

the expenditures incurred are reasonable and necessary for education purposes. While admittedly the NCS Grant is intended to provide a sufficient amount of additional funding for schools' flexible deployment, some schools may not use up the NCS Grant every year for the sake of deploying the resources in a more strategic manner, (i.e. funding is cautiously kept for accommodating more longer term support plans across different school years) or using integrated and holistic approach alongside other school-based initiatives. In some other cases, schools had faced difficulties in service procurement (related learning and teaching materials) and recruiting suitable part-time tutors for the after-school programmes and/or additional teaching staff. Apart from providing schools with guidelines on the use of the funding through circulars, we provide schools with advice based on their school-based circumstances and needs during our routine visits and liaisons such as citing examples of effective funding deployment, increasing the frequency of after-school Chinese language support sessions and appointing part-time additional teaching staff to tailor suitable learning and teaching materials to better cater for learner diversity, etc. Besides, we also organise experience sharing sessions to facilitate professional exchanges among schools on good practices of support measures so that they can deploy the additional funding more effectively to support NCS students. For primary, secondary and special schools with a surplus situation reaching 70% or above of the respective year's funding provision, we will request them to provide justifications and an improvement proposal. For details, please refer to our response to Question 3 in [Appendix 1](#).

- 4) According to paragraph 2.17(a) of the Audit Report, on balancing the need to visit schools in a timely manner and the constraint of manpower capacity, EDB planned to visit all the ordinary schools receiving the NCS Grant once in the first three years upon the launch of the Grant and relevant support measures in the 2014/15 school year. Has EDB considered that merely visiting the ordinary schools receiving the Grant once might not be enough for explaining to schools the policy on the NCS Grant and relevant support measures and providing them with adequate support? If affirmative, has EDB considered increasing the number of visits? If not, what are the reasons?
- 5) According to paragraph 2.17(b) of the Audit Report, all of the 26 schools to which EDB did not pay supervisory visits were special schools. Please advise the priorities or selection criteria of EDB for supervisory visits. Considering that NCS students in special schools should have greater needs for additional support, please explain why they were being neglected by EDB? Is this because EDB is more inclined to take the easy way out?

EDB's response

(4) and (5)

Apart from supervisory school visits, EDB has been providing support to all schools receiving the NCS Grant through regular liaisons and examination of school plans and reports.

As mentioned in our response to Q4 and Q5 in Appendix 1, in the first three school years since the introduction of the NCS Grant, priority had been accorded to ordinary schools as most of these schools were first-timers for receiving the Grant at the initial stage of implementation of the support measures for NCS students. In tandem, EDB provided advice through daily liaisons to all schools receiving the NCS Grant (including the 26 special schools). For special schools, the “Chinese Language Curriculum Second Language Adapted Learning Framework (for NCS Students with Intellectual Disabilities)” (Adapted Framework) was under development then and was formally launched for implementation in the 2018/19 school year. Acknowledging that the new Framework needed time to take root in special schools, it was our original plan to conduct supervisory visits to special schools concerned starting from the 2019/20 school year. Whilst the daily operation of schools greatly affected by the social incidents as well as the outbreak of the COVID-19 pandemic in the 2019/20 and 2020/21 school years, EDB has been arranging visits to the special schools and plans to complete all the visits by the 2021/22 school year. For details, please refer to our response to Questions 4 and 5 in Appendix 1.

In view of the recommendations of the Audit Commission, EDB has reviewed the work plan on supervisory visits having regard to the manpower resources available. We will accord priority to schools newly provided with the NCS Grant the soonest possible. Besides, EDB will also identify schools requiring additional support or experiencing problems in planning for the support measures and accord priority to pay supervisory visits to such schools. In the interest of resource management, we will also explore how to streamline and adopt multiple ways such as video conferencing for those schools which have already accumulated experience in using the NCS Grant with no major operational problems identified.

6) According to paragraph 2.21 of the Audit Report, EDB collected on a yearly basis, through questionnaires, feedback from major stakeholders of the primary and secondary schools receiving the NCS Grant ranging from \$0.8 million to \$1.5 million to review the implementation of support measures for NCS students by schools. Will EDB please provide the following information:

(a) What is the average response rate of schools?

- (b) Has EDB set any targets for the response rate of schools? If affirmative, what are the targets? If not, what are the reasons for not setting targets?
- (c) After collecting the feedback, what measures would be taken by EDB to follow up the feedback and improve the situation of implementing the support measures for NCS students?

EDB's response

(a) and (b)

For the stakeholder survey amongst schools receiving the NCS Grant ranging from \$0.8 million to \$1.5 million, schools are asked to return a designated number of completed questionnaires from each type of stakeholders (viz., school heads, NCS student coordinators, Chinese Language teachers, NCS students and their parents) to EDB. Other than the school head and NCS student coordinator, the designated number of questionnaires for Chinese Language teachers, NCS students and their parents for each school is set based on the number of NCS students admitted by the school. Over the years, all schools could meet the required number of questionnaire returns, with some schools returned more returns from NCS students and their parents than required. Taking all stakeholders in such schools into account, all school heads and NCS student coordinators, about 25% of all Chinese Language teachers teaching NCS students, some 5% of NCS students and 5% of parents of NCS students completed the questionnaires. For the schools with collaboration with non-governmental organisations (NGOs) in providing support services to their NCS students, we invited them to request their respective collaborating NGOs to complete the stakeholder survey. Overall, the response rate was about 40% to 50% over the years.

- (c) We analyse the findings of the stakeholder surveys to identify their needs and concerns, and take follow-up actions to introduce appropriate measures. For example, based on the Chinese Language teachers' views as collected from the stakeholder surveys of the 2015/16 and 2016/17 school years, EDB took actions to develop Chinese Language learning and teaching materials for reference of the school sector. Besides, based on the views from school heads in the stakeholder survey of the 2018/19 school year, we introduced the annual funding adjustment mechanism starting from the 2020/21 school year. In addition, based on school heads' views collected from the stakeholder survey of the 2018/19 and 2019/20 school years, we have devised feasible and suitable strategies in enhancing the transparency of school's deployment of the NCS Grant to provide relevant support measures. As a result, a column about education support for NCS students has been added in the School Profiles since the 2018/19 school year, and schools

receiving the NCS Grant are required to provide a summary of support measures on their school webpages starting from the 2021/22 school year.

Part 3: Capacity building for teachers

- 7) According to paragraph 3.3 of the Audit Report, the Audit Commission analysed the hours of training provided by EDB to Chinese Language teachers of primary, secondary and special schools in the territory in the period from the 2014/15 to 2019/20 school years on teaching NCS students Chinese as a second language. The Audit Commission found that teachers' attendance was relatively low and the number of training hours attended by many of them was on the low side. Would EDB please explain the reason(s) and the measures taken to encourage more schools and teachers to participate in the training?

EDB's response

As mentioned in our response to Question 8 and Question 9 in Appendix 1, in analysing the readiness of teachers to receive training on teaching NCS students Chinese as a second language, we consider it more reasonable and relevant to focus on those teachers who need to teach NCS students instead of all the 988 schools and 13 794 teachers as suggested in the Audit Report. Furthermore, Chinese Language teachers have access to a wide array of teaching opportunities not only confined to courses offered by EDB. The analysis may not have fully reflected the situation of professional development of Chinese Language teachers teaching NCS students. Nevertheless, EDB is following up the recommendation on enhancing the professional development of teachers involved in teaching Chinese as a second language. We have commenced engaging Chinese Language teachers and language experts in deliberation, and will further engage school head representatives to consider how best to formulate further measures from the perspective of school management.

- 8) According to paragraph 3.11 of the Audit Report, EDB set out the reasons for the lukewarm response to the Professional Enhancement Grant Scheme for Chinese Language Teachers (Teaching Chinese as a Second Language), including the heavy commitment in terms of the time required to complete the study programmes (two to three years) as well as the tuition fee. Would EDB please advise:
- (a) the number of recognised programmes currently available, the tuition fee, the period of study and other information;

- (b) whether EDB has conferred with tertiary education institutions which provide recognised programmes about the provision of programmes with a shorter study period or via online mode; and
- (c) whether EDB has considered providing schools /teachers with incentives, for example, granting additional subsidy to teachers and their schools upon completion of recognised programmes.

EDB's response

- (a) The Professional Enhancement Grant Scheme for Chinese Language Teachers (Teaching Chinese as a Second Language) (“PEG Scheme”) is a pilot programme for which the number of recognised programmes has varied over the years. The current recognised programmes are set out in the table below.

	Recognised programme under the PEG Scheme (Note 1)	Approximate tuition fee (Note 2)	Period of study
1	Postgraduate Diploma in Teaching Chinese as a Foreign Language (With a Specialism in Teaching Chinese as a Second Language in Hong Kong Schools)(Part-time) by the Hong Kong Polytechnic University	\$75,600	2 to 3 years
2	Master of Arts in Teaching Chinese as a Foreign Language (With a Specialism in Teaching Chinese as a Second Language in Hong Kong Schools)(Part-time) by the Hong Kong Polytechnic University	\$108,000	2 to 3 years
3	Master of Arts in Chinese Language and Literature (With a Specialism in Chinese Language Teaching for Teachers of Non-Chinese Speaking Students)(Part-time) by the Hong Kong Polytechnic University	\$108,000	2 to 3 years

Notes:

1. All tertiary education institutions are invited to submit programme proposals. All proposals are vetted and determined by a Vetting Committee

comprising about 15 members including school heads, frontline teachers, representatives from tertiary education institutions, and officers from the Curriculum Development Institute of EDB.

2. Tuition fees are charged on a credit unit basis and may vary for individual programmes.
 - (b) All the recognised programmes under the pilot PEG Scheme are postgraduate diploma or master's degree programmes, which inevitably take two to three years for completion by nature. That said, in order to facilitate teachers' participation in the PEG Scheme amid their busy schedules, some fine-tuning in the framework of the recognised programmes was made in 2017 and 2020. In particular, the proportion of online learning elements was increased to 25% to allow teachers more flexibility in scheduling their studies. The recognised programme providers and other tertiary education institutions were well informed of the refinements. Please also refer to our response to Question 10 in [Appendix 1](#).
 - (c) With an aim to enhance teachers' incentive to apply for the PEG Scheme, EDB reviewed and raised the maximum subsidy to be provided under the PEG Scheme in 2016 (from \$30,000 to \$34,000) and 2018 (\$34,000 to \$64,000) respectively upon the endorsement from the Standing Committee on Language Education and Research. In addition, the PEG Scheme provides an additional subsidy (i.e. an extra 30% of the tuition fee of the study programme, up to an additional maximum of \$30,000) to applicants of the PEG Scheme who continue to teach NCS students Chinese in schools offering the formal local curriculum for a total of three years within five years upon graduation.
- 9) According to paragraph 3.17 of the Audit Report, schools with NCS students were not very keen to apply for school-based support services (SBSS) in helping teachers cater for the needs of NCS students in learning Chinese. Does EDB consider this situation undesirable, and uncondusive to enhancing the effectiveness of NCS students in learning Chinese?

EDB's response

Given the broad range of new curriculum development goals/needs of schools and that the NCS student concentration varies a lot across schools, schools have different support needs and would prioritise them accordingly across years. Hence, schools apply for SBSS based on their specific development needs and circumstances.

For the period from 2014/15 to 2019/20 school years, the average percentage of schools that applied for and were allocated SBSS was above 95%. This reflected that SBSS had been provided to the vast majority of schools in need. Evaluation results showed that teachers' competence in conducting holistic planning of the school-based Chinese Language curriculum with reference to the Learning Framework to help students learn Chinese progressively has been enhanced. NCS students have shown greater interest and confidence in learning Chinese, and become more active in communicating with their Chinese-speaking counterparts, thereby facilitating inclusion. For details, please refer to the written response to Question 12(b) in Appendix 1.

10) According to paragraph 3.22 of the Audit Report, EDB commissioned four projects to tertiary institutions in the 2019/20 and 2020/21 school years to continue the provision of professional support services as University – School Support Programmes. For these four projects, EDB also conducted school visits to carry out on-site evaluations. Please provide:

- (a) information of participating schools that have been visited by EDB;
- (b) tabulate by each project, the number of participating schools, number of schools visited by EDB and their percentage;
- (c) tabulate by each project, the number of school visits and participating schools; and
- (d) whether EDB has monitored and ensured that the coverage and number of school visits are adequate. If affirmative, the details; if not, the reasons.

EDB's response

- (a) In the 2019/20 school year, 12 participating KGs and 13 participating primary schools were visited by EDB. Up to 17 May 2021, 9 participating KGs, 15 participating primary schools and 4 participating secondary schools have been visited by EDB in this school year.

(b) and (c)

Projects (2019/20 school year)	No. of participating schools	No. of schools visited (Note)	No. of school visits (Note)	Percentage of schools visited
	(a)	(b)	(c)	(d) = (b)/(a) x 100%
Gearing Up Schools and Parents – Supporting NCS Kindergarten Students in Learning Chinese (NCS–KG)	17	9	12	53%
Growth with Ease: Effective Learning and Teaching of Chinese and Smooth Transition for Multicultural Students (NCS–K&P)	22	8	8	36%
Provision of School-based Professional Support Service on Enhancing the Learning and Teaching of Chinese for NCS Students in Primary Schools (NCS–P)	17	8	11	47%
Empowerment and Transition – Supporting Teachers to Promote Multicultural Students’ Chinese Learning in Primary and Secondary Schools (NCS–P&S)	The project has commenced in the 2020/21 school year.			

Note: Due to the deferral of class resumption/temporary suspension of face-to-face classes since February 2020 because of the epidemic situation of COVID-19, the number of school visits was slightly affected at the initial stage of the deferral of class resumption period. Yet, every effort has been made to arrange both on-site school visits and online meetings as far as practicable.

Projects (2020/21 school year) (as of 17 May 2021) (Note 1)	No. of participating schools	No. of schools visited (Note 2)	No. of school visits (Note 2)	Percentage of schools visited
	(a)	(b)	(c)	(d) = (b)/(a) x 100%
NCS-KG	17	8	8	47%
NCS-K&P	22	6	7	27%
NCS-P	17	7	8	41%
NCS-P&S	24	7	8	29%

Notes:

1. School visits include both on-site school visits and online meetings.
 2. EDB's monitoring of the 4 projects will continue until the end of this school year, and so the numbers and percentages in the table are not final.
- (d) EDB puts due emphasis on evaluating the quality of the services provided from a professional perspective, and setting straight-jacket quantitative performance indicators for schools of varying needs is not considered the most crucial success criteria. EDB officers monitored the effectiveness of the services through close communication with service providers via emails and phone calls. Regular on-site visits were paid to observe each type of support rendered by service providers, such as collaborative lesson planning meetings, lesson observation, and workshops, rather than giving direct support/visit to each and every school. The basic principle was that in order to have a comprehensive picture of the quality of services provided, the visits of EDB officers covered different types of support rendered by service providers with reference to the contextual needs of schools, rather than focusing on the number of visits to each school, which was considered not practical. During the period when face-to-face classes were suspended due to the epidemic situation, EDB officers joined the online meetings the service providers had with schools for collaborative planning, online lesson observation, etc. Internal suggestions have been provided to EDB officers for monitoring the services, including the frequency of school visits, as well as the nature and foci of the activities being observed. Such requirements have also been reiterated at regular meetings. In gist, EDB officers have always been committed to monitoring the quality of services through various means, including on-site visits, providing professional advice to service providers to facilitate their understanding of the school context, school needs and the principles stipulated in the curriculum guides.

In gist, the success of SBSS hinges on a number of factors, including quality of services rather than frequency of school visits, the breadth and depth of professional dialogues between EDB officers and different stakeholders (including service providers and school personnel) as well as the impacts on learning and teaching as observed. There cannot be a simple quantitative parameter to safeguard professional support services of qualitative nature in education. Nonetheless, EDB would continue reviewing and enhancing the existing measures for monitoring the services whenever necessary so as to enhance their quality.

Having said that, in response to Audit Commission's recommendation, the aforementioned internal suggestions are now being spelled out clearly. The guidelines will include service specifications for the service providers, frequency of EDB officers' monitoring visits, coverage and sampling method for schools being visited and other monitoring measures that are in place. A balance will be struck between the operational need and manpower available in EDB for monitoring visits without sacrificing the quality of the SBSS. The guidelines are expected to be ready before the start of the 2021/22 school year.

Please refer to our response to Question 14(d) and Question 15 in Appendix 1.

Part 4: Other support measures

- 11) According to Paragraph 4.3 to 4.7 of the Audit Report, EDB informed that the participation rate/attendance rate of the Student Support Programme is relatively low. Please advise:
- (a) whether EDB was aware of the above situation before Audit Commission' review;
 - (b) although EDB sends letters in August and September of each school year to all public sector primary and secondary schools and primary and secondary schools under the Direct Subsidy Scheme and conducts a briefing session in September to invite them to nominate NCS students to enrol in the Student Support Programme, the attendance situation has not been improved. Does EDB agree that the measures for improving the participation rate/attendance rate of the Student Support Programme are not effective?
 - (c) whether EDB agrees that there is duplication of resources, as one of the reasons causing the relatively low participation rate/attendance rate of the Student Support Programme is that there may be time clashes with

other activities and programmes. If affirmative, how does EDB improve the situation; if not, why not;

- (d) whether EDB has liaised with the tertiary institution operating the Student Support Programme for offering more time slots (for example, Saturday afternoons, Sundays or weekday evenings);
- (e) whether EDB will take into account the participation rate/attendance rate of the Student Support Programme for calculating payment to the tertiary institution so as to encourage the institution to actively enrol/keep the students; and
- (f) whether EDB will request/suggest schools to accord top priority for NCS students to participate in the Student Support Programme, instead of other extra-curricular activities which are relatively less imminent, taking into consideration that learning Chinese is of considerable importance for integration of people of diverse races into the society of Hong Kong and also for their future development.

EDB's response

- (a) EDB has liaised closely with the service provider to keep in view students' attendance. The service provider is required to communicate regularly with participating schools and parents on students' learning progress, including their attendance situation.
- (b) Every year, EDB sends letters to schools and conducts a briefing session to promote the Student Support Programme (SSP), brief schools of the relevant arrangements, as well as to invite schools to nominate students in need to participate in the SSP. The number of students nominated and enrolled eventually depends on a number of factors such as whether school-based measures tailored for NCS students according to their own school context are available in a particular year, students' availability in terms of time arrangements, student cohorts' Chinese Language proficiency, etc. EDB has provided more resources to schools for developing tailor-made school-based programmes to suit the learning needs of their own students. It should be noted that the SSP is supplementary in nature and is only one of the choices available. EDB will review the complementarity of the SSP with other tailor-made programmes in the long run.
- (c) It is rather common for students to get engaged in a range of activities and programmes including both academic and extra-curricular in nature. The SSP, as a supplementary learning programme by its very nature, is one of the choices available. It is understandable that at times there may be clashes

with other activities and programmes. That said, students will still benefit by joining part, if not all, of the SSP. EDB will review the complementarity of the programme with other activities and programmes in the long run.

Before commencement of the SSP, EDB offers assistance to the service provider in arranging venues in convenient locations easily accessible to participating students, with a view to minimising their commuting time to attend the programme. During the course of the programme, EDB has liaised closely with the service provider to keep in view of students' attendance. Besides, the service provider has been requested to communicate regularly with participating schools and parents on students' learning progress and attendance situation. In case of frequent absentees, EDB will request the service provider and participating schools concerned to take follow-up actions to render appropriate assistance, e.g. changing class or venue for students in need. Although students joining the programme should, in principle, attend all the lessons and activities, there are various factors affecting students' attendance including casual leaves, having time clashes with other activities/programmes, parental involvement and recognition of its importance, etc. EDB will continue to monitor the situation and offer suitable assistance to schools and students.

- (d) According to the 2020-22 two-year service contract, the SSP is operated after school hours and during non-public school holidays (including Saturdays) to facilitate students to attend the programme conveniently. EDB will liaise with the tertiary institution concerned on the feasibility of providing more time slots for the programme.
- (e) According to the 2020-22 two-year service contract, calculation of payment to the tertiary institution conducting the SSP is based on the number of classes conducted and the number of instructional hours. In the next tendering exercise of 2022-2024, EDB will consider including students' participation rate/attendance rate as one of the factors for calculating payment so as to encourage the tertiary institution(s) concerned to actively enrol/retain the students.
- (f) EDB will continue to liaise closely with participating schools to remind them to coordinate with the service provider with a view to facilitating students to attend the SSP. For example, we will suggest schools to make reference to the timetable of the SSP when arranging extra-curricular activities for NCS students, so that a suitable balance between joining various extra-curricular activities and the SSP can be obtained. EDB will also liaise with participating schools in advance on the timetable of the programme to facilitate them to devise their school calendars and allocate different time slots to the programme and other lessons/extra-curricular activities.

- 12) According to paragraphs 4.8 and 4.9 of the Audit Report, NCS students enrolled in the Student Support Programme are divided into study groups according to school levels. However, the Chinese Language proficiency of NCS students of the same school level/age group can be very diverse. Hence, paragraph 4.10 of the Audit Report recommends EDB to arrange students into learning groups of appropriate levels according to their learning needs so as to cater for their individual learning needs. Please advise on the timeframe for taking this measure.

EDB's response

EDB agrees with the audit recommendation and will liaise with the service provider to conduct an early assessment of the Chinese Language proficiency of participating students in the 2021/22 school year for arranging them into different learning groups according to their performance.

- 13) According to paragraphs 4.21 of the Audit Report, Audit Commission examined 50 school reports of the schools participating in the Summer Bridging Programme in the period from 2017 to 2020 and noted that some of the school reports omitted some of the required information. Please advise:
- (a) whether EDB found that it was not able to ensure participating schools in the Summer Bridging Programme to have included all the necessary information in their annual school reports through conducting random checking and offering verbal advice; and
 - (b) the measures to be taken by EDB to ensure that the participating schools of the Summer Bridging Programme will include all the necessary information in their annual school reports with a view to enhancing accountability and transparency of their operation of the Programme.

EDB's response

- (a) After conducting random checking, EDB has found that some participating schools were not able to upload the necessary information onto their school websites due to various reasons, e.g. the school reports were pending endorsement of the Incorporated Management Committee by the end of November.
- (b) EDB will continue to remind participating schools to include the necessary information of the Programme in their annual school reports for uploading

onto the school websites by the end of November. Starting from the 2021/22 school year, EDB will send letters to remind all participating schools of this requirement. Besides, EDB will continue to check the school reports on the websites of respective schools. In case schools are not able to upload the school reports accordingly or some of the required information is omitted, EDB will contact the schools concerned to offer advice and assistance in a timely manner.

- 14) According to paragraph 4.26 of the Audit Report, the demand from schools for life planning education services for NCS students was high, but the responses from the service providers to EDB's invitations were lukewarm. Would EDB please provide/advise:
- (a) the source/list of the service providers having been invited;
 - (b) whether the service providers' lukewarm responses were due to a lack of skills and experience in providing services for NCS students;
 - (c) whether EDB has contacted relevant foreign consulates, chambers of commerce, clansmen /expatriates associations, etc. to search for or solicit more service providers for life planning education services for NCS students;
 - (d) whether EDB has explored the feasibility to invest more resources to increase the capacity for providing life planning education services. If so, please provide further information; and
 - (e) whether EDB has gained experience in how to plan and monitor the support measures implemented for NCS students to be more effective in future.

EDB's response

- (a) We understand that there are only a limited number of service providers providing life planning education services for NCS students. EDB has not compiled a list of suppliers on providing life planning education services for NCS students. The five service providers were selected based on EDB's best knowledge and understanding of the service providers that have experience in providing life planning education services to secondary schools.
- (b) EDB has contacted the service providers and learnt that they did not submit any bids mainly because: (i) they had insufficient manpower to run a new

programme; (ii) they had no interest in starting a new programme; and (iii) they had concerns over the COVID-19 pandemic.

- (c) EDB will continue to liaise with schools, the Hong Kong Association of Careers Masters and Guidance Masters and related organisations /associations to identify other potential service providers so as to expand the invitation list as far as possible. For the provision of services for the 2021/22 and 2022/23 school years, we have invited tenders through open tendering procedures.
 - (d) EDB will explore the feasibility of increasing the quota of participating schools for the on-site support services for the 2021-2023 contract period with the commissioned service provider. EDB will also explore other alternatives to increase the capacity for life planning education services.
 - (e) EDB will continue to pay attention to and constantly review the demand for life planning education services for NCS students, and will continue to evaluate the effectiveness of the services through collecting views of teachers and students during visits and sharing sessions, conducting evaluation meetings with the service provider and evaluating the findings in the report compiled by the service provider.
- 15) According to paragraph 4.34 of the Audit Report, the Audit Commission has examined the webpages of 105 KGs joining the Scheme, of which 47 KGs did not indicate on their webpages that they would provide interpretation and/or translation services, or allow NCS children and their parents to be accompanied by a Chinese-speaking relative/friend during the interview to facilitate communication. Please advise the reasons for not monitoring the school-based mechanisms of the KGs concerned, which are not in line with paragraph 4.32 of the Audit Report that their school-based admission mechanism must be fair, just and open, and not in compliance with the existing anti-discrimination legislation. Please advise the actions taken by EDB to improve the situation.

EDB's response

Regarding KG admission, KGs are reminded via the annual circular memorandum and regular briefings that equal opportunities must be provided for all children (regardless of races, genders and abilities), and their school-based admission mechanisms must be fair, just and open, and in compliance with the relevant anti-discrimination legislation. The relevant circular memorandum clearly stipulates that KGs should arrange interpretation and/or translation services for applicants as necessary, or allow parents and children to be accompanied by a Chinese-speaking relative/friend during the interview to facilitate communication. Since

KGs are not required to indicate such arrangements on their school webpage, some KGs may inform the parents of NCS children of such arrangements through other channels (e.g. verbal communication) without indicating such information on the school webpages.

We accept the Audit Commission's recommendation and will follow up accordingly. In the relevant annual circular memorandum, KGs will be required to indicate on their school webpages that when interviewing NCS children, NCS applicants may inform KGs if interpretation and/or translation services are needed. KGs should also let NCS parents know that they can be accompanied by a Chinese-speaking relative/friend during the interview.

Education Bureau
27 May 2021



中華人民共和國香港特別行政區政府總部教育局
Education Bureau

Government Secretariat, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

本局檔號 Our Ref. : EDB(EC)1/2041/20

電話 Telephone : 3509 8505

來函檔號 Your Ref. : CB4/PAC/R76

傳真 Fax Line : 2537 4591

2 June 2021

Clerk to Public Accounts Committee,
Legislative Council Complex,
1 Legislative Council Road,
Central, Hong Kong
(Attn: Ms Wendy JAN)

Dear Ms JAN,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 76
Education support measures for non-Chinese speaking students

Your letter to the Secretary for Education dated 1 June 2021 on the captioned subject was well received. Please find the English version of our response to the question set out in the Appendix of your letter.

For enquiries, please contact the undersigned on 3509 8505.

Yours sincerely,

(Benjamin YUNG)
for Secretary for Education

c.c. Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: john_nc_chu@aud.gov.hk)

**Consideration of Chapter 2 of the Director of Audit's Report No. 76
Education support measures for non-Chinese speaking students
Questions and information request**

Response from the Education Bureau (EDB)

- 1) According to EDB's response to Question 14(c) of Appendix 2, EDB will continue to liaise with schools, the Hong Kong Association of Career Masters and Guidance Masters and related organisations/associations to explore whether there are other potential service providers to provide life planning education services for NCS students. However, according to the website of the Hong Kong Association of Career Masters and Guidance Masters and related information, its service is obviously focused on students of mainstream schools and it may not have the ability, experience and enthusiasm to provide service for NCS students. Would EDB please tell "the related organisations/associations" that EDB has contacted before and whether EDB will take the initiative to contact relevant foreign consulates, chambers of commerce, clansmen/expatriates associations to search for or solicit more suitable service providers?

EDB's response

EDB will continue to liaise with schools and relevant organisations/associations (including but not limited to the Hong Kong Association of Career Masters and Guidance Masters) to explore whether there are other potential service providers to provide life planning education services for NCS students. The Association, composed of front-line school career guidance teachers (including those from schools with high intake of NCS students), has knowledge and understanding of the service providers that are experienced in providing life planning education services to secondary schools. The Association can provide advice and assistance to EDB on expanding the invitation list of potential service providers. Moreover, EDB has contacted schools with high intake of NCS students to seek information of existing service providers in providing life planning education services for NCS students. EDB will also liaise with related organisations/associations (e.g. non-governmental organisations, relevant foreign consulates, chambers of commerce, clansmen/expatriates associations, etc.) to identify other suitable potential service providers.

Education Bureau
2 June 2021

***Note by Clerk, PAC:** See Appendix 7 to this Report for the Education Bureau's response.

漁農自然護理署
九龍長沙灣道二零三號
長沙灣政府合署五樓



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27 May 2021

The Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms. Wendy JAN)

Dear Ms. JAN,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 76
Control of trade in endangered species by the Agriculture, Fisheries and Conservation
Department

Thank you for your letter of 18 May 2021 to this department concerning Chapter 3 of Director of Audit's Report No. 76. We are pleased to provide our reply in the Appendix.

For any further questions, please contact the undersigned or our Senior Endangered Species Protection Officer, Mr. KWAN Sai-ping, Boris (Tel. 2150 6980).

Yours sincerely,

(LAI Kin-ming)

for Director of Agriculture, Fisheries and Conservation

Encl.

c.c. Secretary for the Environment (Fax: 2537 7278)
Secretary for Financial Services and the Treasury (Fax: 2147 5239)
Director of Audit (Fax: 2583 9063)

覆函請寄交「漁農自然護理署署長」
Please address all replies to Director of Agriculture, Fisheries and Conservation

**Response to questions asked and information requested by
the Public Accounts Committee of the Legislative Council
in relation to the control of trade in endangered species
by the Agriculture, Fisheries and Conservation Department
in Chapter 3 of the Director of Audit's Report No. 76**

Part 2: Licensing and inspections

Q1: With regard to paragraph 2.6(a)(iii) of the Director of Audit's Report No. 76 (Audit Report), it is mentioned that "in 40% of those Endangered Species Protection Division (ESPD) inspections without inspection ratios recorded in the Endangered Species Licensing and Enforcement System (ESLES), enforcement actions were subsequently taken and hence all the specimens were inspected before seizure (i.e. inspection ratio was 100%)". Would the Agriculture, Fisheries and Conservation Department (AFCD) please explain why enforcement actions taken against 40% of those inspections imply that the inspection ratio equals to 100%?

A1: Among the consignment inspections conducted by the Endangered Species Protection Division (ESPD) of the Agriculture, Fisheries and Conservation Department (AFCD), there were totally 473 inspections without records of the inspection ratios. About 40% (i.e. 185 cases) of those involved suspected irregularities and enforcement actions by the AFCD were thus required. In those 185 cases, all specimens had to be inspected for further investigation. Therefore, the actual consignment inspection ratio for those cases was 100 %.

Q2: With regard to paragraphs 2.4(a) and 2.6 of the Audit Report, would the AFCD please provide the following information regarding the ESPD in the past three years:

- (a) the establishment of inspection officers and supervisors responsible for consignment inspections and give an account of their daily routine respectively;**
- (b) the number of consignment inspections handled per month and per capita each month; and**
- (c) the average time taken to prepare each inspection report, among which the shortest and longest time taken; as well as the number of inspection reports**

which were completed within 10 days, 20 days, 30 days and more than 30 days.

A2(a): The establishment of inspection officers and supervisors responsible for consignment inspections in the ESPD is as follows:

	2018	2019	2020
Inspection officer	5 (including 2 Field Officer II (FOII) and 3 contract staff of the same rank)	4 (including 2 FOII and 2 contract staff of the same rank)*	4 (including 3 FOII and 1 contract staff of the same rank)*
Supervisor	2 (including 1 Senior Field Officer (SFO) and 1 Field Officer I (FOI))	2 (including 1 SFO and 1 FOI)	2 (including 1 SFO and 1 FOI)

* There were fewer inspection officers in 2019 and 2020, due to natural wastage and internal deployment of manpower to meet other more imminent operation needs.

The duties of an inspection officer mainly include:

- (1) Checking the shipping documents submitted by consignors or agents;
- (2) Conducting inspection of licensed consignments of scheduled species;
- (3) Updating records of the Endangered Species Licensing and Enforcement System (ESLES) for consignment inspections, and preparing inspection reports; and
- (4) Handling enquires about control of trade in endangered species.

The duties of a supervisor mainly include:

- (1) Supervising inspection officers in enforcing *The Protection of Endangered Species of Animals and Plants Ordinance (PESAPO)*;
- (2) Handling enquires about control of trade in endangered species;
- (3) Examining the shipping documents submitted before consignment inspections and assigning work;
- (4) Arranging inspection officers to conduct consignment and shop inspections;
- (5) Conducting supervisory inspections of consignment and shop inspections completed by inspection officers;
- (6) Examining the inspection reports prepared by inspection officers;
- (7) Ensuring proper storage and handling of confiscated specimens; and
- (8) Assisting in the training of inspection officers.

A2(b): Inspection officers responsible for consignment inspections in the ESPD handled an average of 297 consignment inspections per month in the past three years, with about 80 consignment inspections conducted per capita each month.

A2(c): After a report is prepared, the AFCD staff may supplement with secondary information or provide updates, etc. At present, the ESLES will show the date of last update as the “report date”, as such the time elapsed between the inspection date and the report date as indicated in the ESLES may be longer than the actual duration. According to current ESLES records, the time elapsed between the date of inspection and the date of last update of the report is tabulated as follows:

Time elapsed (days)	Number of reports	Percentage
0-10	6 075	57%
11-20	1 336	12%
21-30	712	7%
Above 30	2 559	24%

In order to enhance the supervision of the staff concerned and ensure timely submission of reports, the AFCD is arranging enhancements to the ESLES to record the actual submission date of inspection reports.

Q3: With regard to paragraph 2.6(d) of the Audit Report, the supervisor of the ESPD re-inspected consignment inspections conducted by the inspection officer each year (supervisory inspections). However, supervisory inspections were only conducted for 0.1% to 1.4% of consignment inspections in each year from 2016 to 2020, which is far behind the target set out in the guidelines on consignment inspections stipulated in the operation manual of the ESPD (that is, supervisory inspections should be randomly conducted for 5% of consignment inspections). Would the AFCD please provide the following information:

- (a) the ranks and establishment of officers conducting supervisory inspections;**
- (b) reason for the inadequate supervisory inspections; and**
- (c) measures taken to ensure that supervisory inspections meet the target as set out in the guidelines.**

A3(a): A SFO and a FOI are responsible for conducting supervisory inspections.

A3(b): The AFCD’s management work on endangered species has always focused on arranging inspection and enforcement in accordance with the risk assessment with a

view to preventing illegal trade in endangered species. The main purpose of supervisory inspections, which are considered supplementary in nature, is to check inspection reports prepared by inspection officers and the accuracy of ESLES records for assessment of the inspection officers' work. The AFCD has enhanced supervisory inspections in accordance with the inspection ratios as set out in the operation manual since December 2020.

A3(c): To ensure that supervisory inspections meet the ratios as set out in the guidelines and to enhance supervision of inspection officers, the AFCD has arranged to enhance the ESLES by adding a function to calculate the number of supervisory inspections by each supervisor and inspection ratios of consignments automatically. This will help the management of professional grade to evaluate the progress of supervisory inspections and remind staff concerned to conduct adequate supervisory inspections.

Q4: With regard to paragraph 2.8 of the Audit Report, 13 394 licences had expired as at 31 December 2020 but the relevant licensees had not responded to the reminder letters issued by the AFCD as at 31 January 2021. Would the AFCD please advise this Committee:

- (a) of the current procedure and manpower involved in issuing reminder letters and the contents of the reminder letters in general;**
- (b) of the numbers of days taken by licensees to respond to the reminder letters issued by the AFCD or to return unused licences from 2016 to 2020;**
- (c) of the taxa and number of licences involved in relation to the above expired licences that have not been returned;**
- (d) whether the Department knew the reasons for the licensees' non-compliance with the licence conditions to return expired licences that have not been used for cancellation in accordance with the licence conditions; and**
- (e) the follow-up measures taken by the Department in respect of licensees not responding to reminder letters, e.g. temporarily suspension of issue of licences to licensees concerned etc.**

A4(a): The AFCD issues reminder letters on expired import and export licences to licensees on a half-yearly basis. Licensees are requested to, as soon as possible, report on the use of the licences or return expired licences that have not been used. This arrangement is to facilitate the Department to update the record and use it as reference for vetting the licensee's next application. A field officer is responsible for issuing reminder letters. Upon receipt of a licensee's reply that the licence had been used in importing or exporting the consignment concerned, the AFCD will record the relevant

information in the ESLES. If an unused licence is returned by a licensee, AFCD staff will cancel the licence and update the stock record of the licensee by reinstating the stock balance.

A4(b): As the ESLES does not capture the dates of reply from licensees, the relevant statistics are not available.

A4(c): The number of expired licences that have not been returned from 2016 to 2020 and the taxa involved are tabulated as follows:

Taxa	2016	2017	2018	2019	2020
Mammals	57	57	53	38	39
Birds	10	3	3	5	3
Reptiles	2 545	2 682	2 480	2 451	1 062
Amphibians	0	0	0	1	0
Fish	11	12	25	48	14
Molluscs	2	3	4	6	3
Cnidarians	15	18	22	24	14
Plants	264	234	257	252	82

A4(d): According to the AFCD's operational experience, some licensees did not return the unused import and export licences because they did not intend to re-apply for an import and export licence for the consignment (e.g. the consignment had already been sold in the local market).

A4(e): Reminder letters are sent to licensees by the AFCD in order to record the imported and exported quantity of consignments and the stock balance, which will facilitate the vetting of future licence application for the same consignment, if any. If a licensee fails to respond to the reminder letters or return the expired licence that has not been used, the AFCD will not issue any licence for the same consignment again for its import and export trading.

Q5: With regard to paragraph 2.9 of the Audit Report, failure to return an expired licence that had not been used to the AFCD for cancellation is a breach of licence conditions. Would the AFCD please advise this Committee:

(a) of the reasons for requesting licensees to return unused licences to the Department for cancellation as one of the licence conditions for issuing licences (paragraph 2.7 of the Audit Report);

- (b) of the follow-up measures taken by the Department against persons violating licence conditions and whether their applications for relevant licences would be affected in the future; and**
- (c) how the Department handle the specimens or shipments involved?**

A5(a) - (c):

The requirement for a licensee to return any unused licence is to facilitate the AFCD to update the record and use it as reference for vetting the licensee's next application on the same consignment. If a licensee fails to respond to the letter or return the expired licence that has not been used, the AFCD will not issue a licence for the same consignment again for its import and export trading. The consignors still have to comply with the relevant requirements under PESAPO if the consignments are to be sold locally.

Q6: With regard to paragraph 2.11 of the Audit Report, in response to the fact that inspection ratios of consignment inspections not recorded in the ESLES accounted for 86% as mentioned in paragraph 2.6(a) of the Report, the AFCD has already started to record the relevant inspection ratios conducted by the Import and Export Division. Would the AFCD please advise this Committee:

- (a) of how it ensures that the inspection ratios are recorded in the ESLES;**
- (b) of whether it would include the practice of mandatory recording of inspection ratios in the operation guidelines of the Import and Export Division and the ESPD; if not, the reasons for that; and**
- (c) of other measures in place to evaluate the adequacy of consignment inspections?**

A6(a) - (c):

The AFCD has arranged to enhance the ESLES to set the inspection ratio as a mandatory field to save or submit an inspection report in the ESLES, so as to ensure that the inspection ratios will be recorded in the system. The Department has also added this requirement in the guidelines on consignment inspections of the Import and Export Division and the ESPD to facilitate monitoring and review by the management. Supervisors will remind frontline officers to record inspection ratios in the ESLES and enhance their supervisory checking.

Each import or export shipment of scheduled species should be inspected. The inspection ratio is determined by the degree of risk and type of scheduled species in a consignment. A lower inspection ratio is set for low-risk homogeneous

consignments (e.g. 5% inspection ratio for consignments of American ginsengs, cosmetics and caviar under normal circumstances) and a 100% inspection ratio for other consignments such as ivory, valuable timber and live animals. Detailed guidelines on inspection sampling have been laid down for the AFCD frontline officers to ensure proper inspection of shipments.

Q7: With regard to paragraph 2.13 of the Audit Report, the AFCD conducted 148 inspections on average to keeping premises in each year from 2016 to 2020. Would the AFCD please advise this Committee:

- (a) of the number of cases of new application for, renewal of or variation of possession licences (PL) in each year between 2016 and 2020;**
- (b) of the number of cases found to be failing to comply with the PL licensing requirements between 2016 and 2020; and**
- (c) of whether it has set a target on the number of inspections each year.**

A7(a): The number of possession licence (PL) applications between 2016 and 2020 are as follows:

Year	New	Renewal	Variation
2016	52	82	23
2017	54	116	17
2018	41	83	5
2019	24	67	3
2020	25	85	10

A7(b): The AFCD conducted a total of 742 inspections at specimen keeping premises between 2016 and 2020, of which 14 cases did not comply with the licensing requirements of the PL. The species involved included Asian arowana, humphead wrasse, ivory and bear gall bladder. The AFCD has investigated the cases and taken follow up actions by issuing warning letters or initiating prosecutions.

A7(c): The Department will conduct inspection on the premises for all new and renewal applications. As the number of inspections is subject to the number of new applications, renewals or variations of PL, it is thus difficult to set a target with a definite number. On the other hand, the Department will formulate an annual shop inspection plan on the basis of risk assessment each year, and the plan will cover some of the premises with PL.

Q8: With regard to paragraph 2.14 of the Audit Report, would the AFCD please inform this Committee of the workflow of processing various PL applications as well as the sections and the ranks of officers involved in the approval of such applications.

A8: Upon receipt of a PL application, the FOII responsible for processing PL application in the Licensing Unit of the ESPD will check the supporting documents of the application, including the proof of identity or business registration certificate of the applicant, as well as proof of legal origin for the endangered species under application for possession, such as relevant certifying documents from the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and invoices. If the necessary information and documents are fully furnished, an FOII of the Inspection Unit will inspect the keeping facilities and check the quantity of specimens at the keeping premises against the application as well as take photographs for recording purposes, so as to ensure their consistency with the application and that the keeping facilities are suitable for keeping the specimens concerned. Upon receipt of the inspection report from the Inspection Unit, the field officer of the Licensing Unit will draft a PL for the Forestry Officer or Senior Forestry Officer's approval and issuance if no irregularities, inconsistency or other problems are identified.

Q9: With regard to paragraph 2.15(a) of the Audit Report, in 4 new applications for possession of live specimens (e.g. humphead wrasse and birds), there was no record of measurement of the keeping facilities. Would the AFCD please inform this Committee of whether the application concerned was approved eventually, and if it was, the reasons for approval.

A9: With regard to the 4 PL applications mentioned in paragraph 2.15(a) of the Audit Report, field officers of the Inspection Unit inspected the keeping facilities at the keeping premises, including bird cages and fish tanks, and took photographs for record purposes. Although the measurement of the bird cages and fish tanks had not been recorded, the field officers confirmed that the keeping facilities were suitable for keeping the specimens concerned (live birds and fishes), the AFCD thus approved the application. The Department has reminded the staff concerned that the measurement of the keeping facilities must be recorded.

Q10: With regard to paragraph 2.15(b) of the Audit Report, in 1 renewal application, the AFCD approved the application despite that not every transaction was recorded on the prescribed form, contrary to the PL condition. Would the AFCD please inform this Committee of the reasons for approval.

A(10): With regard to the PL renewal application mentioned in paragraph 2.15(b) of the Audit Report, the applicant did not specify the exact date of sale of the 22 ornamental fish on the prescribed form. Taking into account that the irregularity concerned was minor, the AFCD approved the renewal application after confirming that there were no other irregularities. The licensee was reminded to record every transaction in detail on the prescribed form when renewing the licence and the AFCD would issue warning letter or take enforcement action in case of any non-compliance.

Q11: With regard to paragraph 2.17(a) of the Audit Report, the AFCD replied that the inspection officers were no longer required to generate a list of commercial premises with expired and un-renewed PLs for routine shop inspections as such inspections were conducted on a risk-based approach. Would the AFCD please inform this Committee of the number of commercial premises with expired PLs, the number of premises that have been inspected by the Department, as well as whether there were cases in which the Department has detected irregularities and initiated prosecutions between 2016 and 2020.

A11: The AFCD adopts a risk-based approach in conducting inspections. Relevant considerations include any recent reports of irregularities or complaints against the shops, any rising trend of illegal trade of the species involved etc. A shop might be selected in routine shop inspections irrespective of whether it holds a PL or whether the PL held has expired. As a matter of fact, there are various reasons for licensees not to renew their PL (e.g. closing of business or ceased sale of scheduled species). The AFCD conducted inspections at 3 942 different premises between 2016 and 2020, during which 7 cases were identified to have irregularities and were prosecuted. These cases of irregularities included possession without licence, specimens of scheduled species exceeded the licenced quantity or failure to provide proof of legal source of the scheduled specimens. There were no cases of illegal possession of scheduled species due to expired licences.

The number of PLs which expired between 2016 and 2020 is as follows:

Year	Number
2016	135
2017	302
2018	152
2019	92
2020	279

Q12: With regard to paragraph 2.18 of the Audit Report, under the current licensing regime, except for elephant ivory (other than antique ivory), there is no mandatory requirement imposed by the AFCD on unique markings on specimens subject to or exempt from the licensing requirement. From time to time, there are concerns from the public and some Members of the Legislative Council on the identification of scheduled species and possible laundering. In this connection, would the AFCD please advise this Committee:

- (a) of whether it has found any laundering cases over the past 10 years; if yes, the number of cases by species in each year;**
- (b) of the reasons for not imposing any requirement on unique markings on specimens other than elephant ivory; and**
- (c) regarding the reasons mentioned in (b), of whether it has explored ways of preventing difficulties in identification of scheduled species and possible laundering when there are no unique markings on specimens; if yes, the details; if not, the reasons for that.**

A12(a) - (c):

There are difficulties in adopting unique markings for effective identification for the majority of specimens of endangered species, for instance, Chinese medicines such as American ginseng and dried seahorses which are small in size but large in quantity, extracts of endangered species which can be in powder or liquid form, as well as flowers and small decorations. It is not feasible to attach unique markings on these commodities.

In the last 10 years, the AFCD has not detected cases of laundering involving species other than ivory. Through the controlled buy operation, the AFCD has found a total of 4 cases involving sale of ivory not covered by PL (1 case in 2016, 2 cases in 2017 and 1 case in 2018 respectively).

Currently, apart from ivory, captive-bred Asian arowana are required to be inserted with microchips and number tags are attached to raw material of crocodilian skin in accordance with the requirements under CITES. The AFCD is exploring the feasibility of identifying individuals of some scheduled species by applying biometric identification technology. For instance, as each humphead wrasse has unique facial markings, the AFCD is pursuing a facial-recognition programme for identifying individual humphead wrasse jointly with a local university. The AFCD will continue to explore the adoption of appropriate approaches and keep in view any new technologies to strengthen the control on endangered species.

Q13: With regard to paragraph 2.26 of the Audit Report, shop inspections are conducted on a risk-based approach by the AFCD, with a target number of about 1 500 inspections annually. However, Audit analysed the number of shop inspections conducted by the AFCD from 2016 to 2020 and found that there was a decrease in the number of shop inspections from 2 558 in 2019 to 1 502 in 2020. Would the AFCD please advise this Committee:

- (a) of how it set the annual target of 1 500 inspections and whether it would consider adjusting the inspection target according to the nature of retail outlets (such as wet market, aquarium, pet shop, flower shop, craft shop, and Chinese medicine shop); and**
- (b) apart from the need to take into account the anti-epidemic measures and related requirements, other main reasons leading to the decrease in the number of inspections amid the COVID-19 epidemic.**

A13(a): The annual target number of 1 500 inspections has been in place since 2013. The setting of target was mainly based on the overall market situation of the sale of endangered species regulated by PESAPO and the allocation of work of AFCD staff. For instance, apart from conducting shop inspections, inspection officers are also responsible for conducting inspections related to licence applications and disposal of specimens, etc. The AFCD would make reference to the target number of 1 500 inspections when formulating the annual shop inspection plan in accordance with a risk-based approach. The AFCD has accepted the Audit recommendation and will adjust the annual target number of inspections to be conducted at retail outlets of different nature (such as wet market, aquarium, pet shop, flower shop, craft shop and Chinese medicine shop) on the basis of the actual market situation and the strategies for regulating trade in endangered species.

A13(b): The decrease in the number of inspections in 2020 was due to anti-epidemic measures and related requirements.

Q14: With regard to paragraph 2.27 of the Audit Report, Audit found from the shop inspection reports in 2017 that 24 shops inspected were no longer in operation. However, 16 of the 24 shops were not yet removed from the shop list in the ESLES as of December 2020. Would the AFCD please advise this Committee:

- (a) of the reasons the ESLES was still not updated as of December 2020 with the result that those 16 shops were not yet removed from the shop list;**
- (b) whether it knew how those shops which were no longer in operation disposed of the scheduled species and specimens (if any) originally possessed**

by them?

- (c) of the current procedure for recording, reporting and updating the information in the ESLES when shops are found to be no longer in operation; and
- (d) of the measures to be taken by the Department to ensure that the information in the ESLES is properly updated, for example, whether it would re-examine the shop list to avoid the recurrence of similar situation?

A14(a): The AFCD found that in the past some entries were omitted when frontline staff updated the shop list. The latest status of these 16 shops has now been updated in the ESLES as ceased operation. However, the records of such shops will not be removed from the shop list in order to keep their previous trading and inspection records. Future inspections will also check whether the shops concerned have resumed operation.

A14(b): Shops which have ceased operation may handle their specimens of scheduled species in possession in different ways. If the specimens are possessed for commercial purposes at another location, it is necessary to apply for another PL for the new premises. If the specimens are possessed for non-commercial purposes only, the licensing requirement can be exempted.

A14(c) - (d):

In the past, the shop list maintained in the ESLES was updated by frontline inspection officers. The AFCD has reviewed the overall approach adopted for shop inspections and amended the related guidelines. Under the updated guidelines, supervisors will be responsible for the examination of information in the ESLES and supervisory site inspections to ensure that the information in the ESLES have been updated properly.

Q15: With regard to paragraph 2.30 of the Audit Report, the inspection officer should submit to the supervisor the inspection report for premises with irregularities detected and requiring follow-up actions on or before the next working day of the inspection according to the ESPD operation manual. Would the AFCD please advise this Committee:

- (a) of the reasons for requiring the inspection officer to submit the inspection report on or before the next working day of the inspection; and
- (b) of the inspection workflow and job description for an inspection officer at present, such as whether an arrangement may be made for the officer to carry out inspections on two consecutive working days.

A15(a): According to the operation manual, inspection officers are required to submit an inspection report on or before the next working day following the detection of irregularities on the premises. The original intention is to enable the supervisor to follow up on the case and commence investigation as soon as possible. In daily operations, inspection officers will normally report verbally to their supervisor immediately to ask for instructions on further actions if they find any irregularity.

A15(b): Currently, an inspection officer is required to make reference to past inspection records or other trading information in order to prepare a shop list for their supervisor's approval before conducting an inspection. After obtaining the approval, the inspection officer should examine the information about the shops on the list, including the scheduled species and quantity as approved to be possessed under the PL held by the shops and their markings. During the inspection, the inspection officer should examine whether there is any specimen of scheduled species suspected to be illegally possessed inside the shop or any breach of licence conditions. In case of any irregularity, the inspection officer will seize the specimen(s) concerned in accordance with their supervisor's instruction and hand it/them to the Operation Unit for further investigation. After the inspection, the inspection officer is required to prepare an inspection report (containing photographs of the premises and the specimen(s), reply slip on stock level, proof of legal origin(s) of the specimen(s), an account of whether any irregularity was detected and details of the irregularity detected at that time, etc.) and update the inspection records in the ESLES. Given that an inspection officer needs time to carry out paper work before and after the inspection, it is the normal practice not to arrange staff to conduct inspections on two consecutive working days.

Part 3: Investigation and Prosecution

Q16: With regard to paragraphs 3.3 and 3.4(b) of the Audit Report, as of 30 November 2020, 327 cases from those opened between 2010 and November 2020 for suspected contravention of the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) (PESAPO), were remarked as being under investigation and prosecution in the ESLES of the AFCD. Nearly 70% of the cases have the time elapsed from the date of offence for more than 1 year. Among the selected 20 cases for further examination, no prosecution had been instigated and no necessary follow-up actions had been taken and records in the ESLES was yet to be updated by the AFCD. Please account for:

- (a) the lengthy period required by the Department to investigate the cases and instigate prosecution as well as the ways to expedite the processing of these**

- cases;**
- (b) the reasons for not taking follow-up actions/updating the records in the ESLES regarding the 20 cases abovementioned;**
 - (c) whether the Department would consider adding a reminder function in the ESLES to remind its staff to follow up with the cases that have not been properly dealt with after a certain period has elapsed; and**
 - (d) whether the Department has re-examined the ESLES to ascertain if there were cases with no prosecution instigated 6 months from the date of offence; and if yes, the relevant figure.**

A16(a): Investigation had been completed for the 327 cases mentioned in the Report and no prosecution was instigated due to insufficient evidence. They were remarked as under investigation and prosecution in the ESLES because the AFCD was still conducting relevant follow-up actions such as issuing a warning letter to the person concerned, confirming receipt of a signed reply slip from the person, as well as disposing of the seized specimens in accordance with the established procedures, etc. Only when these work are completed will the ESLES be updated to indicate that the case concerned is completed. For the 327 cases mentioned in the Report, some follow-up actions were being taken and the Department is expediting the processing of these cases. At present, 132 of the cases have been completed. We have formulated a work target to process the remaining cases which are expected to be completed within 6 months.

A16(b): Due to the large number of cases opened for investigation annually and the fact that follow-up actions have to be taken to complete a case where no prosecution is to be initiated after investigation, and there is no alert function in the ESLES, the 20 cases selected by the Audit Commission had not been followed up properly and hence the subsequent follow up actions of some cases had not been completed promptly. The 20 cases can be categorised into three groups:

- (i) for 2 cases, investigation and/or prosecution had been completed and no further action was required but the ESLES records had not been updated. The AFCD has now updated these records in the ESLES;
- (ii) for 15 cases, investigation had been completed, however, subsequent follow-up steps as mentioned in paragraph 16(a) had not been taken in a timely manner. The AFCD is now handling the seized specimens of the cases; and
- (iii) for 3 cases, the case files had not been submitted. According to information records, they involved minor irregularities and investigation had been completed. As no consignee could be identified, no prosecutions had been instigated for

these cases. The records of these cases on the ESLES have been updated and the AFCD is now handling the seized specimens.

A16(c): Having reviewed the existing functions of the ESLES, the AFCD is arranging to add new functions to alert subject officers and their supervisors of outstanding cases automatically, so that the case progress can be monitored in a more effective manner. In the meantime, all cases under investigation are recorded on an excel file and the file is updated regularly. The file concerned will be submitted to the head of the responsible unit for review on a regular basis.

A16(d): Among the 6 126 cases opened for investigation, the prosecution work of 5 799 cases had been completed, and the investigation for the remaining 327 cases had also been completed and confirmed that no prosecution would be instigated. As mentioned in paragraph 16(a) above, the AFCD has completed processing 132 cases and is taking follow-up actions for the remaining cases.

Q17: With regard to Table 5 in paragraph 3.6 of the Audit Report, although the time elapsed from the date of offence was more than 1 year for 566 (94%) cases and, among them, even more than 5 years for 212 (35%) cases as of 30 November 2020, the AFCD has not applied for court orders for such cases yet. Please account for:

- (a) the issues involved in such cases, the reasons for not applying for court orders for such cases by the Department and the ways to expedite the processing of these cases; and**
- (b) the circumstances in which the animals or plants, whether live or dead, seized and forfeited to the Government, will be sold or disposed of in any other way, by the Director of Agriculture, Fisheries and Conservation in such manner as he thinks fit, as mentioned in paragraph 1.15 of the Audit Report, as well as the conditions for determining the manner of disposing of animals or plants that are seized or forfeited.**

A17(a): The AFCD has been giving priority to cases requiring prosecution to ensure that prosecution would be initiated within the statutory bar date (i.e. within 6 months from the date of offence). All of the cases set out in Table 5 in paragraph 3.6 of the Audit Report did not involve prosecution. However, as mentioned in paragraph 16(a) above, we have to take other subsequent follow-up actions for these cases. To expedite the processing of cases that do not involve prosecution but require a court order to dispose of the seized specimens, the AFCD has formulated work targets and

deployed manpower suitably. The work is expected to be completed within 6 months.

A17(b): The Director of Agriculture, Fisheries and Conservation considers the appropriate method to dispose of seized and confiscated specimens of endangered animals and plants in accordance with the guidelines set out by CITES Resolution for the disposal of illegally traded and confiscated specimens of CITES-listed species. As mentioned in the guidelines, the disposal of confiscated and accumulated dead specimens of Appendix I species is restricted to scientific, educational, enforcement or identification purposes. Any confiscated dead specimens of Appendix II and Appendix III species should also be disposed of in the best manner possible to achieve the purposes of CITES. For example, specimens can be donated to schools or non-profit-making organisations for education or other non-commercial purposes.

The disposal of live specimens should maximise conservation value of the specimens without endangering the health, behaviour, or conservation status of wild or captive populations of the species. Besides, it is required to ensure that the person responsible for the offence does not receive financial or other gain from the disposal, and that such disposal does not stimulate further illegal trade. Destruction of dead specimens or euthanasia of live specimens should be considered as a last resort when all other options of disposal have been exhausted.

Q18: With regard to paragraphs 3.9(c) and 3.10(b) of the Audit Report, the Audit Commission has recommended enhancing the ESLES to record cases under investigation and those under prosecution separately while the AFCD is exploring the possibility of enhancing the relevant computer systems to assist the monitoring and updating of the progress of the cases. When does the AFCD expect to finish updating the ESLES? Will the AFCD consider regularly reviewing the progress of all cases under investigation and those under prosecution as well as setting a deadline for the investigation period?

A18: In general, the time limit for investigation is 6 months. As mentioned in paragraph 16(c) above, the AFCD is adding new functions in the ESLES to send alerts to remind subject officers and their supervisors of their outstanding cases automatically so that they can monitor the case progress in a more effective manner. Besides, another computer system enhancement project is underway to allow data exchange between the Prosecution Management System of the Prosecutions Unit and the ESLES of the ESPD, as well as to track the progress of cases under prosecution and application for a court forfeiture order. The system enhancement is expected to be completed within the first quarter of 2022.

Q19: With regard to paragraphs 3.18 to 3.22 of the Audit Report, would the AFCD please advise this Committee of :

- (a) the Department's publicity work on encouraging the general public and informers to make intelligence reports on suspected contraventions of the PESAPO over the past 3 years and the publicity measures to encourage members of the public to register as informers and make intelligence reports;**
- (b) the details of the reward levels, including the ways to determine the levels and whether such information is disclosed to the public;**
- (c) the number of persons who have registered as informers and received the reward each year since the establishment of the scheme; and**
- (d) the reasons for not revising the reward levels for years by the Department and the estimated completion time of the review on the reward scheme (paragraph 3.25 of the Audit Report).**

A19(a): Public awareness of the PESAPO lays the foundation for the AFCD's intelligence collection. As such, the AFCD has conducted various publicity and education activities over the past 3 years to enhance public awareness of the PESAPO, as well as to encourage members of the public to make enquiries and report any suspected cases to the AFCD. These activities included 927 visits to the Endangered Species Resource Centre, 158 talks, 54 exhibitions and the publishing of 19 posts on Facebook, etc. Besides, the AFCD has broadcasted TV Announcements of Public Interest on cross-boundary coaches as well as TV advertisements on the control of endangered species in Hong Kong at six land boundary control points (Shenzhen Bay Port, Lo Wu Control Point, Huanggang Control Point, Man Kam To Control Point, Sha Tau Kok Control Point and Futian Control Point). Moreover, promotional materials such as posters and pamphlets have been placed at various control points. The AFCD also recruits members of the public who have provided significant and accurate intelligence as registered informers where appropriate. Information on the reward scheme is set out on webpage of the AFCD.

A19(b): The prescribed reward levels were approved by the then Treasury Bureau and determined by the estimated value of the seized specimens or the sentence imposed, details of which are set out in the operation manual of the AFCD Intelligence Unit. The AFCD will explain in detail to all newly-registered informers the calculation method for the reward.

A19(c): The numbers of newly-registered informers and reward recipients each year since the establishment of the reward scheme are set out as follows:

Year	Number of new registrants	Number of reward recipients
1999	4	0
2000	26	3
2001	6	6
2002	6	8
2003	4	7
2004	6	7
2005	4	8
2006	1	4
2007	3	3
2008	3	5
2009	0	4
2010	0	4
2011	0	3
2012	0	3
2013	0	2
2014	0	1
2015	2	1
2016	0	1
2017	1	1
2018	0	2
2019	0	2
2020	0	2
2021 (as of 20 May 2021)	0	1

A19(d): The AFCD has been examining the operation of the reward scheme since its establishment in 1999 and is conducting a comprehensive review to evaluate its effectiveness and put forward proposals to improve its operation. The AFCD also commenced a survey on the market prices of endangered species in 2019 to review the reward levels and the attractiveness of the reward scheme. The progress of the survey is, however, hindered by the pandemic. The AFCD will complete the comprehensive review within this year.

Part 4: Other Relevant Matters

Q20: With regard to paragraph 4.7 of the Audit Report, the last stocktaking exercise on dead specimens was conducted by the AFCD in 2013. The annual stocktaking as required in the ESPD operation manual was subsequently suspended due to manpower deployment. Would the AFCD please inform this Committee of :

- (a) the manpower issue faced by the Department;**
- (b) the reasons for the Department's decision to suspend stocktaking due to the manpower issue instead of striving for or deploying manpower resources; and**
- (c) the significance of specimen stocktaking in the AFCD's view.**

A20(a): Between 2014 and 2020, the AFCD strengthened its control of trade in ivory with existing resources, including conducting comprehensive stocktaking of pre-ban ivory, putting on tamper-proof holograms, regulating pre-Convention ivory kept for commercial purposes, disposing of confiscated ivory by incineration, etc. Besides, since 2015, the Department has to make special redeployment of manpower temporarily to deal with the stockpiling of large quantities of confiscated timber and its donation matters, hence it was necessary to suspend the annual stocktaking temporarily.

A20 (b) and (c):

The AFCD has adopted various measures to oversee the storage of confiscated specimens, which include:

- (i) equipping each specimen storeroom with double locks, of which the keys and combination settings are kept separately by the Inspection Unit and the Operation Unit;
- (ii) installing a closed-circuit television system in each specimen storeroom;
- (iii) assigning more than one officer to enter the specimen storeroom each time when such entry is deemed necessary for operational purposes and record each entry in the register; and
- (iv) recording all deposits and movements of specimens in the ESLES.

Taking into account that a series of measures had already been put in place to ensure proper storage of the confiscated specimens, the AFCD did not redeploy manpower resource immediately to continue the stocktaking work.

The latest stocktaking was smoothly completed in April this year. The confiscated specimens were confirmed to be properly stored and in good condition.

Q21: With regard to paragraphs 4.12 to 4.14 of the Audit Report, the AFCD collaborated with two non-governmental organisations (NGOs) in 2011 to conduct a placement scheme of pet animals of scheduled species, to arrange adoption by suitable private individuals of pet animals of certain scheduled species donated by the AFCD. However, the AFCD had not reported the number and species of live animals donated to each of the two NGOs under the placement scheme in the summary progress reports submitted to the Endangered Species Advisory Committee since January 2015. Please account for the failure to report such information.

A21: The AFCD submits a summary progress report on the implementation of CITES at each Endangered Species Advisory Committee (ESAC) meeting, which contains a consolidated report on the disposal of seized specimens during the reporting period. However, the quantities and species of live specimens donated to the non-governmental organisations were not separately presented in the report. The AFCD has accepted the Audit recommendation and will report individually the species and quantities of animals donated through the placement scheme of pet animals of scheduled species (the placement scheme) in future summary progress reports on the implementation of CITES with a view to facilitating ESAC members' understanding of the effectiveness of the placement scheme. In addition, a review on the placement scheme will be conducted at the ESAC meeting to be held this June.

Q22: It is mentioned in paragraph 4.25 of the Audit Report that various publicity and education programmes are conducted to raise awareness of the general public, students and traders about scheduled species protection and the importance of compliance with the relevant legislation. Has the AFCD evaluated the effectiveness of such programmes, such as collecting views from the participants or implementing other measures? If yes, what are the details; if not, what are the reasons?

A22: The AFCD has collected views from groups visiting the Endangered Species Resource Centre through questionnaires to evaluate the effectiveness of these activities. According to the questionnaires collected in the past, the interviewees were satisfied with the Endangered Species Resource Centre and its services. They considered the education theme and exhibits were unique, and the visit was conducive to enhancing their understanding on endangered species. Regarding the publicity and education

activities conducted in other venues, depending on the nature of the activities, the AFCD will evaluate the effectiveness of the activities through interaction with participants, observation of participants' reactions and exchange of views with activity organisers etc.

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7 June 2021

The Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms. Wendy JAN)

Dear Ms. JAN,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 76
Control of trade in endangered species by
the Agriculture, Fisheries and Conservation Department

Thank you for your letter of 3 June 2021 concerning further questions raised by members on Chapter 3 of Director of Audit's Report No. 76. We are pleased to provide our response to the questions raised in the Appendix.

For any further questions, please contact the undersigned or our Senior Endangered Species Protection Officer, Mr. KWAN Sai-ping, Boris (Tel. 2150 6980).

Yours sincerely,

(LAI Kin-ming)

for Director of Agriculture, Fisheries and Conservation

Encl.

c.c. Secretary for the Environment (email: sen@enb.gov.hk)
Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: john_nc_chu@aud.gov.hk)

覆函請寄交「漁農自然護理署署長」
Please address all replies to Director of Agriculture, Fisheries and Conservation
- 188 -

**Response to questions asked and information requested by
the Public Accounts Committee of the Legislative Council
in relation to the control of trade in endangered species
by the Agriculture, Fisheries and Conservation Department
in Chapter 3 of the Director of Audit's Report No. 76**

Q1: With regard to the reply to question 2 (paragraphs 2.4(a) and 2.6 of the Audit Report) made by the Agriculture, Fisheries and Conservation Department, please provide a sample of an inspection report, and advise whether staff will be recruited to fill the vacancies as soon as possible.

A1: The Agriculture, Fisheries and Conservation Department (AFCD) is recruiting contract staff to fill the relevant vacancies and will keep in view the trade volume of endangered species so as to make timely internal redeployment to increase manpower to handle relevant work. A sample of an inspection report is at Enclosure.

Q2: With regard to the reply to question 9 (paragraph 2.15 of the Audit Report), apart from reminding officers concerned to record the measurement of the keeping facilities, would inspection officers be required to record the measurement clearly on the application documents in the future to avoid a lack of standard in processing applications?

A2: The AFCD has reminded inspection officers that they are required to record the measurements and attach photos of the keeping facilities in the inspection reports after inspection of the keeping premises. Supervisors will also examine the inspection reports to ensure that relevant information is recorded. The inspection reports shall then be enclosed in the relevant licence application files. As such, the application files will contain records of the measurements of the keeping facilities.

Q3: With regard to the reply to question 19 (paragraphs 3.18 to 3.22 of the Audit Report), please set out the details of the reward levels, including the ways to determine the levels and whether such data has ever been disclosed to the public.

A3: The reward scheme and the reward levels were established with the approval from the then Finance Bureau in 1999. The reward levels are mainly determined in accordance with the level of the fine imposed and the attractiveness of the reward. Under the reward scheme, if the intelligence leads to successful prosecution of the

***Note by Clerk, PAC: See Appendix 9 to this Report for the reply from Director of Agriculture, Fisheries and Conservation, and only extract of inspection report is attached.**

offender, the registered informer may receive an amount equivalent to 10% of the fine imposed as a reward with a ceiling of \$50,000. If the penalty is non-monetary or if the intelligence does not lead to successful prosecution of the offender, but resulted in seizure of relevant specimens by the AFCD, the registered informer may receive 10% of the estimated market value of the seized specimens as a reward with a ceiling of \$5,000. When the reward scheme was established, AFCD had issued a relevant press release. Currently, they will explain details of the reward levels to all newly registered informers. The AFCD is conducting a comprehensive review on the reward scheme which includes enhancing publicity to the general public and disseminating details of the reward scheme.

Q4: With regard to the reply to question 20 (paragraph 4.7 of the Audit Report), although the latest stocktaking exercise was smoothly completed in April this year, would the Department take measures to ensure that the stocktaking exercise on dead specimens is to be conducted annually in the future? If yes, what are the details? If not, what are the reasons?

A4: The annual stocktaking exercise is laid out in the operation manual of the Endangered Species Protection Division. Officers of the division are required to perform the concerned work according to the operation manual. The AFCD will make use of the bring-up mechanism to ensure that relevant officers are reminded to conduct the annual stocktaking exercise every year according to the schedule.

***Note by Clerk, PAC: See Appendix 9 to this Report for the reply from Director of Agriculture, Fisheries and Conservation.**

Print Date : 17/01/2020

Endangered Species Protection Division

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Import Inspection Report

Export Permit No. : [REDACTED] Country : ID (INDONESIA)
Retrospective Inspection : NO Released w/o Insp. : NO
Importer : [REDACTED] Purpose : COMMERCIAL / TRADE
Actual Import Date : 17/01/2020 Info Reference No. :
Inspection Date : 17/01/2020 ESP Case No. :
Inspection Ratio : 177.000/177.000 100.00% TA
Inspection Location : YUE SHI CHEUNG ROAD, ABERDEEN AWB/Bill of Lading : IMPORTING VESSEL : [REDACTED]
Remarks : IMPORTED 177 TAILS OF LIVE CHEILINUS UNDULATUS IN TOTAL.

<u>Specimen</u>	<u>Licensed Qty</u>	<u>Inspected Qty</u>	<u>%Inspected</u>	<u>Irregularity</u>
LIVE	200 TAIL	177	100 %	NO

Species : CHEILINUS UNDULATUS (HUMPHEAD WRASSE)
Appendix (Source) : II (R)
Country of Origin and Permit No. : INDONESIA [REDACTED]
Country of Previous Export and Permit No. :

Remarks :

Additional Information : Total Count: 0 Imported: 0 Not Imported: 0

Inspection Officer :

(LEE LAI FAN)

Designation : FO(EP)25

Report Date : 17/01/2020

**Photo Report for *Cheilinus undulatus* (Humphead Wrasses)
Import Inspection under the CITES Export Permit
([REDACTED]) on 17.1.2020**

Cheilinus undulatus were imported by vessel (no. [REDACTED]) from Indonesia to Hong Kong on 17.1.2020

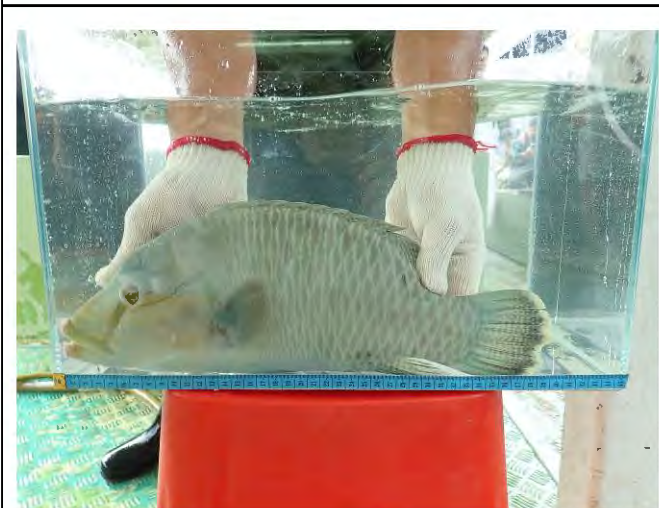


The working environment on the vessel (no: [REDACTED]):





Taking measurements of 40 heads of *Cheilinus undulates*:



1. The length was 39 cm, 1.35 kg



CONVENTION ON INTERNATIONAL
TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA



KEMENTERIAN LINGKUNGAN HIDUP DAN KEHUTANAN
DIREKTORAT JENDERAL KONSERVASI SUMBER DAYA ALAM DAN EKOSISTEM
MINISTRY OF ENVIRONMENT AND FORESTRY
DIRECTORATE GENERAL OF ECOSYSTEM AND NATURAL RESOURCES CONSERVATION



Alamat : Manggala Wanabhakti, Blok-VII LL.7 Jl. Gatot Subroto Jakarta 10270 Telp. (62-21) 5720227, 5704501-04 Ext.769, Fax. (62-21) 5720227, 5734818
Address e-mail: subditp.ditkhh@gmail.com

I. Surat Angkut Tumbuhan dan Satwa Liar Permit No. : [REDACTED] Export Import Re-export Others

II. Diberikan Kepada (nama, alamat, negara) Permitee (name, address, country) : [REDACTED]

III. Dikirim Kepada (nama, alamat, negara) Consignee (name, address, country) : [REDACTED]

IV. Berlaku sampai dengan / Valid until : 25 March 2020

V. Pelabuhan Tujuan / Place Port of destination : Hong Kong

VI. Pelabuhan Pemberangkatan / Port of exportation : Tanjung Pinang

VII. Maksud transaksi / Purpose of transaction : Commercial

VIII. Pemegang sertifikat ini diberi ijin untuk mengekspor/mengimpor satwa dan tumbuhan sebagai berikut
The above mentioned permittee is authorized to export/import the wild animals and plants specified here order

No.	Nama Jenis Name of species (Scientific Name, Indonesia, Common)	Jumlah Quantity	Kelamin dan keterangan lain tentang spesimen Sex and/or other description of specimens	Appendiks (Sumber) Appendices (Source)	Jumlah yang telah dikirim/ kuota (Tahun) Total exported / Quota (Year)
1	Cheilinus undulatus * ; Ikan Napoleon; Napoleon Wrasse	200 Head(s)	Live	II(R)	6,900 / 15000 (2019)
TOTAL		200 (Two hundred)			

-200 heads-
RELEASED BY
L.F. LEE FO(EP)(25)
AGRICULTURE, FISHERIES AND CONSERVATION DEPARTMENT
17-1-2020

100% INSPECTED
Tueshi Cheung Road,
Aberdeen

CANCELLED

IX. Syarat khusus : Tidak sah apabila ada coretan/koreksi : untuk satwa hidup, hanya berlaku apabila pengangkutannya sesuai dengan peraturan IATA untuk satu kali pengiriman
Special conditions : Not valid for any correction : For live animals this permit is only valid if the transport conditions conform to the guidelines for transport of live animals, or IATA regulation and valid for one shipment only

Security Stamp No: 1856726: Issued in lieu of the unused permit No. [REDACTED] Rancing specimen.

X. Sertifikat ini diterbitkan oleh :
This permit is issued by :
ATAS NAMA DIREKTUR JENDERAL KONSERVASI SUMBER BAYU ALAM DAN EKOSISTEM FOR THE DIRECTOR GENERAL OF ECOSYSTEM AND NATURAL RESOURCES CONSERVATION
Jakarta, 26/1/2020
1856726
MOH HARYONO

XI. Diisi oleh petugas pemeriksa pengiriman
To be completed by official who inspect the shipment

Lihat kolom jenis/See column of species		No. Bukti Pengiriman Bill of Lading (Airway bill number)
No.	Jumlah/Quantity	Tanggal Date
1.	200 (Two Hundred heads Live)	10 Januari 2020
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		

Pelabuhan pemberangkatan / Port of exportation : Tanjung Pinang

FATEUR, 2021 S.S.Si.
NIP. 1994080120021001

XII. Pembaharuan
Renewal

Berlaku sampai dengan / Valid until

Dikirim kepada (nama, alamat, negara) / Consignee (name, address, country)

Pelabuhan pemberangkatan / Port of exportation

Pelabuhan tujuan / Port of destination

Tanggal / Date

Cap / Official stamp

Tanda tangan / Signature

Your ref.: CB4/PAC/R76
Our ref.: ITC CR 1/2171/20 Pt.1
Tel. No.: 2810 2753
Fax. No.: 2730 1771

By Email

27 May 2021

Ms Wendy JAN
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Jan,

Public Accounts Committee

Consideration of Chapter 4 of the Director of Audit's Report No. 76

**Innovation and Technology Commission: Efforts in promoting
internationally accepted standards and conformity assessment services**

Thank you for your letter dated 18 May 2021.

The Commission's response to questions raised in the letter is enclosed for the Public Accounts Committee's consideration.

Yours sincerely,



(Jenny Lee)
for Commissioner for Innovation and Technology

Encl

c.c. Secretary for Innovation and Technology
Secretary for Financial Services and the Treasury
Director of Audit

Chapter 4 of the Director of Audit’s Report No. 76
“Innovation and Technology Commission: Efforts in promoting
internationally accepted standards and conformity assessment services”
Questions and Request for Information

Part 2: Hong Kong Accreditation Service

- 1) *According to paragraph 2.6 and Table 3 of the Director of Audit’s Report No. 76 (“Audit Report”), for three of the five years from 2015-16 to 2019-2020, the bench mark set by Hong Kong Accreditation Service (“HKAS”) on the net increase in accredited organisations had not been met. Besides, according to paragraph 2.8 and Table 4 of the Audit Report, as at 31 December 2020, for some programmes of the three accreditation schemes of HKAS, the number of organisations accredited was not more than two. Was the benchmark not achieved due to long processing time of the accreditation service or because the service was not well known by the public? What actions will be taken by HKAS to follow up and improve the situation? The benchmark on the net increase in accredited organisations was maintained at 6 from 2015-16 to 2019-2020. Has Innovation and Technology Commission (“ITC”) reviewed and considered adjust this target? If not, why?*

ITC’s response:

HKAS offers accreditation services to laboratories, certification bodies and inspection bodies through Hong Kong Laboratory Accreditation Scheme (“HOKLAS”), the Hong Kong Certification Body Accreditation Scheme (“HKCAS”) and the Hong Kong Inspection Body Accreditation Scheme (“HKIAS”) respectively. Participation in HKAS accreditation schemes is voluntary. Testing and certification bodies may provide conformity assessment services in Hong Kong without accreditation. As at 25 May 2021, there were 282 organisations accredited by HKAS.

As shown in Table 3 of the Audit Report, at least 12 new organisations obtained HKAS accreditation every year. However, the number of organisations terminating their accreditation varied, causing the benchmark set by HKAS not being met in three years. As testing and certification bodies have different considerations when deciding whether to remain accredited (such as business and market considerations, or an organisation may voluntarily terminate the accreditation as it no longer fulfills the accreditation criteria), it is difficult to generalise the reasons for not seeking

HKAS' accreditation. To better reflect whether HKAS achieves the objective of "upgrading the standard of operation of conformity assessment bodies", HKAS has decided to adopt "the number of newly accredited organisations" (instead of "net increase in the number of accredited organisations") as the new benchmark.

ITC and HKAS have reviewed the new benchmark and set the target at 12 for 2021-22. This target will be reviewed every year thereafter. HKAS will also adopt the recommendation of the Audit Commission and formalise the procedures for ascertaining reasons for voluntary termination of accreditations, and take appropriate follow-up actions if the reasons provided are related to the quality of HKAS' services.

HKAS would conduct market surveys and consult key stakeholders to determine market demand before launching new accreditation programmes.

Some programmes under the three HKAS accreditation schemes have two or less accredited organisations. The main reason was that after some programmes were launched, including accreditation programmes for "Greenhouse gas validation and verification¹", "Food safety management system certification", "Information security management system certification", "Veterinary testing" and "Consumer product inspection", there was a change in market needs, and the testing and certification bodies became less willing to seek accreditation for those services because the number of clients requiring accredited services had decreased. Besides, some international testing and certification organisations had decided not to obtain accreditation in Hong Kong as their overseas parent companies already obtained accreditation from foreign accreditation bodies that covered the activities of their branches in Hong Kong. On the other hand, some government departments have requested HKAS to develop accreditation programmes, such as "Crime scene investigation²", "Forensic testing³", "Residential care homes (elderly persons) service providers' management

¹ Many organisations regularly quantify, monitor and report their greenhouse gas emissions and/or reductions. "Greenhouse gas validation and verification" are third-party confirmations of those reports.

² "Crime scene investigation" refers to examination done at scenes of crime for investigation purpose, such as examination of fingerprints, bloodstain patterns, shoeprints, and investigation of fires and traffic accidents, and the collection of evidence at the scenes.

³ "Forensic testing" refers to analyses and examinations of the evidences collected from the scenes, such as DNA analysis, toxicology tests, examinations of controlled substances, handwriting and other documents.

system certification” and “Reference material producers⁴”. Therefore, while the number of potential applicants for those programmes was expected to be small, HKAS decided to introduce the programmes, having considered the public interest or benefits to the community or the testing and certification industry.

As recommended by the Audit Commission, HKAS will continue to conduct thorough market surveys and consult key stakeholders when developing new accreditation programmes to ascertain market demand. HKAS will consider launching a new service only when sufficient number of organisations have indicated clear intention of applying for accreditation. We will also step up the efforts in promoting the services of HKAS to both public and private sectors via different means, including through the internet, seminars, promotional materials and communication channels within the government.

- 2) ***Referring to paragraph 2.9 of the Audit Report, please provide the number of applications received, the number of accredited organisations involved and the number of accreditations granted under the Hong Kong Laboratory Accreditation Scheme, the Hong Kong Certification Body Accreditation Scheme and the Hong Kong Inspection Body Accreditation Scheme in the past five years.***

ITC’s response:

In general, applications received by HKAS each year can be classified into two types, viz. initial applications and extension applications. The former refers to applications submitted by conformity assessment bodies that have not obtained any accreditation under a particular accreditation scheme, while the latter refers to applications to extend the scope of accreditation in an accreditation scheme under which existing accreditation has been granted.

Applications received by HKAS in the past five years under the three accreditation schemes, number of accredited organisations involved, as well as number of accreditations granted each year are set out in **Appendix**.

⁴ “Reference material producers” are organisations producing reference materials, which are materials sufficiently homogeneous and stable with respect to one or more specified properties and have been established to be fit for the intended use in a measurement process. Many laboratories and inspection bodies need reference materials for calibrating their equipment or use the material for quality control of their analytical processes.

- 3) ***According to paragraphs 2.18 to 2.20 of the Audit report, HKAS conducts reassessments for each accredited organisation regularly to ensure that the standards required for continued accreditation are maintained. As at 14 October 2020, among the 40 outstanding reassessments with delays, the period of the longest overdue was 651 days, which is more than six times of the average of 93 days. What are the reasons for HKAS to be unable to conduct the reassessments within four weeks after the due date as specified in the Quality Procedure? What specific improvement measures will be made in the future to ensure that delay in reassessment does not become a normal scenario?***

ITC's response:

To ensure that accredited organisations are in continuous compliance with accreditation criteria, HKAS conducts regular reassessments for accredited organisations located in Hong Kong and the Mainland. Reassessments are typically conducted by an HKAS officer with a team of independent expert assessors in the form of on-site assessments. These expert assessors include testing and certification professionals, university professors or researchers from Hong Kong, the Mainland or overseas. In addition to serving local testing and certification organisations, HKAS offers accreditation services⁵ to laboratories for 'construction materials' or 'toys and children's products' testing in the Mainland. Reassessments normally include the following activities:

- (a) Hong Kong Laboratory Accreditation Scheme ("HOKLAS") – interviewing staff members and reviewing documents in all major offices of the laboratory, and witnessing testing and calibration activities at the laboratory;
- (b) Hong Kong Certification Body Accreditation Scheme ("HKCAS") – interviewing staff members and reviewing documents in all major offices of the certification body, and witnessing audits performed by

⁵ Currently, many materials used in construction projects in Hong Kong are produced in the Mainland. Depending on the project requirements, some of the construction materials have to be tested according to local requirements in Hong Kong. Since the delivery of construction materials to Hong Kong for testing is very difficult and time-consuming, HKAS continues to accept accreditation applications from construction material testing laboratories in the Mainland. For other testing services, such as toy and children's product testing, HKAS has stopped accepting accreditation applications from Mainland laboratories many years ago. For Mainland laboratories that had obtained the accreditation before 2000, HKAS is still maintaining the accreditation service for them. Therefore, regular reassessments in the Mainland are performed by HKAS for these types of laboratories. Currently, there are in total 14 laboratories in the Mainland being accredited by HKAS.

the certification body's auditor(s) at its client's premises; and

- (c) Hong Kong Inspection Body Accreditation Scheme ("HKIAS") – interviewing staff members and reviewing documents in all major offices of the inspection body, and witnessing inspection services, e.g. inspection of products at factories in the Mainland.

Due to the travel restrictions imposed since the outbreak of COVID-19 in early 2020, HKAS has been unable to conduct reassessments for accredited organisations in the Mainland. Some overseas expert assessors could not travel to Hong Kong for conducting reassessments either, leading to the delay in some scheduled reassessments in 2020. In response to this situation, HKAS had reviewed the documentations and records of accredited organisations concerned to ensure that they were in continuous compliance with relevant accreditation standards. This was in line with the temporary measure accepted by the international accreditation community for temporarily handling delays in reassessments at that time.

Regarding the three reassessment cases with the longest period of delay, they involved two local accredited inspection bodies with key personnel stationed in the Mainland. Upon the implementation of new requirements in relevant international standard in April 2019, HKAS started to have reassessment interviews and document reviews of local accredited organisations conducted in their Hong Kong offices, instead of having these tasks carried out in offices outside Hong Kong by sending the HKAS assessment team over. In this connection, the two organisations had to send their Mainland staff to their Hong Kong offices for interview during reassessments. HKAS then discussed with the two organisations concerned about the new arrangement for reassessments, and in late 2019, they finally agreed and arranged to send their staff to Hong Kong for reassessments. However, due to the outbreak of COVID-19 in early 2020, their Mainland staff could not travel to Hong Kong and the reassessments were further delayed.

Since January 2021, HKAS has been conducting remote assessments for organisations of which on-site assessments could not be conducted. Remote assessments are assessments conducted via video conferencing platforms or other online solutions, with a view to minimising the effect of travel restrictions on reassessment and ensuring that the delay would not become a normal scenario because of the pandemic. As at 25 May 2021, among the 40 delayed reassessments cases identified in the Audit Report, the assessments of 36 cases have been completed, one is being conducted and the remaining three have been scheduled for late May to June.

- 4) *According to paragraph 2.25 of the Audit Report, 21 organisations accredited under HOKLAS terminated the accreditations for all or part of their accredited activities in 2019. When the Audit Commission examined the websites of 15 of these 21 organisations in November 2020, it was noted that 1 organisation was still displaying HKAS accreditation symbol, 1 organisation was claiming that some tests conducted by its laboratory were still accredited by HKAS, while two did not include a statement indicating which activities were not accredited. Does HKAS have dedicated department to follow up with organisations after they terminate accreditations to prevent them from giving misleading information to the public?*

ITC's response:

According to the existing surveillance mechanism, HKAS officers would check whether an organisation was still using HKAS symbols or making claims of HKAS accreditation on its website upon termination of accreditation. The organisation would be informed immediately to remove those claims if found.

HKAS took follow-up actions in January 2021 on the four cases mentioned in paragraph 2.25 of the Audit Report. One of the cases was related to an obsolete website of an organisation that was no longer in operation. The other three cases involved ambiguous claims of accreditation status for certain test categories or items. HKAS had immediately instructed the organisations concerned to rectify the accreditation claims, and subsequently verified that those organisations had taken appropriate actions. HKAS will assign staff to strengthen the monitoring of websites of organisations of which accreditation has been terminated to ensure that the HKAS accreditation symbols and claims of accreditation status are not misused.

Part 3: Product Standards Information Bureau and stands and Calibration Laboratory

- 5) *According to paragraphs 3.5 and 3.6 of the Audit report, the maximum number of visitors to the Products Standards Resource Centre ("PSRC") from 2015 to 2020 (up to September) was 21 in 2016. According to ITC, the decrease in the number of visitors to PSRC was mainly due to the enhancement of Internet access to standards and standard-related publications in recent years. In this regards, has ITC considered shutting*

down the PSRC which occupied a net operational floor area of 41 square metres as well as disbanding the Product Standards Information Bureau (“PSIB”) which had an expenditure of HKD 3.5 million in FY2019-2020? Or does ITC have other arrangements?

ITC’s response:

PSRC currently provides free access to a full preview of standard documents to the public. Due to copyright consideration, only part of the documents (usually a few pages) of the version available on the internet are free of charge. Therefore, there is a need to maintain the PSRC so that the public can have free access to a full preview of standard documents before making a purchase decision. In response to the Audit Commission’s recommendation, PSIB is undergoing a stock-taking exercise of all materials maintained at PSRC to identify and dispose of outdated standard documents and related publications that have no reference value. It is expected that the stock-taking exercise would be completed in the third quarter of 2021. Upon completion of the stock-taking exercise, we will conduct a comprehensive review on the operation of PSRC and consider reducing the scale of PSRC based on the principle of cost-effectiveness.

The expenditure for PSIB during 2019-20 (i.e. HKD 3.5 million) covers the salary for five staff (including 1 manager, 1 principal technical officer and 3 clerical grade staff). Apart from the PSRC service, PSIB is also responsible for providing sales service of standards and related publications as well as free technical enquiry service on product standards. These services facilitate the public to identify and purchase standard documents and related publications which they need, and answer technical enquiries on standards. In addition, PSIB updates its dedicated website regularly having regard to the latest development of standards to facilitate the public in obtaining standard-related information, such as information or websites of latest local and overseas technical regulations, standards, guidelines, codes of practice, etc. ITC will review the operation of PSIB and adjust its scale of operation and make suitable manpower arrangement based on actual operational needs.

- 6) *According to paragraph 3.8 of the Audit report, PSIB had neither maintained inventory records on some inventory items kept in PSRC, nor conducted inventory checks for PSRC, which violated the Stores and Procurement Regulations of the Government. Moreover, PSIB had not devised a mechanism to dispose of superseded standards that had no reference value. A standard issued by the British Standards Institution in***

1970 and withdrawn in 1995 was still made available to visitors in PSRC. Has PSIB drawn up a schedule for improving its inventory management? How would PSIB formulate guidelines on standards in the future to avoid outdated standards from misleading the public indirectly?

ITC's response:

PSIB established an inventory management and review mechanism for PSRC in March 2021, and has started stock-taking all materials maintained in PSRC comprehensively in accordance with the Stores and Procurement Regulations of the Government. As of May 2021, PSIB has completed the stock-taking of about 20% of materials. PSIB will continue with the stock-taking exercise and dispose of outdated standards⁶ that have no reference value. The exercise is expected to be completed in the third quarter of 2021.

Each standard document is published with an issue date and version number. Websites of standard publishing organisations also provide the latest information for checking. As such, unless a user has a specific request (e.g. making reference to an earlier version of the standard), PSIB will normally only provide the latest version for public reference after confirming the latest version of the standard.

- 7) ***According to paragraphs 3.21 and 3.22 of the Audit Report, as at 5 January 2021, among the 1,141 equipment items with calibration due dates, over 30% (381 items) had been overdue for calibration. ITC stated that 221 items were backup equipment items and should have been classified as "Calibrate as required"; 24 items had been taken out of service and should have been classified as "Not to be calibrated". The remaining 136 equipment items required regular calibrations. This figure was higher than the normal level and around 10% had been overdue for more than 1 year. According to paragraph 3.24 of the Audit Report, the Quality Manual of Standards and Calibration Laboratory (SCL) stated that in general the queuing time for calibration service shall not be longer than 15 working days. However, paragraph 3.25 of the Audit Report pointed out that for 7,039 equipment items completed by SCL in the period from 2015 to 2020, 4,162 items (nearly 60%) had queuing time longer than 15 working days. Has ITC reviewed how to improve the management efficiency of SCL?***

⁶ The PSRC usually maintains a few latest versions of standards for the public's reference.

ITC's response:

SCL has clear working procedures which stipulate that only equipment items with valid calibration can be used in measurement jobs. Equipment items with overdue calibration will not be used in measurement jobs to ensure the validity and quality of the measurement services.

Among the 381 equipment items overdue for calibration, 245 items involved improper labelling. For example, 221 backup equipment items which should be labelled as "Calibrate as Required" (i.e. to calibrate when it is required to be used) were labelled as "Calibrate Regularly" instead. In addition, 24 out of service equipment items were labelled as "Calibrate Regularly" with calibration due date. They should actually be labelled as "Not Calibrated". SCL is reviewing the labels relating to the calibration requirements of equipment items to ensure the labels are marked correctly. The review is expected to be completed by June 2021.

For the remaining 136 equipment items overdue for calibration, 122 items (around 90%) were overdue for less than 1 year. It was mainly caused by the Government's special work arrangement imposed in 2020 due to the COVID-19 outbreak, during which ITC staff could not return to the laboratories to conduct the calibration work in a timely manner. Upon the resumption of normal working arrangement in mid-February 2021, the calibrations of 88 out of the 122 items have been completed, and SCL endeavors to calibrate the remaining items as soon as possible. SCL will strengthen the management of equipment calibration to ensure that equipment items will be calibrated before the due date and the progress will be reviewed on a monthly basis to avoid overdue.

As SCL aims to provide high-precision calibration services, rather than competing with commercial laboratories which provide lower-precision calibration services in Hong Kong, it has accorded higher priority to calibration jobs for high-precision equipment items, resulting in longer queuing time for lower grade equipment items. SCL will review the current arrangement as well as the overall management, so that appropriate measures, including setting up of different queuing times for high grade and low grade equipment items, can be taken to address the issue of long queuing time of certain lower grade equipment items. Stakeholders will be informed of the proposed measures. The review is expected to be completed in the third quarter of 2021.

Part 4: Support for Hong Kong Council for Testing and Certification

- 8) *According to para. 4.4, para. 4.5 and Table 11 of the Audit's Report, the Chairman and members of the Hong Kong Council for Testing and Certification (HKCTC) comprise practitioners from the testing and certification (T&C) sector, business sector and professional organisations (i.e. non-official members). In the period from 2016 to 2020, the attendance rate of non-official members ranged from 67% to 80%, which was relatively lower than the attendance rate of official members ranging from 93% to 100%. Moreover, according to para. 4.6 and Table 12 of the Audit's Report, in each year, a significant percentage (12% to 35%) of the non-official members did not attend any council meetings or only attended one of the three council meetings held. How would the Innovation and Technology Commission (ITC) step up efforts to encourage and facilitate non-official members' attendance at council meetings?*

ITC's response:

To encourage and facilitate the non-official members of HKCTC to attend meetings, HKCTC Secretariat under ITC will continue to provide facilitation and will also issue meeting reminders more frequently to members prior to meetings.

In view of Audit's recommendations, HKCTC Secretariat will check the schedule of members before fixing the date of a council meeting on which more members will be available to attend. Moreover, HKCTC has started using a hybrid mode (i.e. physical and online) to hold meetings since the one held in May 2021 so that those members who are unable to attend in person may choose to join the meeting through video-conferencing.

- 9) *According to para. 4.10, para. 4.11 and Table 13 of the Audit's Report, under the Local Exhibition Programme (LEP) and the Mainland and Overseas Exhibition Programme (MOEP) of HKCTC, HKCTC set up booths at trade shows in Hong Kong, Mainland and overseas. Eligible accredited T&C bodies were invited to apply to use the booths free of charge, with the rental and production costs paid by HKCTC. In the period from 2016-17 to 2019-2020, 11% to 50% of the participants of the exhibition programmes were T&C bodies associated with council members. When would ITC put in place safeguarding measures to ensure that potential conflicts of interest of members are declared in council meetings, precluding any alleged transfer of benefits?*

ITC's response:

LEP and MOEP of HKCTC are open to all eligible local T&C bodies. The T&C bodies associated with HKCTC members enjoy no privilege.

In view of Audit's recommendations, the HKCTC Secretariat, starting from the council meeting of May 2021, has adopted the practice of reminding members, at the beginning of each council meeting, the need to make declaration of interest for relevant discussion items (i.e. such practice is no longer confined to the first meeting of each term of HKCTC members). Whenever there are specific issues which may involve potential conflict of interest to be discussed at a council meeting (e.g. the eligibility criteria for participating in LEP and MOEP), HKCTC Secretariat will also take the initiative to remind members to declare their interest as appropriate.

Part 5: Way Forward

10) *According to paragraphs 5.5 and 5.6 of the Audit Report, in response to the COVID-19 outbreak, HKAS has launched two new accreditation services under HOKLAS, viz. accreditation services for medical face masks testing and COVID-19 reverse transcription-polymerase chain reaction ("RT-PCR") testing. However, up to 28 February 2021, only two accreditation applications had been received from conformity assessment bodies for medical face masks testing, and no accreditation had been granted. Moreover, only 5 of the 23 local COVID-19 RT-PCT testing institutions in the private sector had applied and obtained HKAS accreditation for COVID-19 testing. How will ITC step up the efforts to promote accreditation services that can help fight against COVID-19 during the pandemic outbreak?*

ITC's response:

In view of the COVID-19 pandemic, HKAS launched the accreditation services for medical face masks test and COVID-19 nucleic acid test in 2020. For medical face mask test, apart from making an announcement on ITC's website, all accredited non-medical laboratories were informed about the introduction of the new accreditation service in April 2020. Both HKAS and HKCTC Newsletters carried the promotion message in December 2020. As for COVID-19 nucleic acid test, the Department of Health (DH) held a briefing in May 2020 for all private medical testing laboratories in Hong Kong, during which HKAS was invited to introduce the relevant

accreditation service.

For medical face masks test, as at 25 May 2021, HKAS has granted accreditation to one organisation for the tests concerned.

Currently, the 26 private laboratories listed on DH's list of "Local COVID-19 nucleic acid testing institutions recognised by the Hong Kong SAR Government" have met DH's criteria for the Laboratory Recognition Scheme (LRS) for COVID-19 nucleic acid testing, including having attained certification of COVID-19 nucleic acid test Quality Assurance Programme (QAP) from the Centre for Health Protection, and attained medical laboratory accreditation from the College of American Pathologists, HKAS or its Mutual Recognition Arrangements (MRA) partners. As private laboratories have accumulated sufficient experience on COVID-19 nucleic acid test over the last year, the DH has requested that COVID-19 nucleic acid test must be included in the scope of accreditation for new applicants to LRS since 1 January 2021. For existing laboratories under the LRS, their scope of accreditation must cover COVID-19 nucleic acid test by end-2021.

Among the 26 private laboratories listed under the DH's LRS for COVID-19 nucleic acid testing, 11 have been accredited by HKAS for the tests concerned. HKAS is currently handling another 16 applications for accreditation on COVID-19 tests.

ITC will contact laboratories that are currently offering, or preparing to offer, the above testing services in the market to encourage them to seek HKAS accreditation if they have not yet been accredited, and work with HKCTC to promote these accreditation services.

Innovation and Technology Commission
May 2021

Applications Received, Number of Accredited Organisations Involved and Accreditations Granted in the Past Five Years

2020	Applications Received		Accredited Organisations Involved		Accreditations Granted ^{Note 1}	
	Initial Application	Extension Application	Initial Application	Extension Application	Initial Application	Extension Application
HOKLAS	21	149	21	88	14	170
HKCAS	3	11	3	8	0	22
HKIAS	2	8	2	8	1	7
Total	26	168	26	104	15	199

2019	Applications Received		Accredited Organisations Involved		Accreditations Granted ^{Note 1}	
	Initial Application	Extension Application	Initial Application	Extension Application	Initial Application	Extension Application
HOKLAS	12	188	12	101	11	211
HKCAS	0	35	0	18	7	26
HKIAS	0	16	0	13	1	14
Total	12	239	12	132	19	251

2018	Applications Received		Accredited Organisations Involved		Accreditations Granted ^{Note 1}	
	Initial Application	Extension Application	Initial Application	Extension Application	Initial Application	Extension Application
HOKLAS	20	181	18 ^{Note 2}	92	12	249
HKCAS	1	28	1	16	0	19
HKIAS	1	9	1	8	1	4
Total	22	218	20	116	13	272

2017	Applications Received		Accredited Organisations Involved		Accreditations Granted ^{Note 1}	
	Initial Application	Extension Application	Initial Application	Extension Application	Initial Application	Extension Application
HOKLAS	12	199	12	99	15	255
HKCAS	2	29	2	16	2	36
HKIAS	3	4	3	4	3	3
Total	17	232	17	119	20	294

2016	Applications Received		Accredited Organisations Involved		Accreditations Granted ^{Note 1}	
	Initial Application	Extension Application	Initial Application	Extension Application	Initial Application	Extension Application
HOKLAS	12	198	12	100	13	263
HKCAS	0	27	0	16	1	33
HKIAS	1	3	1	3	0	4
Total	13	228	13	119	14	300

Note 1: As accreditations granted involve not only applications received in the same year, the number of accreditations granted and the number of applications received each year do not necessarily be the same.

Note 2: The applications first submitted by two of the organisations was incorrect and rejected. They therefore submitted the applications again and the number of initial applications received that year was counted as 20.

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

Your ref.: CB4/PAC/R76
Our ref.: ITC CR 1/2171/20 Pt.1
Tel. No.: 2810 2753
Fax. No.: 2730 1771

By Email

2 June 2021

Ms Wendy JAN
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Jan,

Public Accounts Committee

Consideration of Chapter 4 of the Director of Audit's Report No. 76

**Innovation and Technology Commission: Efforts in promoting
internationally accepted standards and conformity assessment services**

Thank you for your letter dated 1 June 2021 to the Secretary for Innovation and Technology and the Commissioner for Innovation and Technology.

A consolidated response from the Innovation and Technology Bureau and the Innovation and Technology Commission to questions raised in the letter is enclosed for the Public Accounts Committee's consideration.

Yours sincerely,



(Jenny Lee)

for Commissioner for Innovation and Technology

Encl

c.c. Secretary for Innovation and Technology
Secretary for Financial Services and the Treasury
Director of Audit

Chapter 4 of the Director of Audit's Report No. 76

“Innovation and Technology Commission: Efforts in promoting internationally accepted standards and conformity assessment services”

Questions and Request for Information

- 1) *Paragraph 3.6 of the Audit Report stated that in recent years, standard publishers uploaded their standards (some were “preview versions” and some were “full versions”) on their websites to meet the need of most users. Besides, the annual number of visitors to the Product Standards Resource Centre (“PSRC”) was less than 10 for 2018 to 2020 (as at September). However, the Innovation and Technology Commission (ITC) insisted on maintaining the PSRC in its response to Question 5 on 27 May 2021. ITC only agreed to review the operation of the PSRC and consider reducing the scale of the PSRC so that the public can have access to a full preview of standard documents. Does the government agree that such a decision is in line with the principles of cost-effectiveness and effective use of public funds? Why not close down the PSRC and transfer the necessary services to other departments?*

- 2) *ITC has also pointed out in the response to Question 5 the need to maintain the Production Standards Information Bureau (“PSIB”) of which the expenditure in 2019-2020 reached HKD3.5 million, and will only review its operation and scale to cater for the provision of sales service of standards and related publications as well as free technical enquiry service and website updating. Nevertheless, according to table 7 of paragraph 3.10 of the Audit Report, only about 300 technical enquiries were received each year, which means that less than two enquiries were answered per working day if a year has 250 working days. Please elaborate why the PSIB cannot be disbanded and other departments cannot take up its work.*

ITB and ITC's response:

We wish to clarify that the need to maintain the PSRC as mentioned in ITC's response on 27 May is actually referring to the services provided by the PSRC. In response to the decrease in service demand, ITC considers that its other divisions can provide the PSRC services in addition to their existing work, and it is no longer necessary to maintain a dedicated PSIB

***Note by Clerk, PAC:** *See Appendix 11 to this Report for the reply dated 27 May 2021 from Commissioner for Innovation and Technology.*

and a physical PSRC. Therefore, ITC plans to abolish the PSIB and the physical PSRC, and redeploy PSIB's staff to other divisions so that public money can be used more efficiently and cost-effectively.

Innovation and Technology Bureau
Innovation and Technology Commission
June 2021



財經事務及庫務局
(庫務科)

香港添馬添美道二號
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FINANCIAL SERVICES AND
THE TREASURY BUREAU
(The Treasury Branch)
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
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電話號碼 Tel. No. : 2810 2407
本函檔號 Our Ref. : TsyB E 172/520-1/6/0 (C) Pt.1
來函檔號 Your Ref. : CB4/PAC/R76

By email

26 May 2021

Ms Wendy Jan
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Ms Jan,

Public Accounts Committee

Consideration of Chapter 5 of the Director of Audit's Report No. 76

**Management of government vehicle fleet by
the Government Logistics Department**

Thank you for your letters dated 18 May 2021 inviting written response concerning Chapter 5 of the Director of Audit's Report No. 76 ("Management of government vehicle fleet by the Government Logistics Department").

The response by the Financial Services and the Treasury Bureau and the Government Logistics Department is attached at Annex for Members' consideration please.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Denny Ho', with a long horizontal stroke extending to the right.

(Denny Ho)
for Secretary for Financial Services
and the Treasury

c.c.
Director of Government Logistics
Director of Audit

**Chapter 5 of the Director of Audit’s Report No. 76
“Management of government vehicle fleet by the
Government Logistics Department”
Questions and Information requested**

The Public Accounts Committee wrote to the Financial Services and the Treasury Bureau as well as the Government Logistics Department (“GLD”) on 18 May 2021 to request response and/or supplementary information about matters specified in Chapter 5 of the Director of Audit’s Report No. 76. Our reply is given as follows.

Monitoring of Government Vehicle Fleet

- (1) According to paragraph 2.5 of the Director of Audit’s Report No. 76 (“the Audit Report”), GLD estimated that after the recommendations raised in the transport reviews have been implemented by the Fire Services Department (“FSD”) and the Customs and Excise Department (“C&ED”), the potential capital savings and recurrent savings for FSD would be about \$2 million and \$339,000 respectively; whereas the potential capital savings and recurrent savings for C&ED would be \$3.6 million and \$1.8 million respectively. Did GLD monitor these two departments (and other departments with transport reviews conducted) on whether they had fully implemented the relevant recommendations and gain the benefits arising from it?**

GLD requests departments with transport reviews conducted to regularly submit progress reports on the implementation of the relevant review recommendations. GLD will review the relevant benefits based on the results of the progress reports.

Regarding the departmental transport review report issued by GLD to FSD in December 2019, FSD has already implemented most of the review recommendations, and would save about \$2 million in capital expenditure and about \$290,000 in recurrent expenditure, which account for around 97% of the estimated benefits stated in the report. FSD will implement the remaining recommendations when the relevant vehicle is due for replacement.

GLD issued the transport review report to C&ED in December 2020, and will request the department to submit a progress report on its implementation of the relevant review recommendations in mid 2021.

- (2) According to paragraph 2.6 of the Audit Report, in response to the Audit Commission’s (“Audit”) enquiries, GLD indicated that one of the reasons for the long time taken to complete departmental transport reviews was that there were only two officers responsible for the conduct of departmental transport reviews, and in addition to the conduct of reviews, they were also responsible for performing other substantial duties (see Note 3 to paragraph 2.3). According to paragraph 2.8(b) of the Audit Report, GLD will explore measures to expedite the process of departmental transport review. What are the specific improvement measures and what is the current progress?**

GLD will flexibly deploy existing manpower and arrange dedicated staff on a trial basis to perform the work on departmental transport reviews to be conducted later this year.

- (3) According to paragraph 2.11 of the Audit Report, taking into account the two-month period allowed by GLD, the earliest entry had been outstanding for 58 months. According to Note 3 to Table 5 in paragraph 2.11 of the Audit Report, in its response to entries yet to be submitted, the Lands Department indicated that it had already consolidated the relevant data but the data was not properly uploaded to the information system. Did the information system issue any reminders on data that has yet to be submitted beyond deadlines? If yes, why did the bureaux/departments (“B/Ds”) fail to upload data in a timely manner despite of the reminders issued? If not, will GLD consider introducing a reminder function to the information system?**

The former Transport Management Information System (“TMIS”) did not have the function of issuing reminders on outstanding entries. GLD has already introduced the function when developing the new TMIS earlier. Therefore, since April 2021, TMIS would automatically issue reminders to B/Ds that have yet to submit entries beyond deadlines. In addition, GLD officers will closely monitor whether there is any vehicle for which entries have been outstanding for a long time and will follow up with the B/Ds concerned.

- (4) According to paragraph 2.12 of the Audit Report, “discrepancies” were found in the data submitted to GLD by some B/Ds, including used vehicles with nil or extremely low level of kilometre run or fuel/electric consumption. GLD has undertaken to conduct investigations. What is the progress of such investigations and what are the preliminary results?**

GLD has earlier on approached the B/Ds concerned to find out more about the reasons for data “discrepancies”, and received from them rectifications and explanations of the relevant data in early May 2021.

After checking, GLD verified that the B/Ds did use the relevant vehicles. For a number of cases, the B/Ds omitted to submit records or submitted incorrect entries on kilometre run or fuel/electric consumption through TMIS, and hence the relevant data has been understated.

In some cases, vehicles deployed for special purposes were involved. For example, tunnel rescue vehicles have to be put on standby pending assignments in tunnel areas and hence cannot be deployed for other uses. If eventually there is no or hardly any call of duty, the kilometer run or fuel consumption would then be nil or remained at an extremely low level.

In addition, there were cases that the refuel amount of the vehicles concerned in the preceding month was sufficient to meet the transport needs of the following month, the fuel consumption of that month would then be nil even if the vehicles were used.

GLD is now exploring the feasibility of enhancing the functions of TMIS so as to avoid man-made input errors. Moreover, GLD officers will continue to review the data and conduct spot checks. If input errors are spotted, GLD will verify with B/Ds concerned and rectify the data.

- (5) Regarding the responses of B/Ds on vehicles that were repeatedly captured in exception reports due to low utilisation as mentioned in paragraph 2.15 of the Audit Report, did GLD approach the B/Ds before to find out the reasons why some vehicles were repeatedly captured in exception reports? If yes, why didn’t GLD provide relevant information to Audit direct? If not, what are the reasons? According to paragraph 2.18(d) of the Audit Report, GLD responded that it had already updated the selection guideline for conducting departmental transport reviews for B/Ds. What are the details of the guideline concerned?**

For B/Ds with vehicles captured in exception reports, GLD will first issue an extract of the relevant reports to them and request them to critically review the utilisation of those vehicles (e.g. identifying the causes of low utilisation and taking prompt remedial actions), but will not request them immediately to provide reasons. Hence, GLD does not have handy information regarding the causes of the low utilisation of the relevant vehicles. Nevertheless, GLD will remind the B/Ds concerned that when they submit requests for additional and/or replacement vehicles, GLD will consider whether vehicles of the same type owned by the B/Ds concerned have repeatedly been captured in exception reports. If this is the case, GLD will consider whether the same vehicle type in the departmental fleets should downsize, or whether to conduct in-depth departmental transport reviews for the B/Ds concerned. For example, among the departments which possess vehicles that have been repeatedly captured in exception reports as mentioned in paragraph 2.14 of the Audit Report, some requests from them for replacement vehicles were refused due to the low utilisation rate of the vehicles concerned.

Starting from the next exception report to be compiled in the third quarter of this year, when GLD issues an extract of the relevant reports to the B/Ds concerned, GLD will also request the B/Ds concerned to identify the causes of low utilisation of the relevant vehicles and the remedial actions.

Besides, according to the selection guideline for conducting departmental transport reviews for B/Ds updated by GLD in March 2021, in addition to factors such as fleet size, vehicle utilisation, traffic accident, vehicle hiring expenditure and the demand for supernumerary vehicles, whether vehicles have been repeatedly captured in exception reports will also be taken into account in selecting B/Ds for conducting in-depth departmental transport reviews.

- (6) According to paragraph 2.24 of the Audit Report, the actual revenue & of the transport pool fell far short of the estimated revenue because**
- (10) of, among other things, the unpredictable prolonged sick leave taken by drivers and the fact that some vacant posts were not filled in a timely manner. Could GLD provide information about the number of posts, vacancies, wastage, average age /age distribution of staff and the taking of prolonged sick leave, etc. in respect of various driver grades? What measures have been taken by the Government to address the manpower issues?**

Appendix

As regards the Financial Years 2018-19 and 2019-20 mentioned in paragraph 2.24 of the Audit Report, the information about the number of posts, vacancies, wastage, average age /age distribution of staff and staff taking prolonged sick leave, etc. in respect of various driver grades under the transport pool is detailed at Appendix.

GLD is responsible for the grade management of driver grades, and generally recruits Chauffeur and Motor Driver once every two years. If there is a need to expedite the recruitment exercises after taking into account the overall manpower situation of various grades including objective indicators such as number of vacancies, newly created posts, filling of vacancies and years of service of the staff, as well as considering B/Ds' operational needs, GLD will make appropriate arrangements. If necessary, GLD will make use of the "further employment" arrangement and final extension of service to ease the problem of manpower shortage.

Procurement of vehicles

- (7) According to paragraph 3.6 of the Audit Report, Audit's sample check of the requests for retaining 566 supernumerary vehicles approved by GLD from 2016 to 2020 revealed that the cumulative retention periods for 206 (36%) supernumerary vehicles were over one year. As specified in GLD's guidelines, a supernumerary vehicle should not be used further for over one year unless under very exceptional circumstances. In this connection, could GLD provide the information below:**
- (a) The specific reasons for B/Ds' need to retain supernumerary vehicles for over one year; and whether the B/Ds concerned have re-submitted applications to GLD after retaining the supernumerary vehicles for over one year;**
 - (b) The annual repair and maintenance cost of these 206 supernumerary vehicles which have been retained for over one year; and**
 - (c) According to paragraph 3.7 of the Audit Report, Audit's examination of the requests (submitted by 20 B/Ds) for retaining 153 supernumerary vehicles approved by GLD in 2019 revealed that for 8 B/Ds, while their existing departmental fleets have not been fully utilised, GLD approved all their requests for retaining 54 supernumerary vehicles. Given the departmental fleets of the B/Ds concerned have been under-utilised, could GLD provide the**

utilisation rate of the above-mentioned 206 supernumerary vehicles with cumulative retention periods of over one year?

B/Ds will submit applications to GLD if they would like to retain supernumerary vehicles for over one year. Common causes are temporary relief of prematurely-disposed vehicles (55%); additional transport needs pending delivery of endorsed additional vehicles (23%); or B/Ds' temporary or emergency operational needs (such as carrying out work relating to the COVID-19 pandemic) (22%). Specifically, among the 206 vehicles mentioned in paragraph 3.6 of the Audit Report, about 100 were used by disciplined services departments for law enforcement, maintaining social order, performing rescue or emergency duties, about 40 were used by health and environmental hygiene departments, and about 60 used by around 18 departments to meet their daily and temporary operational needs.

In respect of the 206 supernumerary vehicles with cumulative retention periods of over one year, the annual repair and maintenance cost of each vehicle is about \$24,000 on average, whereas the monthly utilisation rate is about 84% on average.

- (8) According to paragraph 3.18(a) of the Audit Report, of 51 delivered vehicles for which the quotation/tendering exercises were conducted in the period from 2016 to 2019, the procurement of 22 (43%) vehicles had taken more than three years to complete. Is there any clear and specific guideline/mechanism for GLD to conduct quotation/tendering exercises? If yes, what are the details? According to paragraph 3.18(b) of the Audit Report, 96 requests for additional/replacement vehicles approved by GLD in the period from 2016 to 2018 included vehicles not yet delivered by contractors as at end 2020. Is there any breach of contracts? Did GLD take any follow-up actions?**

GLD strictly adheres to the Stores and Procurement Regulations when conducting quotation/tendering exercises. Regarding the 22 vehicles which involved a longer procurement process as mentioned in paragraph 3.18(a) of the Audit Report, more time was taken for the procurement of 20 vehicles as no offer was received during open tendering and thus re-tendering was arranged. For the other two vehicles, as there was a delay in vehicle delivery, GLD has already deducted the amount paid to the contractor in accordance with the contract terms.

As regards the 96 vehicles which have yet to be delivered by contractors as mentioned in paragraph 3.18(b) of the Audit Report, the relevant contractor delivered late 22 vehicles and GLD will deduct the amount to be paid to the contractor in accordance with the contract terms. The remaining 74 vehicles have either been delivered on schedule, or are not yet due for delivery according to the contracts. The longer time taken to complete the procurement of these vehicles is mainly due to the need to arrange for re-tendering as no offer was received in open tender exercises, as well as the longer time required for clarifying with user departments on the suitable vehicle type and technical specifications.

Other related issues

- (9) According to paragraph 4.3 of the Audit Report, Audit examined the & number of electric vehicles (“EVs”) in the government vehicle fleet in**
- (11) the period from 2016 to 2020 and noted that the use of EVs in the Government remained on the low side, with the number of EVs reducing from 249 in 2016 to 169 in 2020, down by 32%. According to paragraph 4.5 of the Audit Report, the Environmental Protection Department (“EPD”) had planned to update the green specifications of items on the Government procurement list for implementation by B/Ds in the first quarter of 2021. In this connection, could GLD provide the information below:**
- (a) The number of EVs which B/Ds have planned to procure as additional/replacement vehicles since the new guideline took effect in the first quarter of 2021; and**
- (b) Under the new guideline, B/Ds are required to adopt EVs when procuring private vehicles with not more than five seats unless justified and approved by the Head or senior directorate staff of the B/D concerned. Is this requirement mandatory?**

In April 2021, after consulting the EPD, GLD requested B/Ds to confirm by early June the number of EVs in the class of small and medium saloon cars to be procured as additional or replacement vehicles. If EVs cannot be adopted due to operational needs, B/Ds are required to provide full justifications cleared by the Head or senior directorate staff of B/D, in consultation with the EPD. As the replies by B/Ds are still pending, GLD may not provide a reply for item (a).

According to EPD, the guideline concerned is under the mandatory requirements in specifications on the Government’s latest green

procurement list. B/Ds are required to comply with relevant requirements in procurement.

**Financial Services and the Treasury Bureau
Government Logistics Department
May 2021**

**The establishment and strength of driver grades
of the transport pool of the Government Logistics Department
(Financial Year (FY) 2018-2019 and FY 2019-2020)**

Grade			FY 2018-2019 (as at 31 March 2019)	FY 2019-2020 (as at 31 March 2020)
(1)	Chauffeur	Establishment	16	20
		Strength	13	16
Number of vacancies			3	4
(2)	Motor Driver	Establishment	37	37
		Strength	33	39
Number of vacancies			4	-2
Total establishment			53	57
Total strength			46	55
Total number of vacancies			7	2

**Statistics on the wastage of drive grades
of the transport pool of the Government Logistics Department
(FY 2018-2019 and FY 2019-2020)**

Grade		FY 2018-2019 (as at 31 March 2019)			FY 2019-2020 (as at 31 March 2020)		
		Strength	Wastage	Percentage (%)	Strength	Wastage	Percentage (%)
(1)	Chauffeur	13	1	8%	16	1	6%
(2)	Motor Driver	33	1	3%	39	2	5%
Total (Wastage rate (%))		46	2	4%	55	3	5%

**The average age and age distribution of drive grades
of the transport pool of the Government Logistics Department
(FY 2018-2019 and FY 2019-2020)**

Financial Year	Grade	Number of drivers in various age groups					Total strength	Average age
		20 to below 30	30 to below 40	40 to below 50	50 to below 60	60 or above		
FY 2018-2019 (as at 31 March 2019)	Chauffeur	0	1	3	8	1	13	50.9
	Motor Driver	0	5	15	12	1	33	47
Overall average age								49.0
FY 2019-2020 (as at 31 March 2020)	Chauffeur	0	1	3	12	0	16	51.6
	Motor Driver	2	10	15	9	3	39	45.2
Overall average age								48.4

**Statistics on prolonged sick leave taken by driver grades*
of the transport pool of the Government Logistics Department
(FY 2018-2019 and FY 2019-2020)**

Grade	FY 2018-2019 (as at 31 March 2019)	FY 2019-2020 (as at 31 March 2020)
	Number of drivers	
Chauffeur	1	3
Motor Driver	2	1
Total	3	4

*Drivers who took prolonged sick leave for 10 consecutive days or more in FY 2018-19 / FY 2019-20 were counted



土木工程拓展署
Civil Engineering and
Development Department

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Date 日期 : 21 May 2021
Our reference 本署檔號 : () in SDO2-30-4140-CE-94-98-AUD-C
Your reference 來函檔號 : CB4/PAC/R76

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Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

(Attn: Ms. Wendy JAN)

Dear Sirs,

Public Accounts Committee

Consideration of Chapter 6 of the Director of Audit's Report No. 76

**Site formation and associated infrastructure works for development
Near Choi Wan Road and Jordan Valley**

With reference to your letter dated 13 May 2021 attaching the enquiries of the Public Accounts Committee on Chapter 6 of the subject Audit Report, we provide our written responses to and/or information on the issues set out in the **Appendix**. The soft copy (in Microsoft Word format) of the responses will be emailed to you separately.

Yours Faithfully,

(Victor CHAN)

for Director of Civil Engineering and Development

Encl.

卓越工程 建設香港
We Engineer Hong Kong's Development

c.c.
STH
SFST
D of Audit

Internal

DCED, DDCED, AD/A, CE/HQ, H(GEO)

PAC's Enquiries	CEDD's Responses
<p>Part 2: Contractual disputes under Contract A</p> <p>1) According to paragraph 2.11 of the Director of Audit's Report No. 76 ("Audit Report"), Contractor A contended that the Civil Engineering and Development Department ("CEDD") was not able to arrange acceptance of disposal materials from disposal sites in a timely manner and claimed for additional payment for stockpiling and handling of disposal materials. According to paragraph 2.13(a) of the Audit Report, CEDD considered that Contractor A's claim could have been mitigated if the forecast on the generation and demand of fill materials had been reviewed and updated to enhance accuracy and facilitate formulation of the subsequent disposal arrangement. What improvement measures have been/will be taken to improve the accuracy of such forecast work?</p>	<p>Public fill materials by nature are excavated materials from ground or demolition materials of disused structures/facilities. They are collectively referred to as construction and demolition (C&D) materials. The estimated quantity and quality of the excavated materials from ground are interpreted based on available site data and site investigation that can be carried out at the design stage, and is subject to the variance of actual ground conditions encountered on-site. Sometimes site investigation at certain areas may not be able to proceed due to site accessibility constraints. While a comprehensive site investigation plan at the design stage may help improve the accuracy of forecast estimate on the quantity and quality of excavated materials, it is also important to verify, review and update the assumed ground conditions based on the actual excavated materials, and/or supplementary site investigation conducted during the construction stage.</p> <p>In the case of Contract A, it was due to an unforeseeable judicial review initiated in February 2003 against the proposed reclamation under the Wan Chai Development II, which interrupted the reclamation programme, resulting in a decrease in the demand for disposal materials produced under Contract A during that period. Such decrease in the demand could not have been contemplated. To address the problem, the project office had closely reviewed with other offices to identify additional areas in Kai Tak site to temporarily stockpile the excavated materials from Jordan Valley till the substantial completion of Contract A in 2006.</p> <p>In August 2011, the Development Bureau (DEVB) promulgated Technical Circular (Works) No. 9/2011 "Enhanced Control Measures for Management of Public Fill" to enhance the estimation and management of generation and demand of C&D materials of public works projects. Since then, projects dealing with significant</p>

Appendix

PAC's Enquiries	CEDD's Responses
	<p>amount of C&D materials (with surplus in excess of 300,000m³ or requiring imported fill exceeding 300,000m³ are required to review and report changes in the forecast estimate on generation or demand of C&D materials to the respective Departmental C&D Materials Vetting Committee (Vetting Committee) on quarterly basis. The Vetting Committee is chaired by a project officer at D2 rank with members at D1 rank and a senior engineer to scrutinize and endorse the estimated generation and demand of C&D materials of individual projects. The project offices shall provide detailed explanations for any changes in the forecast estimates, and measures to minimize the impacts arising from the changes. The Vetting Committee will check the accuracy of the forecast estimate submitted by respective projects. Upon the high level departmental scrutiny of the projects, the updated forecast estimate will be submitted to the Public Fill Committee (PFC) of the Civil Engineering Development Department (CEDD), which oversees the management of public filling operations and facilities, for further vetting.</p> <p>The Circular lays down a continuous review, update and monitoring of the estimated quantity of C&D materials generated / demanded at multiple management levels to enable better forward planning on designation of reception sites in a timely manner.</p>
<p>2) According to paragraph 2.17(b) of the Audit Report, regarding Contractor A's claim relating to the valuation of concrete buttress works, CEDD considered that the root cause was due to inconsistency between contract drawings and Bills of Quantities ("BQ"). Can you explain why CEDD could not identify such inconsistency when vetting the contract documents? What improvement measures have been/will be taken to enhance the vetting of contract documents?</p>	<p>Civil engineering construction contract is a complex legal document composing of various inter-related component parts that provide numerous information and specifications on the works to be constructed. It is important for this complex contract document be carefully prepared and thoroughly vetted to ensure the compatibility and consistency of its component parts, as inconsistencies among them might give rise to potential contractual implication. In some twenty years ago when the contract documents of Contract A were prepared and vetted, they were all carried out by the project team, which was indeed the prevailing practice at that time. While there was no record indicating how the documents of Contract A were</p>

Appendix

PAC's Enquiries	CEDD's Responses
	<p>vetted by the project team, due to the complexity and voluminous size of the contract documents, some inconsistencies therein had not been identified.</p> <p>In 2014, CEDD incorporated further guidelines on checking the completeness and accuracy of Bill of Quantities (BQ) and related documents into the Project Administration Handbook for Civil Engineering Works (PAH), with an aim to enhancing the vetting of contract documents. They include :</p> <ul style="list-style-type: none"> (a) introduce a pre-tender cross team checking procedures in the preparation of BQ; (b) conduct spot-checking on the quantities of selected cost significant items by project office; and (c) convene a meeting chaired by a project officer at a rank not lower than D1 to vet BQ and Particular Preamble prepared and to ensure that all the checking and cross team checking procedures have been duly completed and documented.
<p>3) According to paragraphs 2.20(a) and 2.21 of the Audit Report, you have agreed to closely monitor the effectiveness of the enhanced control measures for the management of disposal materials. Have you conducted a review to evaluate the effectiveness of the enhanced control measures? If yes, what were the review results? If not, will you conduct such review?</p>	<p>Please refer to the third and fourth paragraphs of our responses on improvement measures to 1) above.</p> <p>We have continuously monitored and reviewed the effectiveness of the enhanced control measures. Thus far, we are not aware of any contractual dispute about disposal of C&D materials.</p>

<p>PAC's Enquiries</p>	<p>CEDD's Responses</p>
<p>4) According to paragraph 2.24(a)(v) of the Audit Report, as of October 2004, based on Consultant X's estimation of the remaining quantity of rock materials available from Contract A, CEDD was still expecting full delivery of the agreed quantity of rock materials to Shek O Quarry. However, in January 2005, Consultant X revised its estimate and predicted that only 95% of the agreed quantity of rock materials could be delivered to Shek O Quarry. Can you explain why the situation changed in such a short period of time? What lessons have you drawn from this case?</p>	<p>As revealed from records, Consultant X erroneously over-estimate in October 2004 the remaining quantity of rock materials available from the Contract A, because he had not duly taken into account the surveyed volume of stockpiled materials and excavated materials, thus not verifying the former assumption on the percentage of rock quantity. Upon a subsequent review in January 2005, Consultant X fixed the error and revised the estimated quantity. In this case, CEDD was not satisfied with the performance of the Consultant X and had reflected the poor performance in this respect in Consultant X's performance report for the first quarter of 2005.</p> <p>The lesson learnt from the case is that due to the inherent complexity and variance of underground geology, the actual ground condition encountered in construction stage might vary much from the ground conditions assumed in the design stage. There is therefore a need to review, update and carry out supplementary site investigation at the construction stage to reveal the actual ground conditions in a timely manner and update the estimated rock quantity accordingly. To this end, the Geotechnical Engineering Office (GEO) of CEDD published "GEO Publication No. 1/2007 - Engineering Geological Practice in Hong Kong" in 2007 and also updated the "Geoguide 2: Guide to Site Investigation" in 2017 to provide further guidance on good site investigation practice for works departments. These guidelines have put emphasizes on the need of reviewing the ground condition during the construction stage and conducting additional site investigation, if found necessary, to verify the design assumption. In March 2018, DEVB promulgated further guidelines on geotechnical works of public works projects via Technical Circular (Works) No. 3/2018 regarding "Enhancing Cost Effectiveness of Geotechnical Works of Capital Works Projects". All these documents serve as comprehensive guidelines on site investigation works at the detailed design stage.</p>

PAC's Enquiries	CEDD's Responses
	<p>Pursuant to the above-mentioned guidelines, works departments are required to submit ground investigation plan and the schematic design proposal with relevant information (e.g. required ground investigation data) to GEO for review and comment to enable a comprehensive site investigation be conducted, as far as practicable, at the detailed design stage. The expertise advice of GEO helps project offices to derive adequate and reasonable site investigation plans in detailed design stage for interpreting ground conditions, so as to enhancing the accuracy of estimating the quantity of excavated materials to be generated.</p>
<p>5) According to paragraph 2.24(b)(iii) of the Audit Report, Contractor A installed a magnet in its plant for processing the excavated materials to improve the quality of disposal materials in May 2003 (i.e. four months after Contractor D had raised the quality issue). Do you consider this not satisfactory? What improvement measures have been/will be taken in this regard?</p>	<p>According to records, upon Contractor D raising the quality issue in January 2003, the respective project teams discussed the matter promptly with the two contractors A and D. Contractor A then tailor-made a magnetic device and installed it at the conveyor belt system in May 2003 for processing the excavated materials to improve the quality of disposal materials. After the installation of the magnetic device, Contractor D also stationed a full time site supervisor at the Kai Tak site to inspect rock materials before delivering the materials to Shek O Quarry. Contractor D indicated that there was great improvement of the quality of rock delivered to Shek O Quarry afterwards.</p> <p>CEDD considered it not unreasonable for Contractor A taking the 4 months for the design, ordering, manufacturing and installation of the tailor-made magnetic device.</p>
<p>6) According to paragraphs 2.28(a) and 2.29 of the Audit Report, you have agreed to remind CEDD staff and consultants to conduct thorough ground investigation at the detailed design stage in accordance with the related guidelines with a view to enhancing the accuracy of the estimation of the quantity of</p>	<p>GEO published "GEO Publication No. 1/2007 – Engineering Geological Practice in Hong Kong" and updated the "Geoguide 2: Guide to Site Investigation" in 2007 and 2017 respectively, providing guidance on good site investigation practice for works departments to plan and carry out ground investigation of works sites. In March 2018, DEVB promulgated further guidelines on geotechnical works of public works projects via Technical Circular (Works) No. 3/2018 regarding "Enhancing Cost Effectiveness</p>

<p>PAC's Enquiries</p>	<p>CEDD's Responses</p>
<p>excavated materials generated from a works contract. Have you done so? What further measures will you take to enhance the accuracy of the estimation and ensure that CEDD staff and consultants follow such guidelines?</p>	<p>of Geotechnical Works of Capital Works Projects". These documents serve as comprehensive guidelines on site investigation works at the detailed design stage.</p> <p>Pursuant to the above-mentioned guidelines, works departments are required to submit ground investigation plan and the schematic design proposal with relevant information (e.g. required ground investigation data) to GEO for review and comment to enable a comprehensive site investigation be conducted, as far as practicable, at the detailed design stage. The expertise advice of GEO helps project offices to derive adequate and reasonable site investigation plans in detailed design stage for interpreting ground conditions, so as to enhancing the accuracy of estimating the quantity of excavated materials to be generated.</p> <p>CEDD staff and its consultants are obliged to follow the promulgated guidelines in implementing the projects. In addition to providing access to these above-mentioned documents from public domain, CEDD posted them in CEDD's Bulletin Board for the convenient access and reference of its staff. Furthermore, CEDD reminded its staff and consultants on 14 May 2021 to conduct thorough ground investigation at the detailed design stage in accordance with the guidelines. CEDD will continue to remind its staff and consultants to observe the latest guidelines.</p>
<p>7) According to paragraphs 2.28(b) and 2.29 of the Audit Report, you have agreed to closely monitor the quantity and quality of excavated materials delivered to specified disposal sites to ensure compliance with the related contract requirements. What monitoring actions have been/will be taken in this regard?</p>	<p>Please refer to the third and fourth paragraphs of our responses on improvement measures to 1) above.</p> <p>The above-mentioned mechanism enables continuous monitoring actions throughout the construction stage to review and update the quantity and quality of excavated materials based on latest ground investigation data and excavated materials revealed on site. Nevertheless, CEDD would continue to remind its staff, consultants and resident site staff to comply with these requirements.</p>

PAC's Enquiries	CEDD's Responses
<p>Part 3: Other issues under Contract A</p> <p>8) According to paragraph 3.2(b)(ii) of the Audit Report, CEDD said that in conducting future site investigations for large-scale sites, the Government would employ geological experts and geological engineers to study the aerial photographs and the geological model of the site to determine the number and location of the boreholes for site investigation. Has CEDD incorporated this procedure in the relevant guidelines? If not, why not and when will you do so?</p>	<p>CEDD have incorporated the requirements in the "Geoguide 2: Guide to Site Investigation", which provides guidance and good practices on site investigation, such as desirable borehole arrangements and the need of suitably qualified geological professionals in the process. Besides, the "GEO Publication No. 1/2007 – Engineering Geological Practice in Hong Kong", published in 2007, gives a detailed account on the use of geological assessment methods such as aerial photographs and geological models, and how these can achieve better site investigation results.</p>
<p>9) According to paragraph 3.3(a) of the Audit Report, after the award of Contract A, "Geoguide 2: Guide to Site Investigation" published by the Geotechnical Engineering Office ("GEO") of CEDD was updated in 2017 to provide further guidelines in the application of new technologies and digital tools to enhance site investigation works. Can you elaborate more on the new technologies and digital tools? What is the extent of application of these new technologies and digital tools in conducting site investigation works? What support will CEDD provide to other works departments in the application of these new technologies and digital tools?</p>	<p>The new technologies include geophysical survey and directional coring techniques in ground investigation. Comparatively more geological information may be obtained by these techniques as compared with that from conventional boreholes. In regards to digital tools, a database of ground investigation and laboratory testing results is accessible through the Digital Geotechnical Information Unit (DGIU) system in the Geotechnical Information Unit (GIU) in the Civil Engineering Library of CEDD, which is a computerized geographical information platform to facilitate project offices or their consultants to collect desk study information for planning project-specific site investigation works. Project offices from various departments can approach GEO of CEDD for advice or assistance in planning of ground investigation works or accessing to the DGIU system.</p>

<p>PAC's Enquiries</p>	<p>CEDD's Responses</p>
<p>10) According to paragraph 3.7(a)(iii) of the Audit Report, after the flyrock incident in February 2003, Contractor A proposed extensive protective measures in order to avoid the recurrence of similar incidents and the proposed measures were acceptable to CEDD. However, according to paragraph 3.7(b) of the Audit Report, there was another flyrock incident in June 2003. Were the two flyrock incidents similar in nature? Had Contractor A adopted the proposed extensive protective measures for the blasting activities in June 2003? If yes, can you explain why the flyrock incident in June 2003 still happened? Please also advise whether the protective measures proposed by Contractor A had incurred extra expenditure borne by CEDD; if yes, the amount involved.</p>	<p>The two incidents were not similar in nature and their causes of flyrock were different, according to the expert review of the incidents. The first incident taken place in February 2003 was attributed to adversely-oriented rock joint. The effective protective measures against flyrock developed afterwards were scenario-specific and might not be able to avoid the second incident from taking place in June 2003, which was caused by excessive explosion effect in an unexpectedly hard rock and some protective and precautionary measures specified in the method statement not taken or not effectively taken by the contractor.</p> <p>Pursuant to the contract requirements, the protective measures proposed by Contractor A after the incidents were implemented at its own cost without incurring extra expenditure to CEDD.</p>
<p>11) According to paragraph 3.7(b)(ii) and (iii) of the Audit Report, some protective and precautionary measures specified in the method statement were not taken or not effectively taken by Contractor A for the rock blast on 6 June 2003. Had Contractor A followed the measures specified in the method statement, the injuries and damage resulting from the flyrock incident would likely have been significantly reduced or even avoided. What monitoring actions had been taken against Contractor A for the blasting activities? What measures have been/will be taken to ensure that CEDD contractors properly follow the measures specified in</p>	<p>CEDD was not satisfied that some protective and precautionary measures specified in the method statement were not taken or effectively taken by Contractor A, and reflected the poor performance in this respect in Contractor A's performance report.</p> <p>After the incident in June 2003, Contractor A was subject to more stringent control requirements for carrying out blasting works. Those included deployment of full-time suitably qualified blasting engineer on site, who had to confirm to CEDD before each blast the full implementation of the necessary protective measures.</p> <p>After the two incidents, site supervision for subsequent projects involving blasting activities were enhanced to ensure contractor's compliance with blasting-related requirements, including strict adherence to the protective measures specified in the</p>

PAC's Enquiries	CEDD's Responses
<p>the method statement for future works projects involving blasting activities?</p>	<p>approved method statement. CEDD also amended the Project Administration Handbook in 2007 and relevant Mines Division Guidance Notes, mandated the deployment of suitably qualified Blasting Competent Supervisor(s) and Resident Explosives Supervisor(s) under the consultants' site supervision team for works projects involving blasting activities to ensure proper implementation of the specified protective measures. Separately, Mines Division of CEDD also carries out regular inspections to construction sites involving blasting activities to audit the performance of blasting works.</p> <p>With the enhanced control requirements on blasting-related activities in place, there has been no recurrence of similar flyrock incidents since July 2003.</p>
<p>12) According to paragraphs 3.10(a)(i) and 3.11 of the Audit Report, you have agreed to take measures to ensure that CEDD staff and consultants conduct thorough pre-tender site investigations in accordance with the related guidelines. What measures have been/will be taken in this regard?</p>	<p>Please refer to the first and third paragraphs of our response on improvement measures to 6) above.</p>
<p>13) According to paragraph 3.16(a) of the Audit Report, you have said that CEDD completed the post-completion review for Contract A in March 2021. What were the review results and the follow-up actions taken/to be taken by CEDD in response to the review results? What lessons have you drawn from the implementation of Contract A?</p>	<p>The post-completion review for Contract A completed in March 2021 covered various aspects, including pre-contract arrangements, blasting safety, construction management, etc. The lessons learnt from the review and follow-up actions taken / to be taken are given below:-</p> <p>Lesson Learnt</p> <ul style="list-style-type: none"> • Committing in a quarry site contract, for a long period of time, a fixed quantity of rock materials to be delivered to a CEDD quarry site on quarter basis, might increase contractual risks, for instance, when there was unexpected ground

PAC's Enquiries	CEDD's Responses
	<p>condition and/or programme mismatch between contracts.</p> <ul style="list-style-type: none"> • The estimated quantities of excavated materials might be quite different from what had been assumed in the design stage, in particular when some areas of the site were not accessible for site investigation works to be carried out in the design stage. • Inconsistency between contract documents, no matter how minor, would attract disputes. <p>Follow-up actions</p> <ul style="list-style-type: none"> • After the incident, no contractual commitment would be made under quarry contracts with regard to the delivery schedule and quantity of rock materials from other contracts. Instead contractors of site formation works and the quarry operator were required to agree between themselves on the quantity and quality of excavated rock materials to be delivered to the quarry site through mutual agreement so that they could not dispute with the Government on the issues relating to the supply of excavated rock materials. • To follow the latest guidelines in conducting comprehensive site investigation works, as far as practicable, in the design stage, and review, update as well as conducting supplementary site investigation works during the construction stage to verify the actual ground conditions against the one assumed in the design stage with a view to enhancing the accuracy of forecast estimate in quantities of excavated materials. • To follow the latest guidelines in conducting thorough cross-checking of tender documents to avoid inconsistencies among different parts of the documents.

<p>PAC's Enquiries</p>	<p>CEDD's Responses</p>
<p>14) According to paragraph 3.2 of the Audit Report, the approved project estimate of the Project was increased by \$230 million in June 2005 to cover additional costs arising mainly from variations under Contract A due to unforeseeable geological conditions found during the construction stage of Contract A. Do you consider that there is a need to expand the scope of site investigations to minimize contract variations arising from unforeseeable site conditions?</p>	<p>CEDD considers the more the site investigation results, the higher the confidence in the ground condition to be unveiled. This notwithstanding, we are aware that the need of an expanded scope of site investigation depends on a range of factors including practical feasibility, project programme and cost-effectiveness. Its effect on minimizing contract variation arising from unforeseeable ground condition is often judged on a scenario-by-scenario basis, and cannot be concluded on its entirety for the whole project. For instance, during the planning and design stages, a wider scope of site investigation in some private areas may not be practical due to inaccessibility. Alternatively, in a predictable manner with a provisional additional budget, a contract variation to suit the actual ground condition unveiled at the time of construction may solve the problem equally, which could be more desirable for the overall benefits of the project.</p>
<p>Part 4: Administration of Contracts B and C</p> <p>15) According to paragraphs 4.5(a) to (c) of the Audit Report, a weak subsoil stratum was found during the excavation works at a footing location of Footbridge A, and Consultant X considered that additional ground investigation works was necessary to obtain more information to facilitate a design review of the foundation works. Can you explain why the weak subsoil stratum could not be found in the pre-tender site investigations?</p>	<p>During the design stage, Consultants X assumed the ground conditions based on the pre-tender site investigation results and other available geotechnical information in the vicinity of the site. However, due to the inherent complexity and variance of underground geology, actual ground conditions might be different from that assumed in the design. For the weak subsoil stratum underneath the concerned footing, it could not be identified during the pre-tender site investigation due to unexpected abrupt changes in ground conditions. Accordingly, Consultant X had to carry out supplementary site investigation at specific locations during the construction stage to collect actual ground data for reviewing the foundation design of footbridge.</p>
<p>16) According to paragraph 4.6 of the Audit Report, after the award of Contract B in 2005, further guidelines on good site investigation practice and geotechnical works of public works projects were</p>	<p>Please refer to our responses on improvement measures to 6) above.</p>

PAC's Enquiries	CEDD's Responses
<p>promulgated in 2017 and 2018 respectively. What measures have you taken to ensure that CEDD staff and consultants conduct pre-tender site investigations in accordance with the related guidelines?</p>	
<p>17) According to paragraphs 4.8(a) to (d) of the Audit Report, in January and July 2008 (i.e. more than one year after the substantial completion of Contract A), Consultant X made submissions to GEO for final checking of the completed Slopes A and B. GEO raised concerns over the likelihood of minor rock fall from various bare rock portions of Slopes A and B. In the event, slope enhancement works for Slopes A and B were found required and implemented by Contractor B via two variation orders (later valued at a total cost of \$1.3 million) issued in June and October 2008 respectively. Can you explain why it took more than one year after the substantial completion of Contract A in making submissions to GEO for final checking of Slopes A and B? Will you set a timeframe for making submissions to GEO for checking of completed slope works? Please advise why CEDD allowed Contractor A to hand over Slopes A and B to Contractor B for maintenance before obtaining the GEO Checking Certificates for the two slopes, contrary to the requirement of Environment, Transport and Works Bureau Technical Circular (Works) No. 20/2004 on "GEO Checking Certificate for Slopes and Retaining</p>	<p>Environment, Transport and Works Bureau (ETWB) Technical Circular (Works) No. 20/2004 on "GEO Checking Certificate for Slopes and Retaining Walls" states that <i>the Project Office shall obtain a GEO Checking Certificate for all geotechnical features constructed or upgraded under the projects, before handing over the completed works to the party responsible for the future operation or maintenance.</i> CEDD was the works department for implementing the Jordan Valley Project and had to construct, among other works, Slopes A and B, and hand over the two completed slopes to the Highways Department (HyD) and the Leisure and Cultural Services Department (LCSD) respectively for future maintenance.</p> <p>During the project construction stage, CEDD, assisted by its Consultant X, had obtained GEO checking certificates (hereinafter referred to as checking certificates) for Slopes A and B, before handing over the completed slopes to HyD and LCSD for future maintenance. This was in compliance with the requirements of ETWB TCW No. 20/2004.</p> <p>As Slopes A and B were both extensive in scale (Slope A was about 110m high and 460m long with 11 berms whereas Slope B was about 90m high and 250m long with 10 berms), it took time for Consultants X to carry out the as-built survey, and review the as-built slope conditions against design assumptions for preparation and submission of the as-constructed geotechnical reports to GEO for final checking. Based on the GEO's comments, further enhancement works on these slopes were required to be carried out to alleviate the risk of minor rock fall as a pre-requisite for</p>

PAC's Enquiries	CEDD's Responses
<p>Walls". Whether the issuance of the above two variation orders could have been avoided if CEDD had complied with the aforesaid requirement of the Circular?</p>	<p>the issuance of checking certificates.</p> <p>Contractors A and B were both the works agents of CEDD assisting in carrying out works under Contract A and Contract B of the project. As the slope enhancement works required by GEO were not expected in design stage and so not covered in either Contract A or Contract B, their implementation by either contract were unavoidably variation works. The variation orders for the slope enhancement works were eventually implemented through Contract B having due regard to the factors that : (i) Contract A had been substantially completed in 2006 with most of his plants and resources demobilized whilst Contract B was still active in 2008, (ii) there could be considerable contractual risks to order variations at the post-substantial completion stage of Contract A, (iii) it would be undesirable to delay the finalization of Contract A and (iv) there could be considerable cost implications under Contract A (e.g. due to re-mobilisation of necessary plants and resources).</p>
<p>18) According to paragraphs 4.10(b) and 4.11 of the Audit Report, you have agreed to remind CEDD staff and consultants to fully assess the conditions of slope works as early as practicable and take prompt follow-up actions as needed. Have you done so and by what means?</p>	<p>CEDD reminded via email its staff and consultants on 14 May 2021 to fully assess the conditions of slope works as early as practicable and take prompt follow-up actions as needed in the works projects.</p>
<p>19) According to paragraph 4.16 of the Audit Report, the actual costs of three variation orders (i.e. Variation Orders C to E) under Contract C increased by 280% to 327% as compared with the estimated costs. Do you consider this not satisfactory? According to paragraphs 4.21(a)(i) and 4.22 of the</p>	<p>CEDD considered the increase of actual costs of the variation orders of 280% and 327% and that Consultants X did not report and seek approval from the client timely on exceedance of the estimated cost not satisfactory. An enhanced cost management mechanism was introduced in 2017, under which any variations with individual value exceeding \$1.4 million should be submitted to Project Strategy and Governance Office (PSGO) of DEVB for independent views, in particular on cost-</p>

<p>PAC's Enquiries</p>	<p>CEDD's Responses</p>
<p>Audit Report, you have agreed to take measures to enhance the accuracy of cost estimate for works variations as far as practicable. What measures have been/will be taken in this regard?</p>	<p>effectiveness, for Controlling Officers' reference before issuance. Also, in May 2019, CEDD promulgated new guidelines for dealing with a variation with value exceeding its estimate made at the time of approval.</p> <p>CEDD also reminded its staff and consultants on 14 May 2021 to follow the latest guidelines in preparing and issuance of works variations to enhance the accuracy of cost estimate for works variations as far as practicable in the works contracts.</p>
<p>20) According to paragraph 4.19 of the Audit Report, the Project Administration Handbook for Civil Engineering Works (Project Administration Handbook) states that the documents forming a contract must be scrutinized for comprehensive coverage, accuracy and consistency with one another before tenders are invited. However, there were discrepancies between BQ items and contract drawings of Contract C relating to the steelwork of Footbridges B and C, leading to omission of related works items in BQ. Can you explain why CEDD could not identify the discrepancies when vetting the contract documents?</p>	<p>Contract C were prepared and vetted in some fifteen years ago by the project team, following the prevailing practice at that time. While there was no record suggesting how the documents of Contract C were vetted by the project team, due to the complexity and voluminous size of the contract documents, some inconsistencies therein had not been identified. Please refer to our responses on improvement measures on 2) above.</p>
<p>21) According to paragraph 4.20 of the Audit Report, in 2014, CEDD amended the Project Administration Handbook to provide further guidelines on checking the completeness and accuracy of BQ and related documents. What measures have you taken to ensure that CEDD staff and consultants</p>	<p>The Project Administration Handbook were updated in 2014 to incorporating further guidelines requiring CEDD staff and its consultants to conduct checking on the completeness and accuracy of BQ and related documents. In addition, the project office is obliged to complete a compliance check to ensure all the procedures required under the latest guidelines have been duly completed prior to seeking approval for inviting tenders. CEDD also reminded its staff and consultants on 14</p>

Appendix

PAC's Enquiries	CEDD's Responses
<p>follow the related guidelines?</p>	<p>May 2021 to follow the latest guidelines on checking of BQ and related documents in the works contracts.</p> <p>CEDD would remind its staff and consultants to observe the latest guidelines from time to time.</p>
<p>22) According to paragraphs 4.21(b) and 4.22 of the Audit Report, you have agreed to consider incorporating into the Project Administration Handbook CEDD guidelines for dealing with a variation with value exceeding its estimate made at the time of approval. Have you incorporated such guidelines into the Project Administration Handbook? If not, when will it be done?</p>	<p>CEDD is reviewing with relevant bureaux/departments to incorporate into the PAH CEDD guidelines for dealing with a variation with value exceeding its estimate made at the time of approval. We target to complete the task in the second half of 2021.</p>



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by Post

26 May 2021

Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

(Attn: Ms. Wendy JAN)

Dear Sirs,

Public Accounts Committee

Consideration of Chapter 6 of the Director of Audit's Report No. 76

**Site formation and associated infrastructure works for development
near Choi Wan Road and Jordan Valley**

With reference to your letter dated 18 May 2021 attaching the enquiries of the Public Accounts Committee on Chapter 6 of the subject Audit Report, we provide our written responses to and/or information on the issues set out in the **Appendix**. The soft copy (in Microsoft Word format) of the responses will be emailed to you separately.

Yours faithfully,

(Victor CHAN)

for Director of Civil Engineering and Development

Encl.

c.c.
STH
SFST
D of Audit


Internal
DCED, DDCED, AD/A, CE/HQ, H(GEO)

PAC's Enquiries	CEDD's Responses
<p>Part I: Introduction</p> <p>1) According to paragraph 1.3 and Note 4 of the Director of Audit's Report No. 76 ("Audit Report"), 5 footbridges had initially been planned to be constructed under the Project. Further to review of the anticipated pedestrian flow conducted by the Civil Engineering and Development Department ("CEDD"), the number of footbridges to be constructed was ultimately reduced by 2 to 3. What were the unforeseeable factors causing a decrease in forecast pedestrian flow resulting in not requiring to construct two footbridges, and was there any decrease in the construction cost?</p>	<p>The implementation of a large scale infrastructural project (from initial planning, feasibility study, investigation, statutory procedures, detailed design, construction to operation) will normally last for several years to more than a decade. During the implementation process, the planning and design of the project may require adjustment or update to cope with the prevailing development need of the district. Accordingly, during different stages of the project, there will be review on original planning and design carried out as necessary in light of the latest development need of the district and the updated information so as to ensure the latest situation in the district has been duly considered in the infrastructure project.</p> <p>CEDD completed 'Planning and Engineering Feasibility Study for Development near Choi Wan Road and Jordan Valley' in 1998, in which five footbridges were proposed to cater for the proposed housing and school developments. Along with the implementation of the project, new housing and school developments in the district were completed progressively. CEDD conducted review on planning and design of the project in a timely manner, and reviewed the pedestrian flow of the district in the years of 2005, 2011 and 2018. It was revealed that the latest forecast pedestrian flows for two proposed footbridges would be less than the forecast prepared in the original planning and could be replaced by improving the at-grade pedestrian crossing in the vicinity. Hence, CEDD recommended omitting the two originally proposed footbridges.</p>

PAC's Enquiries	CEDD's Responses
<p>2) According to Table 3 of paragraph 1.6 of the Audit Report, all Contracts A, B and C were not completed within the original time frame, the actual completion dates were 8.8 months to 13.9 months (i.e. 267 days to 422 days) later than the original contract completion dates. The Audit Report mentioned that the extension of time was granted for the three Contracts, partly due to inclement weather: 211 days for Contract A (Note 8 in paragraph 2.3), 96 days for Contract B (Note 34 in paragraph 4.3) and 99 days for Contract C (Note 38 in paragraph 4.13). What is the definition of "inclement weather" in relation to these contracts / works? Did the Government include any allowance of extension of time due to inclement weather in determining the original contract completion dates? If yes,</p>	<p>The recommendation obtained the consent of relevant bureau/department and was supported by the relevant District Council. Subsequently, the Government gazetted the changes and saved about HK\$27M construction cost for the project.</p> <p>As far as civil engineering construction contract is concerned, inclement weather means "any weather condition which is detrimental to the progress of the Works". The impacts of inclement weather may vary greatly with different types of work. For example, the impact of inclement weather is comparatively little on indoor building works, but significant on outdoor construction. Due to the inherent uncertainty of inclement weather, it is difficult to predict its actual impacts in the preparation of a contract. In order to handle the risk of inclement weather effectively, civil engineering construction contract generally includes provisions for inclement weather allowing contractor to seek and justify extension of time due to inclement weather for the completion of the Works. The Engineer shall assess the actual impacts to the progress of works in accordance with the contract provisions. If it is confirmed that the critical activities are affected by inclement weather, extension of time would be granted accordingly for completion of the Works, but the contractor will not be entitled to extra sum of money. The merit of this mechanism is that it lets the contracting parties to share the unpredictable inclement weather risk based on contract provisions, and is a common, fair and effective risk allocation arrangement between the government and the contractor.</p>

<p>PAC's Enquiries</p>	<p>CEDD's Responses</p>
<p>how many days of allowance were included? If not, will the contractors always be entitled to claim for extension of time due to inclement weather in the future contracts? What measures will you be implemented to avoid the above situation?</p>	<p>In the absence of related inclement weather contract provisions, the contractor is required to bear all unforeseeable inclement weather, who may then reflect the risks in the tender price leading to higher contract price.</p> <p>As to whether there would be any preset allowance of extension of time for inclement weather in determining the original contract completion dates, since inclement weather is unpredictable and its impacts on different type of works is uncertain, we do not provide a preset allowance on the extension of time for inclement weather. Rather, with the adoption of the mechanism mentioned in paragraph 1 above, we can deal with the contractor's claim for extension of time due to inclement weather in a fair way according to contract provisions.</p> <p>As inclement weather would have greater impact on contracts like Contracts A, B and C which involved lots of outdoor construction activities, contractual provisions in relation to inclement weather were provided in these three contracts. The Engineer had to assess the actual impacts of the inclement weather to the progress of works and grant extension of time to the completion of Works, but without extra sum of money.</p> <p>Works department will continue to consider the nature of works and the merits of individual works contract in deciding the risk allocation arrangement for inclement weather. To minimise the impact of inclement weather, the project team, consultant, contractor, etc. would, taking into account actual circumstances, make concerted efforts to develop appropriate mitigation</p>

PAC's Enquiries	CEDD's Responses
<p>Part 2: Contractual Disputes under Contract A</p> <p>3) Paragraph 2.3 of the Audit Report mentioned that Contractor A was granted extension of time of 422 days. Other than 211 days of extension due to inclement weather, what were the causes of extension of time for the remaining days? Regarding the 422 days, what was the additional cost to be borne by the government?</p> <p>Paragraph 3.7 of the Audit Report mentioned that two flyrock incidents happened during the construction period of Contract A, was there any suspension of works ordered? If yes, how many days of works involved? Was the period of suspension counted in the delayed completion of works?</p>	<p>measures with a view to minimizing the impact of inclement weather on the duration of works.</p> <p>Contractor A was granted 422 days of extension of time, in which 211 days were due to inclement weather. The remaining 211 days of extension of time was due to encountering unforeseeable and complex ground conditions, including adversely-oriented rock joint and unexpectedly hard rock, which required longer time to handle. Regarding the 422 days of extension of time, Contractor A had not claimed for additional costs compensation and the Government had not incurred extra cost either.</p> <p>In light of the blasting and flyrock incidents, all blasting activities under Contract A stopped immediately pending investigation of the causes of incidents and completion of improvement measures. The two incidents led to suspension of the blasting activities for a total of 101 days. According to results of the subsequent expert review, the major causes of the two incidents were due to unforeseeable and complex rock conditions, and the period of suspension was counted in the delayed completion of works.</p>

PAC's Enquiries	CEDD's Responses
<p>4) Please provide the "Project Administration Handbook for Civil Engineering Works" as mentioned in paragraph 2.18 of the Audit Report.</p>	<p>The relevant excerpts of the "Project Administration Handbook for Civil Engineering Works" is attached (see attached Annex 1)(English version only). The "Project Administration Handbook for Civil Engineering Works" is</p> <div style="text-align: center;">  <p>Annex 1.pdf</p> </div> <p>available from the following website:</p> <p>https://www.cedd.gov.hk/eng/publications/standards-spec-handbooks-cost/stan-pah/index.html</p>
<p>5) Please provide the "Geoguide 2: Guide to Site Investigation" and "Development Bureau Technical Circular (Works) No. 3/2018" as mentioned in paragraph 2.26(b) of the Audit Report.</p>	<p>The "Geoguide 2: Guide to Site Investigation" and "Development Bureau Technical Circular (Works) No. 3/2018" (English version only) are available from the following websites:</p> <p>https://www.cedd.gov.hk/filemanager/eng/content_108/eg2_20171218.pdf</p> <p>https://www.devb.gov.hk/filemanager/technicalcirculares/en/upload/357/1/C-2018-03-01.pdf</p>

PAC's Enquiries	CEDD's Responses
<p>Part 3: Other Issues under Contract A</p> <p>6) Regarding the two flyrock incidents mentioned in paragraph 3.7 of the Audit Report, the one happened in February 2003 caused damages to 5 flats and 8 windows of an estate, which was not reported by the media immediately; and the other happened during blasting on 6 June 2003 where aggregates were scattering onto the Clear Water Bay Road was a serious incident which caused 9 persons injured and 4 vehicles damaged.</p> <p>Regarding the two abovementioned incidents, did the Contractor notify the government immediately after the incidents, and what was the notification mechanism? Should there be any delay in reporting or underreporting, what would be the penalty? Besides, who were responsible for compensation.</p>	<p>After the two flyrock incidents, Contractor A had immediately notified the consultant, project team and the Mines Division of Geotechnical Engineering Office of CEDD according to the reporting mechanism stipulated in the Contract. There was no delay in reporting or underreporting.</p> <p>Should there be any delay in reporting or underreporting, the consultants would warn the contractor, follow up with the contractor on their unsatisfactory performance, and reflect the case in the contractor's quarterly performance report.</p> <p>As for the two flyrock incidents mentioned above, pursuant to the contract requirements, the contractor was responsible for bearing the compensation for those affected individuals and flat owners.</p>

SYNOPSIS

This Chapter provides a handy reference to the various standard documents, forms and information that are regularly used in the preparation of contract documents for civil engineering works using the General Conditions of Contract (GCC) for Civil Engineering Works (1999 Edition). In some cases, standard forms and exact wording to be included in contract documents are reproduced in the Chapter. However, where a printed version of a standard document is available or where the information is contained in a well-known document, the Chapter makes reference to such documents or source rather than reproducing them. Standard documents referred to in this Chapter should be of the latest editions of the General Conditions of Contract for Civil Engineering Works, Standard Method of Measurement for Civil Engineering Works, General Specification for Civil Engineering Works, Sub-contract Articles of Agreement and Conditions for Civil Engineering Works, Contractor Management Handbook and Construction Site Safety Manual. The information in this Chapter would also be useful in the preparation of documents for term contracts using the General Conditions of Contract for Term Contracts for Civil Engineering Works (2002 Edition).

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

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

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

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

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

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

3.8 LANGUAGES TO BE USED FOR TENDER SUBMISSIONS

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

3.9 MINIMUM WAGE REQUIREMENTS

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

3.10 NOT USED

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

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

3.12 CONTROL OF OMITTED ITEMS AND SUBSTANTIAL CHANGES IN QUANTITIES

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

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

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



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Your ref 來函檔號 : CB4/PAC/R76

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by Post

2 June 2021

Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

(Attn: Ms. Wendy JAN)

Dear Sirs,

Public Accounts Committee

Consideration of Chapter 6 of the Director of Audit's Report No. 76

**Site formation and associated infrastructure works for development
near Choi Wan Road and Jordan Valley**

With reference to your letter dated 1 June 2021 attaching the enquiries of the Public Accounts Committee on Chapter 6 of the subject Audit Report, we provide our written responses to and/or information on the issues set out in the **Appendix**. The soft copy (in Microsoft Word format) of the responses will be emailed to you separately.

Yours faithfully,

(Victor CHAN)

for Director of Civil Engineering and Development

Encl.

c.c.
STH
SFST
D of Audit

Internal
DCED, DDCED, AD/A, CE/HQ, H(GEO)

PAC's Enquiries	CEDD's Responses
<p>1) According to the response from the Director of Civil Engineering and Development dated 26 May 2021 on question no. 3, Contractor A was granted 422 days of extension of time and had not claimed for additional costs compensation and the Government had not incurred extra cost either. Does it mean that the consultant and the resident site staff also would not receive extra payment / compensation due to the extension of time to the completion of Works?</p>	<p>In Contract A, Contractor A was granted 422 days of extension of time, of which 211 days were due to inclement weather, and the remaining 211 days of extension of time was due to encountering unforeseeable and complex ground conditions, including adversely-oriented rock joint and unexpectedly hard rock, which required longer time to handle. Regarding the 422 days of extension of time, Contractor A had not claimed for additional costs compensation. Hence, as far as Contract A is concerned, the Government had not paid extra cost to Contractor A due to the 422 days of extension of time.</p> <p>On the other hand, the Government engaged consultants to administer Contract A and employ the resident site staff (RSS) to supervise the construction works throughout the whole construction period, and paid consultants for the consultants' fees and RSS salary according to the provisions stipulated in the consultancy agreement. Since Consultant X had not claimed for additional consultants' fee due to the extension of contract period of Contract A and the RSS salary was paid on a monthly basis according to the remuneration mechanism stipulated in the consultancy agreement, the consultants and RSS did not receive extra payment or compensation for the extension of contract period of Contract A.</p>

**Note by Clerk, PAC: See Appendix 15 to this Report for the reply dated 26 May 2021 from Director of Civil Engineering and Development.*



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Your ref 來函檔號 : CB4/PAC/R76

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by Post

10 June 2021

Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

(Attn: Ms. Wendy JAN)

Dear Sirs,

Public Accounts Committee

Consideration of Chapter 6 of the Director of Audit's Report No. 76

**Site formation and associated infrastructure works for development
near Choi Wan Road and Jordan Valley**

With reference to your letter dated 7 June 2021 attaching the enquiries of the Public Accounts Committee on Chapter 6 of the subject Audit Report, we provide our written responses to and/or information on the issues set out in the **Appendix**. The soft copy (in Microsoft Word format) of the responses will be emailed to you separately.

Yours faithfully,

(Victor CHAN)

for Director of Civil Engineering and Development

Encl.

c.c.
STH
SFST
D of Audit

Internal
DCED, DDCED, AD/A, CE/HQ, H(GEO)

PAC's Enquiries	CEDD's Responses
<p>1) With reference to the response from the Director of Civil Engineering and Development (CEDD) dated 2 June 2021 to question no. 1, please advise :</p> <p>(a) For the 422 days of extension of time granted to Contractor A, how many resident site staff (RSS) did the government employ through the consultants? As RSS salary was paid on monthly basis according to the remuneration mechanism stipulated in the consultancy agreement, how much salary was paid to the RSS in the concerned 422 days? and</p> <p>(b) Did CEDD have any mechanism to ensure that the extension of time granted by the Engineer was fair and reasonable?</p>	<p>The Government engaged the consulting firm (the Consultants) to design and supervise the construction of the "Site formation and associated infrastructure works for development near Choi Wan Road and Jordan Valley" project (the Project). Pursuant to the relevant clauses of the consultancy agreement, during the construction stage, the Consultants undertook the role of the Engineer for the works contracts and was responsible for the contract management and employment of a team of resident site staff (RSS) to supervise the construction works of various contracts under the Project, including Contracts A, B and C. For the 2 parts of this question, our responses are as follows :</p> <p>(a) Under the Project, the original completion date of Contract A was 3 November 2005, which was subsequently granted by the Engineer in accordance with relevant contract provisions an extension of time of 422 days, thereby extending the completion date of Contract A to 30 December 2006. During this period, Contract B commenced on 21 December 2005 and was completed in March 2010. Accordingly, for the majority of the 422 days of extension of time granted to Contract A, the RSS team supervised the construction works of both Contracts A and B concurrently.</p> <p>According to the records, during the concerned 422 days, the RSS team employed by the Consultants was downsized from 42 persons in November 2005 to 30 persons in December 2006, involving a total salary</p>

**Note by Clerk, PAC: See Appendix 16 to this Report for the reply dated 2 June 2021 from Director of Civil Engineering and Development.*

<p>PAC's Enquiries</p>	<p>CEDD's Responses</p>
	<p>expense of about \$22 million. This was about 6% of the total works value of about \$356 million completed in the same period under Contracts A and B. This percentage was comparable to the ratio of construction cost and RSS payment stated in the approved project estimate, and was considered reasonable. Since Contract A and Contract B were under the same Project, and the RSS team supervised the works of the two contracts at the same time, the Consultants did not have a separate account on the RSS resources for supervising Contract A only.</p> <p>(b) During the construction stage of a project, the Consultants undertake the role of the Engineer to manage works contracts, follow contract provisions to handle and assess the contractors' claims and associated substantiation impartially and reasonably, and exercise professional judgement in putting forward any recommendation to the works department for consideration. In respect of assessment of claim for extension of time, the Engineer shall, based on the relevant contract provisions, assess various key factors, including whether (i) the contractor is liable for the impacts on the progress of works; (ii) critical activities are affected and the extent of impacts; and (iii) the contractor has carried out reasonable measures to mitigate the impact on time. The works departments of the Government will examine the extension of time proposed by the Engineer to ensure the proposal be fair and reasonable, prior to the granting of extension of contract period by the Engineer.</p>

Appendix

PAC's Enquiries	CEDD's Responses
	<p>The Consultants shall exercise professional skill, care and diligence in delivering their services, and act fairly and impartially in managing the works contract between the Employer (i.e. the Government) and the contractor. If the works department finds that the Engineer does not perform satisfactorily in assessing extension of time of the contract, it will duly reflect the Consultants' performance in the performance report and suitably take follow up actions according to the relevant provisions of the consultancy agreement.</p>



香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

渠務署

Drainage Services Department

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26 May 2021

(Urgent by email: wyjan@legco.gov.hk)

Public Accounts Committee
 Legislative Council Complex
 1 Legislative Council Road,
 Central, Hong Kong
 (Attn.: Ms. Wendy JAN)

Dear Ms. JAN,

Public Accounts Committee**Consideration of Chapter 7 of the Director of Audit's Report No. 76****Upgrading and operation of Pillar Point Sewage Treatment Works**

Thanks for your letter dated 18 May 2021 regarding the captioned.

I attach an Appendix stating our response for your attention please.

Yours sincerely

(LEUNG Wing-yuen)
 for Director of Drainage Services

Encl.

c.c. Secretary for the Environment (email: sen@enb.gov.hk)
 Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
 Director of Audit (email: john_nc_chu@aud.gov.hk)

Director of Audit's Report No. 76 – Chapter 7

" Upgrading and Operation of Pillar Point Sewage Treatment Works"

DSD's Response to Enquiries

Part 2: Upgrading works of Pillar Point Sewage Treatment Works

- 1) According to paragraphs 2.7 and 2.8 of the Director of Audit's Report No. 76 ("Audit Report"), a polyurea-based coating was applied by the Contractor on the concrete surfaces of the newly constructed structures, but the protective coating had been found deteriorated since Dec 2013. Please advise if the protective coating was a suitable material to be used? Was there any fault encountered in application procedure? Or whether the deterioration was resulted from defective workmanship?

DSD's Response :

Deterioration of concrete protective coating is a common maintenance issue in sewage treatment works. Its maintenance normally requires the Department to shut down of part of the treatment units to facilitate the coating repair works, and would inevitably cause some disruptions to the sewage treatment operations. Therefore, the Department has been conducting researches and tests on different types of durable protective coating materials, with an aim to reducing the disturbance on the sewage treatment operations. At the planning stage of the Pillar Point Sewage Treatment Works upgrading project, the project team explicitly specified in the contract requirement the use of a more effective new concrete protective coating material. Pursuant to the contract requirement, Contractor A proposed a polyurea-based coating material, which has been proven to perform satisfactory in other countries and the Department's other sewage treatment facilities. After due consideration, Consultant X then approved the proposed coating material. The coating material application on the proposed concrete protective coating works had been carried out by the specialist sub-contractor designated by the material supplier and its acceptance tests were constantly supervised by the resident site staff. No irregularity had been observed during the application process, and thus the protective coating deterioration should be irrelevant to the defective workmanship.

- 2) According to paragraph 2.8 of the Audit Report, the deterioration of protective coating was identified in Dec 2013, and the situation had not been improved over two years (about 30 months). Significant portions of the protective coating were found peeling off in Jul 2016, resulting in some structures being exposed and corroded. Please advise why the situation had been deteriorating, and what remedial measures had been taken by the Department?

DSD's Response :

Some of the concrete protective coatings in Pillar Point Sewage Treatment Works were found locally peeling off during the testing period in Dec 2013, and Consultant X had instructed Contractor A to carry out the defect rectification. However, after completing the defect rectification in 2015, the peeling off issue persisted and the deterioration had been extended since then. Upon initial assessment, Consultant X perceived that the protective coating peeling off issue might have been caused by some foreign substance in the sewage. Having deliberated by the project team, Contractor A agreed to conduct an investigation and appointed an expert from the Mainland (Sun Yat-sen University) and an overseas expert (from the United States) in March and May 2017 respectively to carry out the investigation. Findings of the investigation revealed that peeling off of the concrete protective coating could be possibly due to either acidic vapour, chemical or industrial oil substance (not commonly found in domestic sewage) attack. Apart from receiving sewage from the sewerage system in Tuen Mun area, the Pillar Point Sewage Treatment Works also receives septic waste delivered to the plant by tankers, which makes the sewage characteristic different from that in other sewage treatment plants. Moreover, Contractor A had been sourcing and carrying out testing on different replacement materials since Sep 2016. The testing results were found in general satisfactory. Once the experts completed the investigations, Contractor A started the repair works immediately using the successfully tested replacement materials. As the Pillar Point Sewage treatment Works was already in full operation, the sewage treatment operations had to be partially suspended to facilitate the repair. With a view to minimizing the disruption to the sewage treatment service, the repair works could only be conducted in phases during the dry seasons in the following 3 years (during wet seasons, the amount of influent could have a sudden surge due to adverse weather conditions, and the plant had been maintained in full operation mode to cope with such sudden changes.). The concrete protective coating repair works were finally completed in Mar 2020 before the onset of the coming wet season.

The Department has been actively monitoring and investigating on the performance of concrete protective coatings in Pillar Point Sewage Treatment Works. Contractor A also commissioned an independent engineer in May 2019 to conduct a comprehensive structural condition survey in Pillar Point Sewage Treatment Works as required under the Contract. Indications from the survey results were that the structural condition and the performance of the new concrete protective coating were satisfactory. In order to further investigate the cause of deterioration of the original concrete protective coating, the Department commissioned a local university in Nov 2020 to conduct an investigation study as well as reviewing the condition and performance of the new coating repair works. The investigation is anticipated for completion in Nov 2021.

- 3) As mentioned in paragraphs 2.17 and 2.18 of the Audit Report about the non-compliance of the material used in fine screens, please advise whether the Department had reviewed the incidents and implemented new guidelines on equipment/material procurement to prevent similar occurrence in the future? The incident involved the use of Grade 304 stainless steel chain in the fine screens, which was at variance with the required Grade 316 stainless steel. The two stainless steel materials are not differed solely in price or durability, the Grade 304 is also responsive to magnetic fields. Please advise whether the use of Grade 304 stainless steel was one of the causes of the mechanical malfunction?

Response from Department :

Regarding the issue of non-compliance of material used in fine screens in Pillar Point Sewage Treatment Works project, the project team had implemented additional measures to require Contractor to provide a full list of compliance check before installation of facilities, to include listing and declaring the proposed equipment and components fulfilling the contract requirements as well as complying with the General Specification for Electrical and Mechanical Sewerage Facility Installations. The Department might conduct random checking on components of the equipment or carry out materials testing when required. If any non-compliance was identified, the Contractors should carry out the replacement works promptly and would possibly be held responsible for giving inaccurate information or making false statements, so as to enhancing the deterrence.

The durability of corrosion resistance was one of the main considerations in determining the grade of stainless steel to be used in the fine screens. Grade 316 stainless steel performs better than Grade 304 in the long-term resistance to sewage corrosion. As far

as the short-term corrosion resistance was concerned, both grades of materials possess similar performance. Moreover, Grade 304 stainless steel although is slightly responsive to magnetic fields, its mechanical properties are not affected. Even though the use of Grade 304 stainless steel did not comply with the contract requirements, it was not considered a cause of the mechanical failure incident in Aug 2014.

- 4) As mentioned in paragraphs 2.29 and 2.30 of the Audit Report, Contractor A completed the defect rectification 6 months after the expiry of the defects correction period. Please advise whether the Department would increase the penalties or strengthen the regulatory mechanism, in order to ensure early completion of the defect rectification works? The report mentioned that Consultant X found Contractor A did not provide adequate resources, and took lengthy coordination between construction and operation teams for the rectification. Please advise whether such performance would be recorded and to be referred as one of the criteria in assessing the contractor when they tendered for Government projects in the future?

DSD's Response :

The project team had been monitoring the progress of defects rectification. However, the operation of sewage treatment works would be inevitably affected during the course of rectification works, which might hinder the progress of the rectification works on time and its completion within the specified time limits.

In order to ensure timely completion of the defects rectification, the project team had been regularly reviewing the progress with Contractor A and urged them to deploy adequate resources as necessary. Regarding the performance of Contractor A on the lack of adequate resources in dealing with the defects rectification and lengthy coordination work, these had been duly recorded and reflected in the quarterly contractor performance reports, which would be referred as one of the criteria in assessing the technical competency of the contractor when they tender for Government projects in the future. The Contract had stipulated that in case Contractor A could not complete the defects rectification within the specified time, the Department would withhold the release of retention money. The Department would also appoint other contractors to complete the works at Contractor A's expenses in case the rectification could not be completed within a reasonable period of time under further instruction.

Part 3: Monitoring of operation of upgraded pillar point sewage treatment works

- 5) According to paragraph 3.8 (b) (c) and Table 4 of the Audit Report, the Contractor failed to comply with some Key Performance Indicators (KPIs), such as matters relating to consistent minor breaches and late reporting. Relying solely on penalties appeared not an effective mean to improve the situation. Please advise whether the Department would review and follow up on other means to address the issues.

Response from Department :

According to the Department's record on supervision, the performance of Contractor A was improved. During the nearly 7-year operation period of the Pillar Point Sewage Treatment Works (from May 2014 to March 2021), the Department conducted 83 comprehensive monthly inspections and a total of 1,079 reviews of various KPIs assessment. In between, there were 8 cases mentioned in the Audit Report failing to fully meet the KPIs requirement, accounting for about 0.7% of the overall number of reviews. The Department had also conducted surprise checks to test the E coli concentration in treated effluent from Pillar Point Sewage Treatment Works, to ensure the effluent quality achieving the discharge license's requirement. For cases involving minor violations and delayed reporting, other than making payment deductions in accordance with the contract provisions, the Department would closely monitor the performance of Contractor A. The Department would keep using the KPIs evaluation system to continuously monitor the performance of Contractor A, which will be assessed, duly recorded and reflected in the quarterly contractor performance reports.

- 6) As mentioned in paragraphs 3.13 of the Audit Report about Contract A, what were the main considerations of the Government in formulating the demerit point and payment deduction mechanism? In particular, the reason of the deduction can only be made once in each month at maximum? For serious incidents, such as the "unauthorized emergency bypass" event, is it necessary to specify the deduction point in the Contract?

Response from Department :

The KPIs and demerit point mechanism established in Pillar Point Sewage Treatment Works contract are mainly used to evaluate the operation efficiency and the treatment process, so as to ensure the sewage treatment operations in compliance with the relevant

environmental protection regulations and discharge standards of the treated effluent. The maximum payment deduction set in the mechanism was about the overhead and profit margin of the contractor in running the plant in each month. The remaining amount of payment would be the basic operating cost in maintaining the sewage treatment operation. As the Pillar Point Sewage Treatment Works upgrading project was the first project in the Department using the "Design, Build and Operate" mode, the performance monitoring and demerit point mechanism in the Contract was firstly adopted. The effectiveness will be reviewed regularly by the Department for future reference and improvement.

In the monthly assessment of demerit point mechanism, "unauthorized emergency bypass" is considered a "major incident" and the demerit point of such incident has been specified under the Contract. In addition to the payment deduction, the Department had already reflected the "unauthorized emergency bypass" incident in the quarterly contractor performance report, giving Contractor A an overall quarterly performance as "very poor". The Department attaches great importance to the smooth operation of sewage treatment works, from the past experience, although the "unauthorized emergency bypass" is a major incident, it is an uncommon event and the chance of it being occurred more than once a month is slim. Therefore, the original contract terms did not make further categorization on the monthly assessment and payment deduction arrangement for the "unauthorized emergency bypass" item. After due consideration, apart from increasing the demerit points and payment deduction, the demerit points and payment deduction were also linked to the duration and number of unauthorized emergency bypass in the new DBO contract in order to intensify the level of deterrence as well as the penalties. According to the terms of contract, if Contractor A failed to perform duly in the operation, such as making repetitive unauthorized emergency bypass incidents, the Department may terminate its operation contract in accordance with the contract provisions.

- 7) According to paragraphs 3.17 and 3.18 of the Audit Report, the Department conducted 161 days of surprise check at PPSTW on the E. Coli concentration in effluent, and there were 23 days with high concentration. The Contractor required time for investigation and there were 3 cases which investigations took more than 1 year to complete. Please advise the cause of delay? How the investigation mechanism works? Whether the Contractor has been asked to complete the investigation within certain timeframe?

DSD's Response :

So far as the 3 cases which had taken exceptionally long period for investigation are concerned, it was not conclusive yet despite repetitive investigations due to the varying nature of the E. Coli tests. The Department could only extend the observation to ensure no further failure of similar nature, to conclude the completion of the investigation. Such approach had increased the time required for completing the investigation. The Department will continue to follow up with Contractor A immediately on every surprise check's results, carry out site inspection on relevant facilities and systems, and conduct meetings and investigations, with an aim to find out the causes as soon as possible to ensure smooth operation of the sewage treatment process. At the end of investigations, Contractor A would formally submit an investigation report for record.

- 8) According to paragraph 3.22 of the Audit Report, the body of a worker was found in a manhole 1 month after the incident. Please advise whether the Department had notified the incident to other departments and followed up immediately? As the incident is related to occupational safety, were there any loopholes on Contractor's safety management? How to improve and strengthen the supervision? Besides penalties, any other measures could be implemented to improve the concerned issues more effectively?

Response from Department :

Immediately after the discovery of the incident, the Department had informed relevant government departments and strived to search for the missing worker, followed by a series of internal investigation. Upon the completion of investigation by the independent safety consultant, the Department urged Contractor A to improve their safety management. The Department also instructed Contractor A to carry out various enhancement measures, such as strengthening the staff training, installation of safety devices, avoid working alone and installation of CCTV for safety monitoring, etc. Apart from the payment deduction, the Department would conduct site safety surprise checks and meetings to monitor the safety performance of Contractor A, in order to uplift the safety awareness of Contractor A and provide safe working environment at the Pillar Point Sewage Treatment Works. Also, the Department would regulate the safety performance of Contractor A by giving recommendations, warning and conducting performance appraisal.

- 9) For the inconsistencies and loss of data in SCADA System mentioned in paragraph 3.32 and 3.33 of the Audit Report, the Department advised that the data inconsistencies had been rectified about 1.5 years after identification of the problem, but the problem of loss of data was yet to be fully resolved. What follow up actions had been taken by the Department? The Department had issued at least six letters about data inconsistencies and data loss in SCADA system to Contractor A, however there was still no significant improvement. Would there be any problem in monitoring the site operation? Could the backup storage be increased?

Response from Department :

Loss of data involves numerous electronic devices, software incompatibility and data communication (through internet service provider). Contractor A had hired professionals to investigate and to establish feasible solution. Since the concerned data was for backup only, it would not affect the monitoring of plant operation. Moreover, the Department had requested Contractor A to take measures to increase the backup storage to ensure that all data in the terminals would be properly recorded in the hard disks.

- 10) According to paragraph 3.38(b) and 3.40(a) of Audit Report, the Contractor did not timely complete some preventive maintenance tasks and some maintenance records were kept manually. Please advise the feasibility of using computerized system to capture all maintenance records. If manual recording is required, how could the Department carry out necessary supervision to improve the effectiveness and efficiency of storage of maintenance record?

Response from Department :

The Department had reviewed the case and requested Contractor A to upgrade the computerized maintenance management (CMM) system, including preventive maintenance function, alert system and tracking of maintenance record, etc., to tie in with the latest maintenance strategy in order to ensure timely completion and proper recording in the CMM System. Meanwhile, the Department has required Contractor A to regularly submit the summaries of CMM System maintenance record to facilitate checking of the timely implementation of preventive maintenance.

- 11) According to paragraph 3.43 of the Audit Report, with no serious defect found during the structural condition survey, all the rectification works should be completed within 60 days after issuance of the report or other extended period as agreed with the Department. However, for the rectification works could not be completed by Contractor A within 60 days, there was no record indicating that the Department had agreed to extend the rectification period. Please explain why the defects could not be timely rectified and why there was no record showing the relevant situation?

Response from Department :

The daily operation of the sewage treatment works would be inevitably affected when the defects rectification works were carried out simultaneously. Therefore, it would be difficult to complete all the rectification works within the specified time limit, and often, the progress of rectification works would also be delayed due to adverse weather. The Department has been keeping close monitoring on the progress of the rectification works, and also regularly reviewed the programme and progress of works with Contractor A as well as requesting Contractor A to increase resources to ensure timely completion of the rectification works. In order to ensure the rectification works to be completed on time, the progress will be reviewed and reported in the monthly operation meetings, and the Department has requested Contractor A to provide a list of all the defect correction items with agreed completion date as a proper record.



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

渠務署 **Drainage Services Department**

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2 June 2021

(Urgent by email: wyjan@legco.gov.hk)

Public Accounts Committee
 Legislative Council Complex
 1 Legislative Council Road,
 Central, Hong Kong
 (Attn.: Ms. Wendy JAN)

Dear Ms. JAN,

Public Accounts Committee

Consideration of Chapter 7 of the Director of Audit's Report No. 76

Upgrading and operation of Pillar Point Sewage Treatment Works

Thanks for your letter dated 1 June 2021 regarding the captioned.

I attach the Appendix stating our response (in Chinese and English) for your attention please.

Yours sincerely

(LEUNG Wing-yuen)
 for Director of Drainage Services

Encl.

c.c. Secretary for the Environment (email: sen@enb.gov.hk)
 Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
 Director of Audit (email: john_nc_chu@aud.gov.hk)

Director of Audit's Report No. 76 – Chapter 7

" Upgrading and Operation of Pillar Point Sewage Treatment Works"

DSD's Response to Enquiries (2 June)

Part 2: Upgrading works of Pillar Point Sewage Treatment Works

- 1) According to DSD's response to Q2, the peeling off issue of the polyurea-based protective coating material might be related to the fact that apart from receiving sewage from the sewerage system in Tuen Mun area, the Pillar Point Sewage Treatment Works also receives septic waste delivered to the plant by tankers, which makes the sewage characteristic different from other sewage treatment plants. Please advise whether the Department, Consultant and Contractor were aware of the need of treating sewage with different characteristic? If yes, why relevant requirements and testing were not specified during design stage?

DSD's Response :

The project team had taken samples of the types of sewage and septic waste to be treated for testing before contract preparation, and had specified the sewage characteristics in the Contract as one of the design parameters for the Contractor to take into consideration at the design stage. Based on past experience and research results, polyurea-based coating is effective in protecting concrete structure from biogenic sulfuric acid attack, and has been performing satisfactory in the Department's other sewage treatment facilities. Following the occurrence of peeling off of protective coating material in Pillar Point Sewage Treatment Works, initial investigation was conducted by the project team. It was perceived that the issues might have been caused by some uncommon foreign substance in the sewage. The Department commissioned a local university to conduct an investigation on the cause of the deterioration as well as reviewing the condition and performance of the replacement coating. The study is expected to be completed in November this year.

- 2) According to DSD's response to Q4, if Contractor A could not complete the defects rectification within the time required under the contract, the Department would defer the release of retention money. If the Contractor A had been urged but was still unable to complete the defects rectification within reasonable time, the Department could appoint

***Note by Clerk, PAC:** *See Appendix 18 to this Report for the reply from Director of Drainage Services.*

other contractors to complete the remaining works at Contractor A's expenses. Please advise whether the Department had exercised such power? If yes, please elaborate with details.

DSD's Response :

The project team had been monitoring the progress of defects rectification works, during which, Contractor A had been urged to deploy adequate resources to expedite the progress.

Since

then, there was improvement on the progress of defects rectification works. As far as the late completion of the defects rectification was concerned, apart from duly recording and reflection of the Contractor's performance in the quarterly performance reports, the Department had also withheld the release of retention money due to such delay in accordance with the Contract until the completion of all defects rectification works. The retention money could safeguard the Department to offset the cost of appointing other contractors to complete the remaining defects rectification works.

Considering that close coordination and special arrangements of the operation of the sewage treatment works would be required to cope with the defects rectification works in order to minimize the disturbance to the sewage treatment service, the project team was of the view that allowing Contractor A to continue completing all the defects rectification works by November 2015 (i.e. 6 months after the time limit as stipulated in the Contract) would be more preferable than appointing other contractors to complete the remaining defects rectification works. As a result, the Department had not exercised the relevant power to appoint other contractors to complete the remaining works.



香港特別行政區政府 The Government of the Hong Kong Special Administrative Region
渠務署 Drainage Services Department

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10 June 2021

(Urgent by email: wyjan@legco.gov.hk)

Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road,
Central, Hong Kong
(Attn.: Ms. Wendy JAN)

Dear Ms. JAN,

Public Accounts Committee

Consideration of Chapter 7 of the Director of Audit's Report No. 76

Upgrading and operation of Pillar Point Sewage Treatment Works

Thanks for your letter dated 7 June 2021 regarding the captioned.

I attach the Appendix stating our response (in Chinese and English) for your attention please.

Yours sincerely

(LEUNG Wing-yuen)
for Director of Drainage Services

Encl.

c.c. Secretary for the Environment (email: sen@enb.gov.hk)
Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: john_nc_chu@aud.gov.hk)

Director of Audit's Report No. 76 – Chapter 7

" Upgrading and Operation of Pillar Point Sewage Treatment Works"

DSD's Response to Enquiries (10 June)

- 1) With reference to the response from Director of Drainage Services to Q2 of 26 May 2021, please clarify whether the Contractor would bear all the cost of the repair works of protective coating? Was the Government liable for any additional cost?

DSD's Response :

Contractor A had appointed an expert from the Mainland (Sun Yat-sen University) and an overseas expert (from the United States) to carry out investigation on the peeling off of concrete protective coating. Findings of the investigation revealed that the peeling off of the original protective coating could have possibly been attributable to the presence of some foreign substances that were not commonly found in domestic sewage. With a view to mitigating the critical risks to the sewage treatment operations, the Department then issued an Employer's Change to Contractor A to apply other protective coating replacement materials for repair works at three critical locations with a coverage of about 6% of the total protective coating area of entire sewage treatment works. Upon completion of these repair works, the responsibility for the maintenance of the protective coating of the entire sewage treatment works remains with Contractor A in accordance with the contract requirements. Since the adoption of the concrete protective coating replacement materials constituted a change to the works in the Contract, the Department would be responsible for an additional payment of about \$3.1M for such change, which comprises mainly the price difference of the two protective coating materials. Other than that, the Government was not liable for any additional cost in this connection.

- 2) With reference to the response to Q3 of the same document, the Department stated that random checking on the components of equipment or material testing could be conducted when required. If any non-compliance was identified, the Contractor would carry out the replacement works promptly and could be held responsible for giving inaccurate information or making false statements, so as to enhancing the deterrence.

***Note by Clerk, PAC:** *See Appendix 18 to this Report for the reply dated 26 May 2021 from Director of Drainage Services.*

Please advise whether the Contract had stated any penalty action to be taken should the Contactor was held responsible for giving inaccurate information or making false statements? Please provide details? If not, how would the Department set out the penalty action?

DSD's Response :

There are contract provisions stipulating that, if the components of equipment or materials were found not in compliance with the contract requirement, Contractor A shall immediately replace and rectify with suitable components or material, and shall bear the cost of such replacement or rectification works. Contractor A shall also be liable to any financial loss or damages suffered or likely to be suffered by the Department. Furthermore, the Department would duly reflect and record such deficiencies in their quarterly contractor performance report.

In addition, giving inaccurate information or making false statements would be regarded as misconduct. According to the contract, should there be any evidence indicating Contractor A's staff have committed such misconduct, the Department could require Contractor A to remove the concerned person off site and he/she shall not be employed under this project again. For cases of suspected crimes, the Department would consider making reports to the relevant authorities for follow up.

- 3) With reference to the response to Q5 of the same document, paragraph 3.8 (b) and Table 4 of the Audit Report mentioned about the matter relating to "consistent minor breaches". Please advise how the Department could effectively supervise to reduce the number of "consistent minor breaches" by the Contractor?

DSD's Response :

In accordance with the contract terms, Contractor A shall comply with the general requirements stated in the Contract, including site tidiness, plant security, landscaping maintenance, equipment serviceability or minimizing down time of units, etc. The Department would conduct inspection from time to time on Contractor's A performance in fulfilling these general requirements. Under Performance Notices would be issued when Contractor A was found to be in violation to those general requirements, which would be recorded in Contractor A's KPI performance of the month under the category of "consistent minor breaches" and payment deductions would be made in accordance with the contract

***Note by Clerk, PAC:** *See Appendix 18 to this Report for the reply dated 26 May 2021 from Director of Drainage Services.*

provisions and such deficiencies would also be duly reflected in their quarterly contractor performance report. Apart from these, the Department would continue to monitor and carry out additional checking on those “consistent minor breaches” items, and meet with Contractor A to review the cause of the breaches and discuss ways for improvement, with a view to minimizing their recurrence.

ACRONYMS AND ABBREVIATIONS

AFCD	Agriculture, Fisheries and Conservation Department
APPLIES-2	Next generation of Application and Investigation Easy Systems
Audit	Audit Commission
Audit Report	Director of Audit's Report No. 76
B/Ds	Bureaux/departments
BQ	Bills of Quantities
CAB	Conformity assessment body
CCMs	Civil Celebrants of Marriages
CEDD	Civil Engineering and Development Department
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COVID-19	Coronavirus disease 2019
DBO	Design-build-operate
DSD	Drainage Services Department
EDB	Education Bureau
ESLES	Endangered Species Licensing and Enforcement System
GIS	General Investigation Section
GLD	Government Logistics Department
HKAS	Hong Kong Accreditation Service
HKCTC	Hong Kong Council for Testing and Certification
ImmD	Immigration Department
ITC	Innovation and Technology Commission
LegCo	Legislative Council
NCS	Non-Chinese speaking
NCS Grant	Enhanced additional funding support for non-Chinese speaking students

ACRONYMS AND ABBREVIATIONS

NGOs	Non-governmental organizations
PESAPO	Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586)
PPSTW	Pillar Point Sewage Treatment Works
PSIB	Product Standards Information Bureau
PSRC	Product Standards Resource Centre
RT-PCR	Reverse transcription-polymerase chain reaction
SBSS	School-based support services
SCADA System	Supervisory Control and Data Acquisition System
SCL	Standards and Calibration Laboratory
SPRs	Stores and Procurement Regulations
T&C	Testing and certification
TMIS	Transport Management Information System