

THE GOVERNMENT MINUTE

in response to the

**REPORT OF
THE PUBLIC ACCOUNTS COMMITTEE
No. 83**

of February 2025

21 May 2025

**THE GOVERNMENT MINUTE IN RESPONSE TO THE
PUBLIC ACCOUNTS COMMITTEE REPORT NO. 83
DATED FEBRUARY 2025**

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 80)**

MATTERS OUTSTANDING

Hong Kong Design Centre
(Chapter 4 of Part 4 of PAC Report No. 80)

Encl. 1

The Cultural and Creative Industries Development Agency (formerly known as Create Hong Kong) and Hong Kong Design Centre accepted the Audit Commission (Audit)'s recommendations, and have implemented all follow-up measures. The latest progress is at Enclosure 1.

Management of public libraries
(Chapter 6 of Part 4 of PAC Report No. 80)

Encl. 2

2. The Leisure and Cultural Services Department accepted Audit's recommendations, and has been following up on all of them. The latest progress is at Enclosure 2.

Provision of map products and spatial data services by the Lands Department
(Chapter 7 of Part 4 of PAC Report No. 80)

Encl. 3

3. The Lands Department (LandsD) accepted Audit's recommendations, and has been following up on all of them. The latest progress is at Enclosure 3.

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 81)**

MATTERS OUTSTANDING

Licensing services for drivers

(Paragraphs 3 and 4 of Part 3 of PAC. Report No. 81)

- Encl. 4 4. The Transport Department (TD) accepted the recommendations of Audit and the Public Accounts Committee (PAC), and has been following up on all of them. The latest progress is at Enclosure 4.

Sports Federation & Olympic Committee of Hong Kong, China

(Paragraphs 3 and 4 of Part 5 of PAC Report No. 81)

- Encl. 5 5. The Culture, Sports and Tourism Bureau and the Sports Federation & Olympic Committee of Hong Kong, China accepted the recommendations of Audit and PAC, and have implemented all follow-up measures. The latest progress is at Enclosure 5.

Planning, provision and management of public parking spaces

(Paragraphs 8 and 9 of Part 5 of PAC Report No. 81)

- Encl. 6 6. The Transport and Logistics Bureau and TD accepted the recommendations of Audit and PAC, and have been following up on all of them. The latest progress is at Enclosure 6.

Monitoring of charitable fund-raising activities

(Paragraphs 10 to 12 of Part 5 of PAC Report No. 81)

- Encl. 7 7. The Home and Youth Affairs Bureau (HYAB) accepted the recommendations of Audit and PAC, and has been co-ordinating bureaux/departments (B/Ds) concerned in following up on all recommendations. The latest progress is at Enclosure 7.

Government's support and monitoring of charities

(Paragraphs 16 to 18 of Part 5 of PAC Report No. 81)

- Encl. 8 8. HYAB accepted the recommendations of Audit and PAC, and has been co-ordinating with B/Ds concerned to follow up on all recommendations. The latest progress is at Enclosure 8.

Management of squatter and licensed structures

(Paragraphs 13 to 15 of Part 5 of PAC Report No. 81)

- Encl. 9 9. LandsD accepted Audit's recommendations, and has been following up on all of them. The latest progress is at Enclosure 9.

Regulation of non-franchised bus and school private light bus services

(Paragraphs 19 and 20 of Part 5 of PAC Report No. 81)

- Encl. 10 10. TD accepted the recommendations of Audit and PAC, and has been following up on all of them. The latest progress is at Enclosure 10.

Operation of the Land Registry

(Paragraphs 21 to 23 of Part 5 of PAC Report No. 81)

- Encl. 11 11. The Land Registry and relevant B/Ds accepted Audit's recommendations, and have been following up on all of them. The latest progress is at Enclosure 11.

District Health Centre Scheme

(Paragraphs 40 and 41 of Part 5 of PAC Report No. 81)

- Encl. 12 12. The Health Bureau accepted the recommendations of Audit and PAC and has implemented all follow-up measures. The latest progress is at Enclosure 12.

Management of minor works by the Buildings Department

(Paragraphs 42 to 44 of Part 5 of PAC Report No. 81)

- Encl. 13 13. The Buildings Department accepted Audit's recommendations, and has implemented all follow-up measures. The latest progress is at Enclosure 13.

Licensing of food premises

(Chapter 2 of Part 8 of PAC Report No. 81)

- Encl. 14 14. The Food and Environmental Hygiene Department (FEHD) accepted the recommendations of Audit and PAC and has been following up on all of them. The latest progress is at Enclosure 14.

Maintenance and modernisation of lifts and escalators in public rental housing estates

(Chapter 3 of Part 8 of PAC Report No. 81)

- Encl. 15 15. The Housing Department (HD) accepted the recommendations of Audit and PAC, and has implemented all follow-up measures. The latest progress is at Enclosure 15.

Provision of barrier-free facilities in public rental housing estates

(Chapter 4 of Part 8 of PAC Report No. 81)

- Encl. 16 16. HD and the Highways Department (HyD) accepted Audit's recommendations, and have implemented all follow-up measures. The latest progress is at Enclosure 16.

Regulatory control of food premises

(Chapter 6 of Part 8 of PAC Report No. 81)

- Encl. 17 17. FEHD accepted the recommendations made by Audit and has been following up on all of them. The latest progress is at Enclosure 17.

The Chinese University of Hong Kong: Campus facilities operated by external entities

(Chapter 8 of Part 8 of PAC Report No. 81)

- Encl. 18 18. The Chinese University of Hong Kong accepted Audit's recommendations, and has implemented all follow-up measures. The latest progress is at Enclosure 18.

REPORT ON THE RESULTS OF VALUE FOR MONEY AUDITS (Report No. 83)

Chapter 1 – Nano and Advanced Materials Institute

19. The Government accepted the recommendations of Audit and PAC on the Nano and Advanced Materials Institute (NAMI). The Innovation and Technology Commission (ITC) and NAMI have taken measures to follow up on the recommendations. The progress made is reported below.

Project management

20. NAMI indicated that when setting performance targets, it would comprehensively consider factors such as external economic environment, market demand, NAMI's technological development, business development plans and human resources. NAMI would set targets that were both ambitious and feasible in line with its actual capabilities and future development direction.

21. NAMI indicated that it would improve patent management, conduct regular market demand analyses, strengthen its co-operation with universities, other research institutes and enterprises, and enhance market promotion and brand building in the local market, the Mainland China and the "Belt and Road" countries. NAMI will also make continuous improvements in promoting the organic combination of technological innovation and market demand, thereby enhancing its market competitiveness and influence.

22. With reference to the codes of practice of both the Massachusetts Institute of Technology and the Chinese Academy of Sciences on laboratory management, NAMI updated the inspection procedures and requirements, including stipulating the safety inspection frequency, reporting and follow-up arrangements, as well as the review and endorsement mechanism. For any non-compliance identified, the personnel in charge of the subject laboratory must document remedial actions or improvement measures in detail with photos attached as evidence that the issues have been properly followed up. These materials would be submitted to Research and Development (R&D) Director and Chief Technology Officer for endorsement. The Laboratory Safety Team would verify if the non-compliance has been rectified during their daily inspections. NAMI would circulate the laboratory safety manual via email on a quarterly basis or as and when the safety guidelines are updated, and post basic safety rules in the laboratory to enhance employees' safety awareness. The Laboratory Safety Team would also conduct random daily safety inspection, provide safety training for new employees and relevant employees every two months, and hold bi-monthly safety meeting with the personnel in charge of laboratories to remind employees to follow the laboratory safety rules.

Industry income and commercialisation

23. ITC would continue to encourage NAMI to approach the industry to explore potential opportunities of co-operation, as well as soliciting wider participation from the industry in R&D. Furthermore, NAMI would endeavour to transfer technology to the industry and promote commercialisation of project deliverables, convincing the industry with actual results that the applied R&D of NAMI can help address enterprises' pain points as well as improving their productivity and competitiveness. In fact, the "level of industry and other income" achieved by NAMI in the recent five years exceeded the targets set by ITC. ITC raised the target to 40% in 2024-25, and would explore the possibility of raising the target to 50% in the long run with a view to further encouraging R&D Centres to strengthen co-operation with the industry. That said, to strike a right balance, it is also necessary to take into account R&D Centres' public mission to widely transfer technology to the industry and other objective factors (such as the overall economic condition) when setting further targets to strengthen such co-operation.

Administrative expenditure and corporate governance

24. NAMI has been approving and monitoring administrative expenses in accordance with the Corporate Governance Manual approved by the Board of Directors. The business travel arrangements, claims for subsistence allowances and entertainment expenses mentioned in the Audit Report were handled according to the guidelines at the time. ITC agreed that there was room for improvement in the relevant guidelines. NAMI revised the relevant guidelines in the fourth quarter of 2024. The guidelines clearly set out the approval mechanism and arrangements for staff applications at all levels (including supervisory staff's) for business travel and claims for subsistence allowances; optimised the approval procedures for modification of business travel arrangement due to personal reasons/overspending of subsistence allowances and entertainment expenses; specified the NAMI staff to guest ratio for entertainments, and so on. The new guidelines stipulate that all subsistence allowances and entertainment expenses involving the Chief Executive Officer (CEO) must be approved by the Chairperson of the Board. The guidelines also clearly state that employees should avoid modifying business travel due to personal reasons. Employees with a genuine need to modify duty passage should submit the relevant application together with that for the business travel and bear the additional costs involved. NAMI stated that it would carefully consider whether to accept applications (in particular those involving supervisory staff) for modification of business travel due to personal reasons. CEO also elaborated the rationales of relevant guidelines to all employees at a town hall meeting held in December 2024, instructing all staff to pay particular attention to the spending limits of expenses/allowances to minimise the chance of overspending. NAMI will continue to review the relevant mechanism to ensure its reasonableness and transparency.

25. NAMI will continue to remind Board members to declare interests in a timely manner and ensure that relevant decisions for declaration of interests are properly documented in relevant meeting minutes. NAMI holds Sub-Committee meetings of the Technology Committee in accordance with the requirements set out in the Corporate Governance Manual and will review and revise the arrangements as appropriate.

Other issues

26. Regarding PAC's recommendation for the Government to review whether the current practice of requiring return of any unspent balance of the Innovation and Technology Fund (ITF) grants to the Government would indirectly encourage the R&D Centres to deliberately use up all the grants to avoid having any unspent balance and result in wastage, ITC has been devoting resources to foster Hong Kong's innovation and technology development in a prudent manner and controlling the operating expenditure of the R&D Centres, thereby ensuring the proper use of public money.

27. In reviewing NAMI's applications for ITF-funded R&D projects, ITC would consider whether the expenditure requirements set out in the project proposals are reasonable and meet the actual R&D needs. ITC also requires NAMI to submit progress/final reports and audited accounts for approved projects to facilitate assessment on whether the project has achieved the deliverables and on the reasonableness of project spending. Upon project completion, NAMI needs to return all unspent funds to the Government.

28. On the recommendations to record the expenditures for setting up new laboratories as fixed assets and to amortise or depreciate these assets progressively over the upcoming accounting periods in accordance with relevant accounting standards, so as to reflect its financial position more accurately, the existing accounting practice of NAMI in preparing financial statements has already fulfilled the requirement of the recommendations.

29. NAMI stated that it had made reference to the overall distribution of employee performance ratings recommended by the Board. Employee performance was evaluated using a number of performance indicators with grading based on actual performance. When the overall distribution deviated from the recommended range, NAMI would report to the Board with explanations and seek its endorsement. NAMI will continue to review and optimise its current performance rating mechanism.

Progress in implementing recommendations of Audit/PAC

Encl. 19 30. The latest progress is at Enclosure 19.

Chapter 2 – Planning and management of sheltered space within Hong Kong waters

31. The Marine Department (MD), the Civil Engineering and Development Department (CEDD) and the Water Supplies Department (WSD) accepted Audit's recommendations regarding the planning and management of sheltered space within Hong Kong waters, and have taken follow-up actions as appropriate. The progress is set out below.

Planning and provision of sheltered space

32. MD will commence a new round of territory-wide assessment of sheltered space in the third quarter of 2025 to review the existing 18 sheltered anchorages (S/As) and update the relevant layout plans. The assessment is expected to be completed by late 2027 or early 2028, after which the updated plans will be uploaded to MD's website for public information. MD will also publish information on private mooring areas within the sheltered space by the third quarter of 2025. MD also implemented the use of drones and is exploring the adoption of technology for continuous assessment of the occupancy of typhoon shelters. To better utilise the shallow water areas, MD launched a pilot scheme on screwing anchors mooring equipment in Yim Tin Tsai Typhoon Shelter in late 2024. MD will work closely with CEDD to continuously monitor the wave attenuation performance of the floating barriers, and will keep in view the effectiveness of wave protection enhancement works in other typhoon shelters. In addition, MD will continue its pre-typhoon season publicity and education efforts to remind stakeholders to take precautionary measures. The Hydrographic Office will optimise equipment and manpower resources to ensure hydrographic surveys are conducted at appropriate intervals and completed within reasonable timeframes, while collaborating with relevant stakeholders to facilitate the dredging works. MD also conducted a joint fire drill in Tuen Mun Typhoon Shelter in conjunction with the Fire Services Department and the Hong Kong Police Force on 13 January 2025, and will arrange another fire drill in Kwun Tong Typhoon Shelter to evaluate the effectiveness of the alternative firefighting tactics.

Management of sheltered space

33. MD is proactively addressing the issue of expired operating licences/laid-up permissions, and plans to complete the upgrade of its electronic system by the third quarter of 2025 to automatically remind vessel owners of the renewal of their operating licences. MD is also contacting the owners of the 6 500 local vessels with expired operating licences/laid-up permissions to remind them to renew the operating licences or cancel the Certificates of Ownership for vessels that have been destructed or have permanently left Hong Kong waters. MD is also seeking legal advice to explore further actions to be taken against vessels whose owners are deceased or whose companies have been dissolved. In addition, MD has been conducting special operations since January 2025, carrying out

inspection targeting vessels in typhoon shelters without valid operating licences or laid-up permissions, with the aim of completing the operations in all typhoon shelters within one year. MD also formulated new procedures and guidelines in December 2024 for handling sunken vessels, establishing centralised record-keeping of sunken vessels not yet removed and enhancing public education, and exploring the feasibility of recovering the costs of removing sunken vessels from vessel owners. MD will also review the relevant internal guidelines and make timely updates to tie in with the new procedures and guidelines. Furthermore, MD will intensify efforts to address the issue of non-permitted floating structures and will conduct reviews in 2025 regarding the trial-run of the designation of different berthing areas for different classes of vessels in Aberdeen West Typhoon Shelter and Kwun Tong Typhoon Shelter.

Ancillary facilities and services

34. MD will collaborate with the Transport Department to review the usage of public landing facilities in Tuen Mun Typhoon Shelter and provide advice and assistance concerning marine traffic safety as appropriate. In addition, MD will closely monitor the cleanliness of typhoon shelters and sheltered anchorages. MD will also work with the Environmental Protection Department to establish the mechanism for waste oil disposal and launch joint publicity campaigns to promote to local vessel owners and operators the proper handling of waste oil on board.

35. CEDD included a standing discussion item in the monthly progress meetings with the maintenance term contractors in order to closely monitor the issue of works orders on the rectification works for defective public landing facilities. CEDD has been implementing the improvement works on the concrete steps in typhoon shelters. Meanwhile, WSD completed the review on the trial operation of the shipping water selling machine (SWSM), and enhanced the interface of SWSM to facilitate easier operation for users.

Progress in implementing recommendations of Audit/PAC

Encl. 20 36. The latest progress is at Enclosure 20.

Chapter 3 – Producer Responsibility Scheme on Waste Electrical and Electronic Equipment

37. The Government accepted the recommendations of Audit on the Producer Responsibility Scheme (PRS) on Waste Electrical and Electronic Equipment (WEEE) (hereinafter referred to as WPRS). The Environmental Protection Department (EPD) has taken follow-up actions in accordance with the recommendations of Audit. The progress made is reported below.

Administration of WPRS

Processing of applications for suppliers and sellers of regulated electrical equipment (REE)

38. EPD has strengthened the monitoring of the processing of applications received, including regular review of the compliance with internal time pledges and taking proactive follow-up actions to ensure proper and timely processing of the applications. At the same time, EPD has reviewed its internal guidelines to establish inspection criteria and processing time pledges, to ensure that cases of supplier deregistration are properly handled and in compliance with relevant guideline requirements. Since December 2024, EPD has stepped up publicity efforts to remind relevant suppliers and sellers of their statutory obligations under the Product Eco-responsibility Ordinance (Cap. 603) (PERO).

Licensing and permit control on abandoned REE (e-waste)

39. EPD has enhanced the licensing control on e-waste, including updating internal guidelines and revising the terms and conditions of waste disposal licence for e-waste (e-WDL). Since December 2024, licensees of e-WDLs have been required to report in their quarterly and annual reports the daily breakdown of the amount of each type of e-waste treated during the reporting period. In addition, EPD organised internal training in November 2024 to assist EPD staff in compliance with the guidelines on the inspections and follow-up work.

Inspections on suppliers, sellers, collectors and recyclers

40. EPD has reviewed and updated internal guidelines, including establishing selection criteria for inspection and procedures to ensure EPD staff to conduct inspections and complete inspection reports in accordance with the guidelines. Reasons for conducting inspections have been documented in the inspection reports. EPD will continue to review the frequency of inspections for individual suppliers, subject to work priorities.

41. EPD has updated the existing electronic information management system, such as adding new application processing management and internal reporting functions, with a view to strengthening relevant management and supervision work as well as ensuring the work is completed in compliance with the time pledges of internal guidelines.

Design, construction and operation of the Waste Electrical and Electronic Equipment Treatment and Recycling Facility (WEEE-PARK)

Design and construction of the WEEE-PARK

42. EPD has collected market data on the regulated WEEE, and will commence market survey when new types of WEEE are put under regulation. Market data will be adopted to assess the treatment capacity of WEEE-PARK in the follow-on contracts. EPD will also reserve time for the approval of utility services and statutory licences in the project schedule of the follow-on contracts, such that the contractors will complete the works and have the facilities commissioned on time.

Monitoring of operating costs

43. EPD has conducted market survey, and will continue to monitor market conditions to review the cost-effectiveness of treating the collected washing machines and refrigerators.

44. In addition, EPD collected comprehensive market data on the quantity of different types of regulated WEEE, and will review the design and facilities of WEEE-PARK in future. EPD will conduct scenario and cost-benefit analysis, as necessary, when formulating the follow-on contracts, and clearly setting out the scope of essential collection and logistics services with detailed performance requirements in the Employer's specifications.

Monitoring of operation and maintenance of facilities

45. EPD has strengthened the inspection on collection services and requested the Contractor to report the major maintenance arrangements that may affect normal operation at monthly progress meetings. The Contractor has already included detailed records of such work in the monthly and yearly operational reports, with a view to ensuring the smooth operation of the WEEE treatment process.

46. EPD has reminded the Contractor to improve the site and occupational safety of WEEE-PARK and requested the Contractor to report accidents and submit accident investigation reports on time. EPD has also timely updated and maintained the dates of reporting accidents to relevant departments by the Contractor. Moreover, EPD follows up and reviews each accident with the Contractor at the monthly progress meetings, with a view to further enhancing operational safety of the facilities.

Monitoring of contractor's performance

47. EPD has clearly stated to the Contractor the timing to trigger a level 2 monitoring for environmental performance requirements, and regularly reminds the Contractor to report the test results to EPD in a timely manner. EPD will continue to reflect the Contractor's performance in the quarterly performance reports.

48. EPD will review the comprehensiveness of the operational performance requirements when formulating the next follow-on contract, and will incorporate more relevant requirements of this kind as necessary and appropriate. EPD will also review, adjust and set target number for repaired products for each sub-type. EPD has requested the Contractor to recover more Type 2 regulated WEEE for donation to the needy in the remaining operation years of the Contract.

Other related issues

Collection of recycling levies

49. EPD has updated internal guidelines and continues to monitor the compliance with the pledges in processing applications. EPD continues to closely monitor the submission of returns and audit reports by registered suppliers, and follows internal guidelines to issue reminders, warning letters and/or final notices on time. EPD has promoted the use of electronic information management system for submitting returns and audit reports among registered suppliers of REE to expedite processing.

Other administrative issues

50. EPD conducts regular reviews of relevant recycling levy levels for WPRS. The reviews take into account various factors such as inflation rates, the processing ratio of different categories of REE, and changes in the sales volume of REE.

51. While the number of recyclers of different kinds of e-waste depends on the market situation of the recycling industry, EPD will continue to assist recyclers who intend to participate in applying for the necessary licenses and permits.

52. EPD has been promoting the electronic submission of various applications, returns and reports to suppliers and sellers through multiple channels. EPD will continue to promote the use of the electronic information management system.

Progress in implementing recommendations of Audit/PAC

Encl. 21 53. The latest progress is at Enclosure 21.

Chapter 4 – Regulation of operations of small unmanned aircraft

54. The Government accepted the recommendations of Audit. The Civil Aviation Department (CAD) has taken measures to follow up the recommendations raised by Audit in the regulation of small unmanned aircraft (SUA) operations (including registration, training organisation, advanced operations permission, insurance, enforcement and publicity). In addition to safeguarding aviation and public safety, CAD will continuously enhance internal procedures to further promote the wider use of SUA and facilitate the public to complete various registration processes associated with the applications of SUA as well as the operators to engage in the development and applications of SUA. The progress made is reported below.

Registration, training and assessment requirements

55. Regarding the SUA registration, CAD will continuously enhance the Electronic Portal for Small Unmanned Aircraft (eSUA) and its internal procedures to facilitate the public to complete various registration processes associated with the applications of SUA.

56. Regarding the SUA Approved Training Organisations (ATOs), CAD updated the relevant checklist to facilitate staff to conduct assessment; reminded staff to follow up with the concerned SUA ATOs on examination paper and the relevant guidance documents; and will conduct continued oversight audits on SUA ATOs on an unannounced basis as far as practicable.

Advanced operations permission

57. Regarding the SUA Advanced Operations Permission (AOP), CAD enhanced its internal procedures to facilitate the industry by formalising the issuance of renewal reminders to AOP holders; updated the relevant checklist to facilitate staff to conduct assessment and reminded staff to implement Audit's recommendation.

Insurance requirements

58. CAD will continue to take forward the engagement with the insurance industry and liaison with the Transport and Logistics Bureau to gauge the market readiness for the implementation of the insurance requirements for Category A2 SUA.

Manpower deployment

59. Having regard to the work duties in relation to the regulation of SUA, CAD will continue to review the arrangement of manpower deployment and expedite the handling of cases of suspected violations as far as practicable.

Publicity and education

60. CAD enhanced its internal procedures regarding the monitoring of the performance of service providers of promotional campaigns. CAD will continue its effort in conducting publicity events targeting visitors.

Expanded applications of SUA

61. Drawing on the experience of engaging government departments, companies or organisations in wider use of SUA, CAD will continue its efforts in facilitating the diverse applications of SUA in Hong Kong while safeguarding aviation and public safety.

Progress in implementing recommendations of Audit/PAC

Encl. 22 62. The latest progress is at Enclosure 22.

Chapter 5 – Residential Care Service Voucher Scheme for the Elderly

63. The Government accepted the recommendations of Audit on the Residential Care Service Voucher Scheme (RCSV) for the Elderly implemented by the Social Welfare Department (SWD). SWD has proactively taken actions to follow up on the recommendations and the progress is reported below.

Administration of RCSV for the Elderly

64. Following Audit's recommendations, SWD has updated the RCSV guidelines to clearly specify the timeframes and actions for processing applications and following up on cases upon expiry of the trial period, so as to ensure continuous monitoring of the utilisation of RCSV and its effective use. Besides, measures have been taken to require SWD staff to record the date of first contact of each application, date of service briefing, justifications for not meeting the specified timeframes, etc. for the supervisor's monitoring. Applications with processing time longer than 56 days (i.e. the timeframe for general application as specified in the guidelines) will be reviewed on a monthly basis to ensure that SWD staff adhere to the guidelines and handle the applications within the required timeframes.

65. Regarding the monitoring of fees and subsidy reimbursement, SWD has followed the recommendations and revised the guidelines to specify the mechanism for scrutinising the bed fees, add-on service fees, fees for additional services and consumable items, as well as incidental charges of recognised service providers (RSPs). When scrutinising the fees charged, SWD staff will compare the new and previous prices as well as the prices of similar items or services provided by other RSPs. SWD staff will liaise with RSPs the reasonableness of the prices/items and request them to make adjustments if necessary. If the pricelist includes items from the “standard service package” or consumable items, the RCSV Office will request RSPs to remove relevant items. SWD staff are required to complete the scrutinisation according to the specified timeframe and ensure that the updated pricelist will be uploaded to the Elderly Information Website (EIW) in a timely manner. If the scrutinisation cannot be completed on time due to special circumstances, SWD staff should record the reasons of delay. SWD has updated the guidelines to specify the sampling methodology for random checking of reimbursement documents and would keep the records in a central register to facilitate monitoring. In respect of voucher value adjustment, SWD has implemented measures to inform RSPs in a timely manner such that RSPs submit the required information before the adjusted value comes into effect. Regular meetings and in-house training have been conducted to enhance SWD staff’s capability to handle RCSV issues and scrutinise the fees charged by RSPs.

Monitoring of RSPs

66. SWD has reviewed the delivery of services by RSPs and implemented various enhancement measures to handle the RSP applications more effectively and ensure RSPs’ compliance with the service agreements and related requirements in service provision, such as ensuring that RCSV holders are provided with the required quantity of diapers under the care supplement subsidy for diapers. Meanwhile, SWD has specified in the RCSV guidelines the processing time for various stages of the RSP application and reviewed the RSP application form to smoothen the process. For example, the checklist for document submission in the application form has been revised to facilitate applicants’ preparation and submission of accurate information. Should any irregularity in fee-charging be identified, SWD will request the RSPs concerned to refund the over-paid amounts to service users as appropriate.

67. For service monitoring, SWD has set up a central register for recording and monitoring non-compliance of RSPs. SWD has also set up a working group to formulate a sanction mechanism for handling non-compliance of RSPs. SWD will, through annual sharing sessions, various notification correspondence, etc., enhance RSPs’ understanding of the requirements related to fee-charging and share good practices thereby improving the service quality of RSPs. SWD has stipulated in the guidelines the timeframe in submitting the service monitoring reports to ensure that monitoring visits and inspections are carried out in accordance

with the required timeframe. Moreover, SWD has explored measures to shorten the time gap between batches of the Service Quality Group (SQG) Scheme and to enhance monitoring of the timeliness of report submission by RSPs in response to SQG members' opinions to the district social welfare office.

Other related matters

68. SWD has reviewed relevant guidelines and explored measures to upgrade the Voucher Information System for the Elderly for accurate and timely display of information submitted by RSPs, including the reimbursement claim form, admission and discharge information of RCSV holders, etc. Some of the enhancement measures are expected to be completed in the second quarter of 2025. To ensure the accuracy and completeness of RSPs' fee information on EIW, SWD has clearly stated the timeframes for updating. For example, information on EIW should be updated within five working days upon confirmation of RSPs' latest bed numbers and fee schedules; whereas information of residential care homes for the elderly (RCHEs) joining the RCSV Scheme as RSPs and information relevant to the SQG Scheme on EIW should be updated at the same time. SWD has also enhanced EIW to provide information on RSPs' Nursing Home places, including the number of beds available for accommodating RCSV holders and bed vacancy information, for the public's perusal.

69. SWD will continue to review the utilisation and demand of RCSV, encourage RSPs to increase residential places for RCSV holders, and invite eligible RCHEs to participate in the RCSV Scheme.

Progress in implementing recommendations of Audit/PAC

Encl. 23 70. The latest progress is at Enclosure 23.

Chapter 6 – The Hong Kong Polytechnic University: Repair and maintenance of university premises

71. The Hong Kong Polytechnic University (PolyU) accepted Audit's recommendations, and has taken follow-up actions as appropriate. The relevant progress report is provided below.

Planned maintenance

72. PolyU has implemented the following measures –

- (a) optimised the guidelines on Facilities Condition Assessments to ensure accuracy of data and provide more clarity on the assessment criteria for giving ratings. The new guidelines took effect in December 2024;

- (b) strengthened the performance monitoring of lifts and escalators to ensure that the availability of facilities meets service requirements. PolyU has analysed the lift breakdowns and identified the root cause, and has implemented preventive measures to reduce the occurrence of breakdowns and malfunctions; and
- (c) optimised the relevant handling procedures in issuing Works Orders (WOs) and Covering Works Orders (CWOs) in the Operation Manual. The enhancements will ensure (i) compliance with the requirements for issuing WOs and CWOs; (ii) effective progress monitoring of WOs and CWOs; (iii) timely issuance of certificates of completion; and (iv) proper documentation of site inspection results.

On-request maintenance and other repair and maintenance work

73. PolyU has implemented the following measures –

- (a) clearly stipulated the criteria for conducting spot checks on job orders in the guidelines and evaluated the performance data weekly against the performance pledges to ensure that the goals set out in the performance pledges are met. Additionally, PolyU will prepare monthly performance pledge reports to facilitate monitoring of job orders, data completeness and user responses;
- (b) compiled a control checklist to strengthen the monitoring of structural integrity assessments. This will enable PolyU to review the progress of the works and monitor the progress of statutory submissions, and to ensure that all necessary procedures are complied with before the commencement of works;
- (c) specified in the Operation Manual that for works to be carried out by the term contractor with a value exceeding \$100,000, the cost estimation shall be prepared by the in-house Cost and Contract Section or a Quantity Surveying Consultant (QSC). To expedite the clearance of payment backlogs, PolyU has allocated additional staff and established milestone dates for processing of payment applications; and
- (d) stepped up its monitoring of QSC's performance through monthly review meetings and monthly progress reports, so as to ensure performance targets are being achieved.

Procurement of services

74. PolyU has implemented a number of new measures to enhance competition in the tendering exercises for service contracts, including actively seeking more suppliers through industry engagement and market research. PolyU has also adopted Audit's recommendations to proactively follow up with invited contractors by phone to understand their reasons for not responding or expressing no interest in being included in the tenderer lists, and notified unsuccessful tenderers of the reasons for rejecting their tenders in a timely manner.

75. To ensure that contract renewal arrangements are processed in a timely manner, PolyU has compiled a summary list of service contracts to map out and monitor key dates, including contract expiry dates, lead times for issuing tender documents, tender evaluation and target tender award dates. PolyU has also formulated specific tender schedules for consultancy service contracts and term contracts to ensure that there is sufficient time for the required tendering activities, and to ensure a reasonable tender validity period for the procurement of services through term and consultancy service contracts.

76. PolyU has updated the Operation Manual to align with the University's established procedures for handling declarations of interest in procurement activities: (i) staff involved in procurement must submit an annual undertaking form; (ii) staff participating in individual tendering exercises must submit a separate undertaking form; and (iii) staff with actual, potential, or perceived conflicts of interest must submit a declaration form. Staff are required to submit the undertaking forms and declaration forms via the new e-submission platform to ensure that records are properly kept. The e-submission platform also records the conflict assessments, decisions of approver and follow-up actions taken.

Campus restoration and other issues

77. PolyU has reviewed the current campus situation. Given that the current number of faculty members and students is about 40,000, PolyU needs to effectively control and manage the flow of people inside the campus to ensure that teaching and learning, campus life, school operations, and related activities remain unaffected. After thorough evaluation, PolyU concluded that the existing access control and security arrangements remain appropriate. Under its Enterprise Risk Management Framework, PolyU has been conducting annual risk assessments and enhancing risk management plans.

78. PolyU has compiled consolidated reports and incorporated the findings of safety inspections conducted by Campus Facilities and Sustainability Office (CFSO) and Health and Safety Office into the reports to strengthen regular performance monitoring. PolyU has also taken measures to enforce compliance with the annual training requirements by all staff of CFSO. The senior management

of CFSO will monitor the overall progress of employee participation in safety training on a monthly basis. Requirements for occupational safety and health training have been incorporated into the latest Health, Safety, and Environment Management Manual.

79. PolyU also plans to establish a task force to formulate information technology strategy to strengthen the management of repair and maintenance works, and establish clear work processes and data storage methods.

Progress in implementing recommendations of Audit/PAC

Encl.24 80. The latest progress is at Enclosure 24.

Chapter 7 – Tuen Mun - Chek Lap Kok Link

81. The Government accepts the recommendations made by Audit and PAC on the Tuen Mun - Chek Lap Kok Link (TM-CLKL) and has taken measures to follow up on the recommendations. The progress made is reported below.

Cost control

82. The Government has been committed to strengthening cost control measures. In June 2016, the Development Bureau (DEVB) established the Project Cost Management Office (PCMO) to implement cost management initiatives and to roll out measures which were conducive to the delivery of public works projects in a timely and cost-effective manner. In April 2019, DEVB further upgraded PCMO to the Project Strategy and Governance Office (PSGO) to implement strategic measures and strengthen capabilities in cost surveillance and project governance, and adopts a holistic approach to enhance cost management and improve the performance of public works projects. According to the prevailing guidelines, works departments are required to consult PSGO to ensure the cost effectiveness of the relevant variation order before authorising the issuance of a variation order with an estimated value exceeding \$1.4 million during the construction period.

83. PSGO conducts vetting of projects from their inception, and regularly reviews and follows up to monitor the projects at all stages from detailed design to funding application. PSGO also makes use of the Project Surveillance System to continuously monitor the progress and expenditure of the project, and to provide early warning signals such that the senior management can intervene at an early stage if necessary.

84. In addition, the Government has widely adopted parallel tendering arrangement which aims to increase the accuracy of approved project estimates. HyD has adopted the Building Information Modelling (BIM) technology and relevant software in the early planning and design stages of projects to enhance the accuracy of quantity surveying, and is actively exploring the use of new technologies for site investigation, such as geophysical survey techniques, to better ascertain the geological conditions and estimate the associated project costs.

85. On cost control, DEVB and the Financial Services and the Treasury Bureau (FSTB) are reviewing the current mechanism for utilising resources for public works projects, including areas for optimisation in contingency expenses and price adjustment provisions. In addition, to further ensure the proper use of resources, DEVB and FSTB plan to strengthen the existing supervisory mechanisms, such as establishing more detailed internal guidelines. DEVB and FSTB also plan to report regularly to the LegCo on the use of provisions for price adjustments in public works projects to enhance the transparency of resource use and allocation. DEVB and FSTB will report to the Committee in due course upon completion of the relevant review.

Performance of consultants

86. As for the supervision of public works consultants, DEVB will reflect the consultants' performance in their quarterly performance assessment reports at various stages of the implementation of public works projects. The assessment system helps DEVB to take appropriate regulatory actions when necessary, including suspending the consultants from tendering or removing them from the approved list of consultants. The consultants' performance score will also affect their chances of winning future tenders. Besides, the consultancy agreement for public works projects has clearly stipulated that the consultants must indemnify the Government for any claims, damages, losses or expenses arising from their professional negligence in the performance of their duties or provision of services. If DEVB finds out that a consultant has had professional negligence or breached the contract in the implementation of a project, it will seek legal advice and consider initiating claims against the consultant in order to protect the Government's interests.

87. DEVB believes that the current management system has been effective. To strive for excellence, DEVB will continue to review the performance evaluation mechanism for consultants and, if necessary, introduce optimisation measures to encourage consultants to improve their performance, thereby increasing their chances of winning future tenders.

88. HyD will continue to monitor, manage and regularly assess the performance of consultants in strict accordance with the relevant government circulars and handbooks, including the Handbook on Selection, Appointment and Administration of Engineering and Associated Consultants. In addition, DEVB issued guidelines in 2023 requiring the adoption of the “New Engineering Contract” (NEC) form for all major consultancy agreements of public works projects. NEC introduces an early warning mechanism to encourage the client’s representatives and consultants to identify and raise potential risks that may affect the project at an early stage, and to jointly negotiate and work out the best solution to facilitate the smooth implementation of the project according to the prescribed framework and timeframes in the agreement in the event of difficulties and problems. HyD will continue to follow the guidelines issued by DEVB in adopting the NEC form in future consultancy agreements.

Tender evaluation mechanism

89. At present, the past performance scores of public works consultants and contractors can account for 20 to 40 percent of their technical scores in future tenders, which is enough to affect their chances of winning future tenders. In addition, DEVB has established a mechanism to deal with public works consultants and contractors who have committed serious violation or whose performance is extremely unsatisfactory, including suspending them from tendering or removing them from the relevant approved lists of consultants and contractors. For example, DEVB has introduced new regulatory measures since July 2023 that, if a contractor on the approved list of contractors is involved in a serious site safety incident, the contractor may be suspended immediately from tendering under the relevant public works project category. DEVB believes that the relevant measures will effectively encourage consultants and contractors to improve their service performance so as not to affect their chances of winning tenders in the future.

Contract management

90. Audit and PAC have made a series of recommendations on contract management with respect to the implementation of the TM-CLKL project. HyD has taken measures to follow up on the recommendations as detailed below.

(a) Inter-contractual coordination

91. The Audit’s Report mentioned that HyD should take measures to mitigate the risks of interfacing issues in implementing works projects involving interfacing works contracts. HyD will strive to minimise the interfaces between works contracts as far as practicable so as to minimise interfacing issues between contracts. In addition, HyD has adopted the NEC form, which seeks to promote the establishment of a mutually supportive and trustworthy partnership between the contracting parties through contractual provisions of mutual trust and collaboration,

as well as the mechanisms such as early warning and compensation events, etc., stipulated in the contract, so as to enhance the performance and cost-effectiveness of project management through joint risk management.

(b) Watermain diversion works

92. HyD has been actively making use of the 3D Digital Underground Pipeline Database and the Underground Public Utilities Information System with a view to obtaining more accurate information of underground pipelines and exploring use of detection techniques that do not require excavation such as ground-penetrating radar, so as to further confirm the location and information of underground pipelines. In addition, HyD has reminded its staff and consultants to comply with the contract terms regarding the issue of variation orders in writing and the related guidelines in the Project Administration Handbook for Civil Engineering Works (PAH).

(c) Timely response to design submissions

93. HyD has requested the consultancy agreements commenced in recent years to set up an electronic platform for consultants and stakeholders to submit and respond to design documents through electronic means, so as to enhance the efficiency of design submission and approval and reduce the time required for circulation of documents. The electronic platform can also be equipped with reminder notifications to regularly remind the relevant stakeholders to handle outstanding responses to design documents and notify HyD and consultants to intervene in complex cases in a timely manner.

(d) Ascertaining sub-surface conditions for piling works

94. HyD has reminded its staff and consultants to follow the latest guidelines such as the Geoguide 2 and PAH and conduct thorough ground investigations as far as practicable. HyD has been actively exploring the use of new technologies and digital tools to enhance the accuracy of the investigation, such as the use of geophysical survey techniques, to obtain more accurate geological information.

(e) Quantity of rock fill material required for reclamation works

95. HyD has reminded its staff and consultants to continue to follow the latest guidelines as set out in the Port Works Design Manual and relevant technical circulars, and to accurately estimate the amount of rock fill material required for reclamation works as far as practicable. HyD will also explore the use of geophysical survey and sonar scanning techniques with a view to obtaining geological and seabed information more cost-effectively.

(f) Type of passive fire protection system

96. HyD issued new guidelines in 2023 stating that the thermal barrier inside tunnels should normally be of board type and has reminded its staff and consultants to continue to follow the related guidelines.

(g) Design of road drainage system

97. HyD issued new design guidelines in 2023 requiring the additional capacity be provided in tunnel drainage system in order to cope with severe rainstorms due to extreme weather and climate change, and has reminded its staff and consultants to continue to follow the related guidelines.

(h) Emergency access hatches

98. HyD has learned from the experience of constructing emergency access hatches in tunnels and has stipulated in the latest tunnel design guidelines that entrance and exits to the space above or below the tunnel carriageway should not be located on the carriageway. HyD has also reminded its staff and consultants to continue to follow the related guidelines in the design of tunnel structures.

(i) Construction of slope and retaining wall

99. HyD has reminded its staff and consultants to follow the latest guidelines such as the Geoguide 2 and PAH to conduct thorough pre-tender site investigation, and continue to explore the use of techniques such as geophysical survey to obtain more accurate geological information. Meanwhile, HyD has also reminded its staff and consultants to closely monitor the progress of the variation works to minimise the impact in terms of time and cost.

(j) Manhole and drain covers

100. HyD has reminded its staff and consultants to follow the latest design guidelines and select suitable manhole and drain covers. HyD will also explore upgrading the manhole covers from Class E600 (with weight capacity of 60 tonnes) to Class F900 (with weight capacity of 90 tonnes) for road sections with frequent, high-speed and heavy traffic. Class F900 covers are generally suitable for airport runways and are equipped with screws for tightening so as to prevent the covers from dislocation.

(k) Future maintenance needs

101. HyD issued new design guidelines in 2023 requiring that under normal circumstances, tunnel fittings should be able to be dismantled manually to reduce the extent and duration of closure of the tunnel tubes for maintenance works, thereby minimising the impact on traffic and making long-term inspection, maintenance and repair work more efficient and cost-effective.

(l) Tender documents and adoption of new technologies

102. HyD updated its internal guidelines in 2018 to explicitly require staff to scrutinise the tender documents submitted by the consultants, including spot checking of tender documents, bills of quantities and drawings. In addition, HyD and its consultants have made extensive use of the BIM technology in the production of drawings to ensure that details such as sections, elevations, layout plans and reinforcement in all drawings are compatible with each other and to reduce human errors.

103. HyD has also reminded its staff and consultants of the need to keep in view the adoption of new technologies and their effectiveness so as to gain experience for future works projects and to proactively incorporate suitable new technologies in the tender documents when planning other projects in the future.

104. Separately, the Building Technology Research Institute (BTRi) led by the Government was established in August 2024 to conduct research and development in areas covering innovative construction materials, construction methods and technologies, devise standards, conduct testing and provide accreditation. BTRi will work closely with DEVB and works departments (including HyD) to put into practice and establish innovative construction materials, technologies and machineries through pilot projects in public works projects.

Site safety

105. HyD has reminded its staff and consultants to continue to strictly follow the latest guidelines as set out in PAH, the Construction Site Safety Manual and relevant technical circulars with a view to safeguarding safety of all operations and all personnel on site and stepping up monitoring of contractors' reporting of site accidents, and to include matters such as reporting of accidents in the agenda of the regular Site Safety and Environmental Management Committee meetings, so as to ensure that the relevant requirements in the contracts are fully implemented. HyD also published a standardised computer report form and provided guidelines in February 2025 to require HyD staff and consultants managing various works contracts to prepare relevant accident management information.

Operation and traffic management

Manning level of Tuen Mun - Chek Lap Kok Tunnel (TM-CLK Tunnel)

106. TD will continuously review and assess the staff manning levels of the tunnel operator, and will timely require the operator to adjust its human resources plan to ensure that staffing at all levels meets the requirements of the management agreement. In fact, when the new management agreement came into effect in December 2024, the operator had largely recruited sufficient manpower, with only one vacancy for a Building Maintenance Officer. The vacancy was subsequently filled in February 2025. TD will continue to monitor the operator's recruitment and training progress, and provide appropriate assistance to maintain the efficient and safe operation of the tunnel.

Overall quarterly performance assessment report on the operator of TM-CLK Tunnel

107. At the same time, TD will continuously review and, as necessary, refine the assessment basis for evaluating the operator's overall performance and the process of preparing quarterly reports. TD has implemented a series of measures to improve the efficiency and quality of the assessment, including requiring appraising officers to complete the quarterly performance evaluation report within two months after the end of each evaluation cycle, and to indicate the completion date in the report to ensure that the evaluation work is completed on time and is traceable. In addition, TD is conducting a comprehensive review of the assessment items in the quarterly report and reviewing the assessment criteria for each item, with the revision of the assessment criteria expected to be completed by 2025.

Maintenance requirements of tunnel equipment

108. When formulating management, operation, and maintenance agreements for future government tunnels, TD will strengthen communication with HyD to ensure that all tunnel equipment planned to be maintained by the tunnel operators and related maintenance requirements are included in the management, operation, and maintenance agreements for the relevant tunnels.

Usage of heavy recovery vehicles

109. TD and the Electrical and Mechanical Services Department (EMSD) are arranging to enhance the axle load capacity of heavy recovery vehicles and plan to convert the relevant vehicles from heavy goods vehicles to special purpose vehicles, in order to address the issue of the front wheels lifting off the ground during recovery operations by heavy recovery vehicles. It is expected that the relevant conversion works can be completed within 2025.

Identifying out-of-gauge vehicles

110. The existing infrastructure is already capable of detecting over-height vehicles. TD and EMSD have consulted relevant technical companies and are of the preliminary view that it is generally feasible to retrofit detection facilities to the existing infrastructure for detection of over-width and over-length vehicles. TD and EMSD received relevant technical solution proposals and the evaluation of these proposals is expected to be completed in the second quarter of 2025. TD will continue to explore and consider the feasibility of using such technologies in tunnel environment to assist the operator of the TM-CLK Tunnel in identifying out-of-gauge vehicles more effectively, thereby enhancing tunnel safety and operational efficiency.

Traffic management of TM-CLKL and the relevant road sections in Tuen Mun

111. TD will continue to keep under review the traffic conditions of the relevant road sections and actively explore different measures to improve the traffic conditions in Tuen Mun, taking into account holistically the future development of Tuen Mun, including the implementation of various infrastructure projects, and the impact on major roads in Tuen Mun after the toll reduction and the implementation of time-varying tolls at the Tai Lam Tunnel from 31 May this year.

Progress in implementing recommendations of Audit/PAC

Encl. 25 112. The latest progress is at Enclosure 25.

Chapter 8 – Youth Development Fund

113. The Government accepted the Audit's recommendations on the Youth Development Fund (YDF) of HYAB. HYAB has taken measures to follow up on the recommendations. The progress made is reported below.

Entrepreneurial funding schemes providing start-up capital support

114. HYAB will continue to collaborate with the Youth Development Commission (YDC) to implement the new round of the HYAB Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) (Entrepreneurship Scheme). This scheme subsidises non-governmental organisations (NGOs) to implement youth entrepreneurship projects, and offers entrepreneurial support, incubation services as well as start-up capital for young people who intend to start their businesses locally and in other cities of GBA. Under the new round of the Entrepreneurship Scheme, funding has been approved to 19 NGOs. It is expected that the entrepreneurship projects will commence in the first half of 2025, providing start-up capital and support services to around 260 youth start-up teams.

115. HYAB and YDC will continue to review the management, implementation and monitoring of the funding schemes under YDF, covering areas such as documentation, management of conflicts of interest, etc., and update relevant funding guidelines and the clauses of the funding agreements. To enhance the effectiveness of monitoring, we have also drawn up clearer guidelines for the reference of relevant staff of HYAB. We will continue to keep under review the achievements of the key performance indicators for the Entrepreneurship Scheme and consider compiling more management information relating to the scheme, so as to facilitate the assessment of its effectiveness.

The Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in GBA

116. HYAB will continue to collaborate with YDC to implement the new round of the HYAB Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases (Experiential Scheme), which subsidises NGOs to organise short-term experiential programmes at the innovation and entrepreneurial bases in the Mainland cities. Under the new round of the Experiential Scheme, funding has been approved for 14 organisations to organise 18 different short-term experiential programmes in various Mainland provinces and municipalities starting from 2025. It is expected that approximately 600 youths will be able to explore entrepreneurial opportunities in the Mainland market through the scheme. The funded organisations will launch their programmes and recruit eligible youth participants in 2025, and will collaborate with HYAB to promote the Experiential Scheme through various channels.

117. HYAB has updated the relevant funding guidelines to provide clearer guidance for NGO operators, covering verification of participants' eligibility, management of conflicts of interest, submission of reports within the prescribed deadlines, and compliance with insurance and publicity requirements, etc. HYAB has also incorporated the updated funding guidelines into the funding agreements that NGO operators are required to follow strictly. Additionally, HYAB has expanded the scope of monitoring visits to cover all NGO operators, so as to strengthen the follow-up and monitoring of their implementation. HYAB will continue to enhance the monitoring of NGO operators in implementing the scheme and their compliance with the requirements set out in the funding guidelines; and provide timely reports to the Action Group on Youth Development Fund and Programmes under YDC.

Other youth development schemes

118. In line with the direction of the Youth Development Blueprint, HYAB launched the Funding Scheme for Youth Positive Thinking Activities (FSYPTA) and the Funding Scheme for Youth Adventure Training Activities (FSYATA) in late 2022, with a view to nurturing positive thinking and values among young people, thereby enabling them to become a new generation with a sense of ownership and responsibility, and an aspiration and willingness to contribute to the development of our country and Hong Kong. Both funding schemes have been well received. We have implemented Audit's recommendations in full, including establishing or enhancing mechanism to ensure NGO operators to comply with the requirements in the funding agreements, for example, submitting reports and returns on time, and following best practices in procurement as well as insurance and record keeping requirements, etc. HYAB will continue to review external auditor reports and attendance records of funded activities together with particulars of participants submitted by NGO operators, so as to ensure that the grants are claimed and disbursed in accordance with funding agreements. HYAB will also continue to closely monitor the performance of NGO operators, including provision of suitable guidance to NGO operators, arranging NGOs to report project progress to relevant Action Group under YDC, and arranging staff of HYAB or members of Action Group to participate in funded activities as observers, etc.

Other related issues

119. HYAB will continue to work closely with the other two leading parties of the Alliance of Hong Kong Youth Innovation and Entrepreneurial Bases in the Greater Bay Area (the Alliance) and consider to broaden the membership of the Alliance as appropriate in order to provide more activities for youth entrepreneurs. HYAB will also continue to provide more practical and latest information regarding both the Alliance and the entrepreneurial support schemes through the "We Venture" thematic website, track on its usage and upgrade the website as appropriate for enhancing user experience.

120. HYAB will continue to strengthen the publicity of various programmes. As at end-April 2025, the Youth Link has over 18 000 members.

Progress in implementing recommendations of Audit/PAC

Encl. 26 121. The latest progress is at Enclosure 26.

Hong Kong Design Centre
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 3: Other programmes and projects		
<i>Incubation programmes</i>		
Para. 3.24 of the Audit Report	<p>Audit has recommended that the Executive Director, Hong Kong Design Centre (HKDC) should –</p> <ul style="list-style-type: none"> (a) review the justifications for the provision of working spaces to the incubatees, in particular to Fashion Incubation Programme (FIP) incubatees; (b) review whether the provision of working spaces meets the incubatees' needs; (c) closely monitor the utilisation of working spaces; (d) take measures to ensure that the results of the inspections to the incubation centres are documented and taken into account in the reviews of the provision of working spaces; (e) continue to monitor the allocation of working spaces in the incubation centres, particularly when launching the new phase of Design Incubation Programme (DIP) and FIP; (f) draw experience from the previous incubatee admission and working space allocation arrangements with a view to improving the planning for working space allocation and minimising the vacancy period of working spaces; 	<p>(a) to (f) HKDC has finalised the arrangement for the use of working spaces for the new phases of DIP and FIP (i.e. DIP Phase V and FIP Phase III). Working spaces were no longer provided to the incubatees of the two programmes starting from February 2025.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(h) review whether the admission of a high percentage of FIP incubatees from DIP graduates is conducive to the achievement of the objectives of DIP and FIP;</p> <p>(i) explore the merits of admitting FIP incubatees with a more diversified background, including admitting more FIP incubatees who are not DIP graduates; and</p> <p>(j) take measures to ensure that applications for FIP from existing DIP incubatees who have not yet graduated are not approved.</p>	<p>(h) to (j) HKDC Board endorsed at its meeting in November 2024 the recruitment arrangement for new incubatees under FIP, including continuing to promote FIP widely and introducing improved admission procedures with a view to admitting incubatees with more diversified background.</p> <p>As all recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 4: Other issues		
<i>Staff management</i>		
Para. 4.32 of the Audit Report	<p>Audit has recommended that the Executive Director, HKDC should –</p> <p>(a) closely monitor the work of the Human Resources Review Task Force, and ensure that the review on HKDC's human resources issues and practices is completed in a timely manner; and</p> <p>(b) in the light of the results of the human resources review, take measures to address the issues of high staff turnover rates and high staff vacancy rates.</p>	<p>Following the recommendations made by the Human Resources Review Task Force and as endorsed by HKDC Board in its meeting in August 2024, HKDC implemented the following measures to address the issues of high staff turnover and staff vacancy rates –</p> <ul style="list-style-type: none"> • adjusting the salary range for the Executive and Associate posts with persistent recruitment and retention difficulties on par with similar posts in other non-governmental organisations (NGOs); and • adjusting staff's annual leave entitlement as comparable with that of other NGOs. <p>As all recommendations have been implemented, we recommend deleting this part from the next progress report.</p>

Management of public libraries
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Collection development and management		
<i>Maintenance of library materials</i>		
Para. 2.60 of the Audit Report	<p>Audit has recommended that the Director of Leisure and Cultural Services (DLCS) should –</p> <p>(h) ensure that functions and capabilities are incorporated in the Smart Library System (SLS) to address the issues in the collection development and management processes as far as practicable.</p>	The functions related to collection development and management processes have been included in SLS under development, which is expected to be commissioned by the end of 2025.
Part 3: Library operation		
<i>Library patronage and usage</i>		
Para. 3.19 of the Audit Report	<p>Audit has recommended that DLCS should –</p> <p>(c) expedite efforts in implementing the planned measures (e.g. unmanned operation) for providing longer library service hours.</p>	The Leisure and Cultural Services Department (LCSD) is actively pursuing the development of SLS and the improvement works of libraries, with a view to extending library service hours via self-service. Relevant initiatives include installing smart book pick-up lockers and dispensers where circumstances permit, so that patrons can pick up their reserved library materials in a self-service manner beyond library opening hours. The new system is expected to be commissioned by the end of 2025.
<i>Processing of returned library materials</i>		
Para. 3.32 of the Audit Report	<p>Audit has recommended that DLCS should –</p> <p>(b) closely monitor the implementation progress of the central sorter and the new</p>	LCSD has been closely monitoring the implementation progress of the central sorter and the new logistics tracking

Para. No.	Audit/PAC's Recommendations	Progress to Date
	logistics tracking system of SLS, and adopt open bidding for the provision of returned library materials processing services as soon as practicable; and	<p>system under SLS, and adopted an open tendering for the provision of returned library materials processing services in December 2024. The procurement exercise is expected to be completed in June 2025.</p> <p>As the follow-up action of the recommendation has been implemented, we recommend that this part be deleted from the next progress report.</p>
	(e) take measures to monitor the compliance with the performance standards for the self-service library station book replenishment service.	<p>Apart from continuously monitoring the performance of the book replenishment service for self-service library stations by reviewing the logistics delivery record under the central sorting system, LCSD will make use of the new logistics tracking system developed under SLS to enhance monitoring. The new system is expected to be commissioned by the end of 2025.</p>
<i>Library fees and charges</i>		
Para. 3.43 of the Audit Report	<p>Audit has recommended that DLCS should –</p> <p>(c) carry out the review of the library fees and charges in accordance with the Financial Circular.</p>	<p>LCSD completed the review on library fees and charges in late 2024 in accordance with the Financial Circular.</p> <p>As the follow-up action of the recommendation has been implemented, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 4: Use of information technology and publicity efforts		
<i>Use of information technology in provision of library services</i>		
Para. 4.28 of the Audit Report	<p>Audit has recommended that DLCS should –</p> <p>(d) take measures to enhance the search engines of library websites and mobile apps upon the launch of SLS (e.g. enhancing the completeness of library resources available for searching); and</p>	<p>LCSD will enhance the search functions of library websites and mobile apps under the development of SLS, so that searches can be conducted by readers on various types of library collections with a one-stop search engine. The new system is expected to be commissioned by the end of 2025.</p>
	<p>(i) take measures to improve the web accessibility of library mobile apps and websites, and to ensure compliance with the requirements in the circulars and guidelines on dissemination of information on government websites and mobile apps.</p>	<p>LCSD will continue to ensure that the websites and mobile apps of the Hong Kong Public Libraries comply with the relevant government circulars and guidelines. Besides, the software development and testing of SLS under development will be conducted in accordance with the relevant requirements, with a view to further improving the web accessibility of library websites and mobile apps. The new system is expected to be commissioned by the end of 2025.</p>

Provision of map products and spatial data services by the Lands Department
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Maintenance of map products		
Para. 2.12(f) of the Audit Report	Audit has recommended that the Director of Lands should take measures to ensure that the project on the implementation of automatic map generalisation workflow for 1:10 000 topographic map is completed as scheduled with a view to implementing early automatic map generalisation for all scales of topographic maps so as to shorten the revision cycle of maps and achieve effective generalisation among maps in various scales.	The Lands Department (LandsD) outsourced the automatic map generalisation for 1:10 000 topographic maps in February 2024. It is expected that the workflow for automatic map generalisation will be implemented in the first quarter of 2026. LandsD will closely monitor the project progress to ensure timely completion of the project.
Para. 2.20(a) of the Audit Report	Audit has recommended that the Director of Lands should closely monitor the service conditions of large format digital aerial camera (LFDAC) system and take measures (including drawing up an implementation timetable and system transition plan) to ensure the timely replacement of the system with a view to continuing the provision of quality aerial photography service.	LandsD outsourced aerial survey services in September 2024 for the acquisition of aerial photos through a commercial helicopter/aircraft platform. The contractor completed all the aerial survey work in late January 2025 and the post-production is in progress, with all deliverables expected to be completed in the third quarter of 2025. Meanwhile, regarding the replacement of the LFDAC system, LandsD is discussing with the Government Flying Service to explore the feasibility of integrating a new aerial camera system on the latter's helicopter(s).
Part 4: Development of three-dimensional digital map		
Para. 4.18 of the Audit Report	<p>Audit has recommended that the Director of Lands should –</p> <p>(a) continue to closely monitor the implementation progress of territory-wide three-dimensional (3D) digital map with a view to ensuring its timely completion; and</p>	<p>(a) The 3D digital map for the whole territory of Hong Kong was completed and released in March 2025.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) closely monitor the implementation progress of 3D indoor map with a view to ensuring its timely completion.	(c) LandsD has completed the generation of 3D indoor maps for all the 1 250 selected buildings of the project. As the follow-up actions for recommendations (a) and (c) have been implemented, we recommend deleting this part from the next progress report.

Licensing services for drivers
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Provision of driving test services		
<i>Driving test arrangements</i>		
Para. 37 (Pages 24) of the PAC Report	PAC strongly urges that the Transport Department (TD) should – (f) consider reinstating the performance pledge for conducting road tests for non-commercial vehicles removed by TD in 2016, and drawing up a new performance pledge for public reference.	TD has collected data up to the end of 2024 and is analysing the data to explore drawing up a new performance pledge for non-commercial vehicle driving test (i.e. the number of waiting days for arranging road tests upon receipt of the applications), which is expected to be completed by mid-2025.

Sports Federation & Olympic Committee of Hong Kong, China
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Operation of the Sports Federation & Olympic Committee of Hong Kong, China		
<i>Handling of membership affairs</i>		
Para. 2.20 of the Audit Report	Audit has recommended that the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) should explore the merit of establishing a mechanism to gauge “national sports association” (NSA) members’ compliance with the requirements of the Olympic Charter, the Code of Ethics of the International Olympic Committee, and SF&OC’s Articles of Association.	SF&OC established a dedicated team (i.e. formerly known as the Corporate Governance Team and subsequently renamed as the Corporate Governance Division) (the CG Division) in October 2020 to examine the corporate governance and operation of all NSAs and formulate a code of governance for their compliance. Among others, the CG Division was tasked to assess NSAs’ compliance with the requirements of the Olympic Charter, the International Olympic Committee’s Code of Ethics as well as SF&OC’s Articles of Association. Besides, SF&OC set up an Independent Steering Committee to supervise the working direction of the CG Division from a strategic perspective and monitor the progress of the review exercise.
Para. 114(a) of the PAC Report (page 108)	PAC has strongly urged SF&OC to conduct the review in an effective and efficient manner and report to the then Home Affairs Bureau (HAB) the review progress on a regular basis.	The CG Division completed the assessment of all NSAs which were subject to its review ^{Note} . SF&OC reported the review findings to the Culture, Sports and Tourism Bureau

^{Note} As at the end of September 2023 when the assessment was completed by the CG Division, SF&OC had altogether 83 member Associations and 77 of them were included in the scope of the review. The remaining six NSAs were excluded for the reasons as set out below –

- (a) the Football Association of Hong Kong, China Limited had separately engaged an external consultant to conduct an internal audit and review of its corporate governance. The exercise was completed in 2024; and
- (b) the nature of activities of the remaining five NSAs was solely focused on recreational, educational, social and/or medical purposes. These five NSAs (namely, the South China Athletic Association, the Victoria Recreation Club, the Hong Kong Society for the Deaf, the Sports Medicine and Sports Science Association of Hong Kong, China Limited and the Chinese Young Men’s Christian Association of Hong Kong) did not send any team or delegation representing Hong Kong, China to participate in international sports competitions/events.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>(CSTB), and promulgated the review report and the Code of Governance (the Code) on 20 November 2024.</p> <p>Looking forward, NSAs are required to implement the Code by the end of 2026. The CG Division is following up with NSAs on the implementation and SF&OC will review the implementation status of the Code by NSAs in early 2027. CSTB will continue to monitor the progress of implementation by SF&OC and NSAs.</p> <p>As the recommendations of Audit and PAC have been fully implemented, we recommend deleting this part from the next progress report.</p>
<i>Management of the Olympic House</i>		
Para. 2.52 of the Audit Report	<p>Audit has recommended that the then Secretary for Home Affairs should –</p> <p>(a) in collaboration with SF&OC, map out the way forward for the Olympic House; and</p> <p>(b) devise a timetable to take forward matters arising as appropriate.</p>	<p>CSTB has been working closely with the Architectural Services Department and SF&OC on the design scheme for the redevelopment of the Olympic House having regard to different development considerations with the aim to provide office and activity space for SF&OC, its affiliated companies, NSAs and sports-related organisations. The Government will also consider the feasibility of the expansion of the Olympic House in the context of the review of the positioning of Hong Kong Stadium. We will then prioritise the project having regard to relevant considerations such as the urgency of the project and more efficient use of public resources.</p>
Para. 115 of the PAC Report (page 114)	<p>PAC has strongly urged the then HAB to work closely with SF&OC to expedite the redevelopment project of the Olympic House.</p>	<p>As the recommendations of Audit and PAC have been followed up and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 3: Government funding and monitoring		
<i>Monitoring by the then Home Affairs Bureau</i>		
Para. 114 of the PAC Report (page 108)	<p>PAC has strongly urged the then HAB to –</p> <p>(a) closely liaise with SF&OC in taking forward the review exercise, follow up the review progress and achievements on a regular basis, and provide appropriate advice and assistance in a timely manner; and</p>	<p>As mentioned above, the CG Division was set up by SF&OC to examine the existing governance structure and operation of all NSAs and formulate a code for compliance by all NSAs with a view to enhancing their corporate governance, monitoring mechanism and the transparency of their operation. The performance indicators/targets and expected deliverables of the review exercise have been included in the subvention agreement signed between the Government and SF&OC annually since 2020 21.</p> <p>The CG Division completed the assessment of all NSAs which were subject to its review^{Note}. SF&OC reported the review findings to CSTB, and promulgated the review report and the Code on 20 November 2024.</p> <p>Looking forward, NSAs are required to implement the Code by the end of 2026. The CG Division is following up with NSAs on the implementation and SF&OC will review the implementation status of the Code by NSAs in early 2027. CSTB will continue to monitor the progress of implementation by SF&OC and NSAs.</p> <p>As the recommendations of PAC have been fully implemented, we recommend deleting this part from the next progress report.</p>
	<p>(b) expedite the drawing up of the subvention agreements with SF&OC and Management Company of the Olympic House Limited for 2020-21 in which performance indicators and targets and expected deliverables for the review exercise should be included to facilitate the monitoring of the implementation of the review and to ensure accountability over the use of government funds for the review by SF&OC.</p>	

**Planning, provision and management of public parking spaces
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Planning and provision of public parking spaces		
<i>Planning and provision of temporary public parking spaces</i>		
Para. 2.19 of the Audit Report	Audit has recommended that the then Secretary for Transport and Housing should, in consultation with relevant government bureaux and departments (B/Ds), promulgate a circular setting out the criteria for considering whether and how public parking spaces should be provided under individual Government, Institution or Community developments and open space projects.	The respective B/Ds promoting "Single site, Multiple Use" will explore the feasibility of including public parking spaces in suitable public works projects and assess its cost effectiveness. The Transport and Logistics Bureau (TLB)/TD drew up a circular which sets out the feasibility of including public parking spaces in suitable public works projects. TLB/TD are consulting relevant B/Ds and discussing how to optimise the proposed amendments with a view to finalising the details.
Para. 110 (Page 46, 1st bullet, item (b)) of the PAC Report	PAC notes that the internal guidelines are being revised to require all government departments to consult TD on the need to provide public car parks during the early stage of project planning.	

**Monitoring of charitable fund-raising activities
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 6: The way forward		
<p>Para. 6.11 of the Audit Report</p>	<p>Audit has recommended that the then Secretary for Home Affairs should –</p> <p>(a) expedite the consultation with relevant bureaux/departments (B/Ds) with a view to formulating a response to all the recommendations of the Law Reform Commission (LRC) Report; and</p> <p>(b) take into account the areas for improvement identified in this Audit Report (such as enhancing the transparency and accountability of charitable fund-raising activities, and improving the co-ordination of the licensing departments in their licensing and monitoring of these activities), in co-ordinating inputs from relevant B/Ds for formulating a response to the LRC's recommendations for the Government's consideration.</p>	<p>The Home and Youth Affairs Bureau (HYAB) has been tasked to co-ordinate inputs from relevant B/Ds in formulating a response to LRC's recommendations.</p> <p>The Government introduced and implemented a series of administrative measures relating to charitable fund-raising activities in two phases in 2018 and 2019 with reference to the recommendations in the LRC Report, the Audit Report and the PAC Report, with a view to optimising the monitoring work relating to charitable fund-raising activities. The Government will continue to keep in view the need for legislative amendments as appropriate.</p>
<p>Page 42 of the PAC Report</p>	<p>PAC urged the former HAB to –</p> <p>(a) expedite the consultation with relevant B/Ds with a view to formulating a substantive response to all recommendations in the LRC Report; and</p> <p>(b) take into account the areas for improvement identified in the PAC Report and the Audit Report in co-ordinating inputs</p>	<p>Besides, the reply made in response to Hon Carmen KAN Wai-mun's written question regarding the "Monitoring of charitable institutions" raised at the Legislative Council meeting on 6 November 2024 pointed out the administrative measures that the Government introduced to enhance the transparency and accountability of charitable fund-raising activities. The relevant reply can be found at the following link –</p> <p>https://www.info.gov.hk/gia/general/202411/06/P2024110600250.htm</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	from relevant B/Ds for formulating a substantive response to the LRC's recommendations with a concrete timetable for action.	

**Government's support and monitoring of charities
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Administration of tax exemption of charities and tax-deductible donations		
Page 71 of the PAC Report	PAC strongly urged the Administration to review which B/Ds should be more appropriate to be responsible for the overall regulation and monitoring of the operation of charities, such as making sure the charities comply with their governing instruments, bearing in mind that Inland Revenue Department's main duty is to administer tax-related matters.	HYAB (formerly known as HAB) has been tasked to co-ordinate inputs from relevant B/Ds for formulating a response to LRC's recommendations. In following up the co-ordination, HYAB has taken into account improvement measures recommended in the Audit Report and the PAC Report.
Part 6: The way forward		
Para. 6.6 of the Audit Report	Audit has recommended that the Secretary of Home Affairs should take into account the areas for improvement identified in the Audit Report (see para. 6.4 of the Audit Report) in coordinating inputs from relevant B/Ds for formulating a response to LRC's recommendations for the Government's consideration.	HYAB has been tasked to co-ordinate inputs from relevant B/Ds for formulating a response to LRC's recommendations.
Page 69 of the PAC Report	<p>PAC strongly urged HAB to –</p> <p>(a) expedite the consultation with the relevant B/Ds to formulate a substantive response to all LRC's recommendations, taking into account the areas for improvement identified in the PAC Report and the Audit Report; and</p> <p>(b) explore administrative measures to improve the transparency and accountability of charities with a view to providing better safeguards to the public.</p>	<p>The Government introduced and implemented a series of administrative measures relating to charitable fund-raising activities in two phases in 2018 and 2019 with reference to the recommendations in the LRC Report, the Audit Report and the PAC Report, with a view to optimising the monitoring and supportive work relating to charitable fund-raising activities. The Government will continue to keep in view the need for legislative amendments as appropriate.</p>

Management of squatter and licensed structures
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Monitoring of squatter and licensed structures		
Para. 2.42(a) of the Audit Report	Audit has recommended that, in monitoring squatter structures, the Director of Lands should take appropriate enforcement actions on surveyed Squatter Structures (SS structures) A1, A2, B1, B2, C2, D, E, F1, F2, G, H and I as well as the 48 SS structures located along the seafront in Kowloon in a timely manner.	<p>Regarding the area in question (i.e. the area of Lei Yue Mun, Kowloon), LandsD and the Development Bureau (DEVB) continue to review the approach for regularising SS structures by way of short term tenancies (STTs) and/or short term waivers (STWs).</p> <p>SS structures, which conform with the registered use, dimensions, etc., are in general tolerated and not required to pay rent to the Government. Nonetheless, where the SS structures do not conform with the squatter control survey record (e.g. extension, addition and change of use), STTs and/or STWs to be issued for regularising such SS structures would generally require the payment of full market rent/fee to reflect the economic value arising from their continued occupation after regularisation, which would otherwise not be tolerated under the squatter control policy.</p> <p>In view of the Government's initiative to enhance the facilities along the relevant waterfront in Kowloon and integrate district resources to promote tourism in the area, LandsD and DEVB will consult relevant policy B/Ds on the proposed regularisation scheme in order to firm up its framework and content, and will formulate the implementation schedule and arrangement having regard to the prevailing economic situation and stakeholders' views.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 3: Rates, Government rent and licence fees on squatter and licensed structures		
Para. 3.25(a) of the Audit Report	Audit has recommended that the Director of Lands should expedite actions on conducting a review of the Government Land Licence (GLL) fee levels.	LandsD and DEVB continue to review the handling of fee levels of various categories of GLL. By early April 2025, there were a total of 14 587 valid GLLs covering domestic and non-domestic uses. Since these structures involving GLL have been in place for decades and the relevant fees have been relatively low due to historical reasons, the review is not the same as an ordinary government fee review. Besides, considering that a number of GLL holders are grass-roots households and small business operators, and given the prevailing economic situation along with the burden imposed on GLL holders by fee adjustments, the Government shall prudently formulate the way forward in handling GLL.

Regulation of non-franchised bus and school private light bus services
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Administration of licensing requirements		
Para. 2.29 of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(d) consider streamlining the licensing requirements of Passenger Service Licence Certificates (PSLCs), such as examining the feasibility of –</p> <p>(ii) aligning the validity periods of PSLCs and related Passenger Service Licences (PSLs).</p>	<p>TD consulted the relevant stakeholders in late 2023 and early 2024 on the recommendation. In response to the stakeholders' views, TD met with the non-franchised bus (NFB) trade again in mid-2024. TD is following up on the views received and the relevant work, including studying the relevant legislative amendment and conducting relevant system upgrades.</p>
Part 3: Regulatory controls over unauthorised operations		
Para. 3.35 of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should strengthen enforcement actions against unauthorised NFB operations. In particular, the Commissioner for Transport should –</p> <p><i>Enforcement actions against unauthorised operations</i></p> <p>(d) improve the efficiency and effectiveness of the enforcement actions, including –</p>	

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(ii) exploring feasible measures to plug the loophole in the existing inquiry mechanism whereby an offending PSL holder can avoid sanctions by transfer of ownership of vehicles.	TD consulted the relevant stakeholders in late 2023 and early 2024 on the recommendation. In response to the stakeholders' views, TD met with the NFB trade again in mid-2024. TD is consolidating the views received and carrying out the relevant work, including studying the relevant legislative amendments.

Operation of the Land Registry
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 3: Implementation of Land Title Registration System		
Para. 3.31(a) of the Audit Report	Secretary for Development (SDEV) and the Land Registrar (LR) should fully assess the complexity of the issues and the work involved in taking forward the implementation of the Land Title Registration System (LTRS).	The Government continues to actively pursue the implementation of the LTRS on newly granted land first (i.e. “new land first” proposal) in order to enable early implementation of the LTRS in Hong Kong.
Para. 3.31(b) of the Audit Report	SDEV and LR should set a target LTRS implementation date and devise an action plan with a timetable for implementing the LTRS as soon as practicable, having regard to the assessment of the complexity of the issues and the work involved, views of stakeholders and the experience gained in the past years.	<p>The Land Registry briefed the LTOSC on 6 January 2025 on the latest developments and the implementation plan and received its support.</p> <p>DEVB and the Land Registry also consulted the Legislative Council (LegCo) Panel on Development on 24 January 2025 on the proposed amendments to the Land Titles Ordinance to implement the “new land first” proposal and received its general support.</p>
Para. 3.31(c) of the Audit Report	SDEV and LR should report the target LTRS implementation date and submit the action plan to the Land Titles Ordinance Steering Committee (LTOSC) for consideration.	<p>The Government introduced the Registration of Titles and Land (Miscellaneous Amendments) Bill 2025 (the bill) to LegCo on 19 March 2025. If the bill is passed by end of 2025, we will submit the subsidiary legislation for vetting by the LegCo and launch publicity and educational activities in 2026. Subject to the legislative progress mentioned above, LTRS is expected to be implemented on new land in first half of 2027.</p> <p>Meanwhile, the Government is conducting analysis into title issues of existing land, with a view to examining options for gradually converting existing land to the LTRS. We aim to</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		put forward suggestions for early discussion with key stakeholders in 2026.

District Health Centre Scheme
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Provision of services by the Kwai Tsing District Health Centre		
Para. 2.14 of the Audit Report	<p>Audit has recommended that the Secretary for Health should –</p> <p>(c) consider disclosing the service output targets and the attainment of District Health Centres (DHCs) to the public.</p>	<p>Performance indicators including “DHC new members received information and knowledge on Life Course Preventive Care (LCPC) together with individualised LCPC health advice” and “Seasonal flu vaccination rate” of the DHCs have been made accessible to the public on the DHC website since December 2024.</p> <p>As the follow-up action of the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>

**Management of minor works by the Buildings Department
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Processing of minor works submissions		
Para. 2.41 of the Audit Report	<p>Audit has recommended that the Director of Buildings (DB) should –</p> <p>(b) enhance the monitoring of follow-up actions on irregularities found during the Buildings Department (BD)'s audit checks of minor works (MW) submissions;</p> <p>(d) take measures to ensure that advisory letters and warning letters are timely issued for MW submissions with irregularities found during BD's audit checks;</p> <p>(e) take measures to ensure that warning letters are issued for submissions with major irregularities identified during BD's audit checks of MW submissions; and</p>	<p>(b), (d) and (e)</p> <p>BD has made better use of the Minor Works Management System (MWM System), for instance, by generating management reports from the MWM System to replace the current practice of using spreadsheets for timely monitoring of follow-up actions on irregularities found.</p> <p>The system enhancement for generating management reports for irregularities found during audit check and the enhancement for monitoring of non-compliant MW submissions, including the timely issuance of advisory letters and warning letters, has been commenced in February 2024. Testing for the said enhancements was completed and the enhanced MWM System was launched in December 2024.</p> <p>As the follow-up actions have been implemented, we recommend deleting this part from the next progress report.</p>
	(f) take measures to ensure that warranted non-compliant MW submissions are timely referred for instigating prosecution actions and within the statutory time bar period for prosecution.	(f) BD has made better use of the MWM System by adding an alert function concerning the non-compliant MW submissions to ensure timely referral of these cases for instigating prosecution actions within the statutory time-bar period. The addition of alert function for instigating prosecution actions against non-compliant

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>cases was initiated in February 2024. Testing for the said enhancements was completed and the enhanced MWM System was launched in December 2024.</p> <p>As the follow-up actions have been implemented, we recommend deleting this part from the next progress report.</p>
Part 3: Management of prescribed registered contractors for minor works		
Para. 3.31 of the Audit Report	<p>Audit has recommended that DB should –</p> <p>(a) instigate disciplinary proceedings against Registered Minor Works Contractors involving malpractice expeditiously, including making timely referral of the cases to the Legal Services Section (LSS); and</p> <p>(b) take measures to make better use of information technology (e.g. MWM System) to keep track of progress of instigating disciplinary proceedings on cases concerned for monitoring purpose.</p>	<p>BD has made better use of the MWM System (e.g. generation of monitoring reports) to ensure timely referral of cases to LSS for disciplinary actions. The addition of alert function for instigating disciplinary actions against non-compliant cases was initiated in February 2024. Testing for the said enhancements was completed and the enhanced MWM System was launched in December 2024.</p> <p>As the follow-up actions have been implemented, we recommend deleting this part from the next progress report.</p>
Part 4: Other related issues		
Para. 4.9 of the Audit Report	<p>Audit has recommended that DB should -</p> <p>(b) take measures to ensure that applications under validation schemes are timely processed and ascertain the reasons for the long outstanding cases; and</p>	<p>BD has enhanced the MWM System (e.g. regular generation of monitoring reports) and made use of it to monitor progress of applications received so as to ensure timely processing of the validation applications. Relevant enhancement work commenced in February 2024. Testing for the said enhancements was completed and the</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) consider making use of MWM System for maintaining records on applications received under the Signboard Validation Scheme.	enhanced MWM System was launched in December 2024. As the follow-up actions have been implemented, we recommend deleting this part from the next progress report.
Para. 4.17 of the Audit Report	Audit has recommended that DB should – (c) take measures to ensure that relevant guidelines for the Minor Amenity Feature Validation Scheme (MAFVS) are timely updated to incorporate the latest information.	The revamped Technical Guidelines on Minor Works Control System, which included the guidelines for MAFVS, were published in February 2025. As the follow-up actions have been implemented, we recommend deleting this part from the next progress report.

Licensing of food premises
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Processing of applications for new food business licences and permits		
Para. (b) on Page 87 of the PAC Report	PAC has recommended that the Food and Environmental Hygiene Department (FEHD) should make good use of technology to streamline the procedures for processing applications and enhance communication with B/Ds as well as the applicants, including exploring the feasibility of expanding the scope of and advancing the timeframes for implementing Licensing Management Information System (LMIS) 2 and LMIS 3 to meet service needs.	FEHD will closely monitor the development progress of LMIS 3. The system is expected to be rolled out in 2025.
Para. (a) on Page 88 of the PAC Report	PAC has urged that FEHD should devise measures to plug the current loophole whereby an unscrupulous ex-licensee, whose food business licence/provisional licence/restricted food permit has been suspended or cancelled, can apply for a new licence/permit on other premises to resume his/her business again.	<p>At present, FEHD has put in place measures to prevent the licensee of a food business whose licence has been cancelled and persons related to such business from applying for a licence/permit again at the same location within 12 months after licence cancellation. After review, FEHD considered that the existing measures have already achieved a considerable deterrent effect, and at the same time providing operators who have violated the regulations an opportunity to operate in compliance with the regulations in other premises. FEHD will continue to review the measures as necessary.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. (d) on Page 89 of the PAC Report	PAC has urged that FEHD should establish a referral mechanism for cases of unlicensed food premises between FEHD and relevant B/Ds, in particular BD and the Fire Services Department (FSD) in view of the potential risks to public safety.	<p>FEHD has referred each new case of unlicensed food premises being prosecuted to FSD and BD for follow-up action.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. 2.51(a) of the Audit Report	Audit has recommended that Director of Food and Environmental Hygiene (DFEH) should enhance monitoring of the compliance with the timeframes set out in FEHD's guidelines for processing applications for restricted food permits.	<p>FEHD has added a new function to LMIS to send email alerts on the major timeframes involved in processing applications, so that frontline staff are reminded to take corresponding actions as scheduled.</p> <p>Separately, FEHD has required supervisors of case officers and other senior management staff to regularly monitor the progress of restricted food permit applications, to identify the reasons for long processing time for certain cases as early as possible and to devise solutions.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Part 3: Management of food business licences and permits		
Para. 3.12(d) of the Audit Report and	Audit has recommended that DFEH should consider setting a timeframe for the submission of interview results for seeking approval for food business licence/permit transfer applications in FEHD's guidelines.	FEHD is reviewing its various guidelines and timeframes and will set an appropriate timeframe for the submission of interview results to facilitate compliance by all parties. The relevant guideline is expected to be updated within the first half of 2025.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. (d) on Page 87 of the PAC Report	PAC has urged FEHD to set target processing times for different types of business licence/permit applications as well as transfer and renewal of licences/permits, and monitor the compliance with the timeframes set out in FEHD guidelines, in particular the cases with longer processing times.	
Para. 3.19(a) of the Audit Report	Audit has recommended that DFEH should enhance the renewal procedures for food business licences/permits to ensure that only eligible applicants can renew their licences/permits.	<p>Apart from continuing to conduct risk-based verification checks, FEHD has improved the renewal procedures by requiring corporate licensees/permittees to confirm in the application form that their company registration is still valid. Any person making a false declaration will be held criminally liable and the license/permit will be cancelled.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. (a) on Page 89 of the PAC Report	PAC has urged that FEHD should review whether the current regulatory measures are effective to curb the act of carrying on unlicensed food business before the issue of provisional licence as prosecution action taken against unlicensed food business will not affect FEHD's processing of licence applications, and consider adopting new measures, for example, rejecting the licence application and debarring the same applicant from applying for the same type of licence for the same premises for a certain period of time.	Apart from prosecution, FEHD has in recent years been more proactive in applying to the court for closure orders in respect of premises which have been persistently operating without a license, with a view to curbing non-compliance. FEHD is considering the views of the trade on whether other measures should be taken to deal with unlicensed operation of food businesses before provisional licenses are issued.

Para. No.	Audit/PAC's Recommendations	Progress to Date
<p>Para. 3.37(c) of the Audit Report</p> <p>and</p> <p>Paras. (d) and (e) on Page 87 of the PAC Report</p>	<p>Audit has recommended that DFEH should review FEHD's performance measures for processing food business licence/permit applications, including the need for setting target processing time for restricted food permits and taking follow-up actions as appropriate.</p> <p>PAC has urged that FEHD should –</p> <p>(a) consider setting realistic performance pledges for processing different types of food business licence/permit applications for members of the public's reference; and</p> <p>(b) consider setting quantifiable key performance indicators for measuring and evaluating the performance of the Environmental Hygiene Branch in processing applications for various food business licences/permits, in particular the increase in productivity of staff and the reduction of time in processing applications after the implementation of LMIS 2 and LMIS 3.</p>	<p>FEHD has added new management reports to LMIS in February 2024, through which supervisors of case officers and other senior management staff can regularly monitor the processing time of all applications, so as to identify the reasons for the long processing time for certain cases as early as possible and to work out solutions.</p> <p>Separately, FEHD added a new function to LMIS in September 2024 to send email alerts on the major timeframes involved in processing restricted food permit applications, so that frontline staff are reminded to take corresponding actions as scheduled.</p> <p>Having reviewed the various processes, procedures and guidelines under the licensing regime, FEHD is of the view that there are sufficient and clear measures in place to monitor the progress of permit applications, and that the actual processing time of applications is affected by factors such as the completeness of information submitted by applicants, and the progress of applicants in complying with the licensing conditions, etc. FEHD does not intend to set any target processing time for restricted food permit at present.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>

**Maintenance and modernisation of lifts and escalators
in public rental housing estates
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Maintenance of lifts and escalators		
Pages 119 and 120 of the PAC Report	PAC has recommended that the Housing Department (HD) should make continuous efforts in exploring new technologies to facilitate early identification of areas requiring attention or rectification in lifts and escalators (L/E) maintenance and timely submission of quarterly inspection reports by L/E contractors in a comprehensive manner to enhance the serviceability of L/E.	<p>The Hong Kong Applied Science and Technology Research Institute (ASTRI) has completed the installation of sensors in trial sites and is fine-tuning the Artificial Intelligence (AI) analytic module with the lift data collected, expecting to reduce the downtime of lifts through remote, real-time monitoring and accurate breakdown predictions. HD will continue to work closely with ASTRI to assess the effectiveness of the AI system.</p> <p>HD reviews the submission of L/E quarterly inspection reports by contractors at the end of each quarter. Reminder emails or warning letters will be issued to contractors who fail to comply with the requirement. In addition, the quarterly inspection reports has been included as a standard agenda item in the regular contract meetings to review the performance of contractors in submitting the reports.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
<p>Para. 2.36(b) of the Audit Report</p> <p>and</p> <p>Page 120 of the PAC Report</p>	<p>Audit has recommended that the Director of Housing (DoH) should keep in view the adoption of digital log-books (DLBs) for L/E maintained by HD.</p> <p>PAC has recommended that HD should step up efforts in achieving full implementation of DLBs by requiring all L/E contractors to adopt DLBs, and remind contractors the importance of maintaining proper documentation as required by term maintenance contracts (TMCs) and the relevant L/E legislation.</p>	<p>Paper-bound log-books for L/E had been phased out by three stages starting from 1 September 2024. HD has adopted DLBs for all L/E with effect from 1 April 2025.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
<p>Page 119 of the PAC Report</p>	<p>PAC has recommended that HD should review the scoring mechanism operated under Building Services Maintenance Assessment Scoring System (BSMASS), and consider imposing penalties as appropriate on L/E contractors who fail to perform the duties as required by TMCs and the relevant L/E legislation.</p>	<p>After consultation with the lift industry, HD had revised the scoring mechanism operated under BSMASS. The revised scoring mechanism had been implemented since October 2024.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
<p>Part 3: Lift Modernisation Programme</p>		
<p>Para. 3.13(b) of the Audit Report</p>	<p>Audit has recommended that the DoH should expedite the partial Lift Modernisation (LM) works in Shopping Centre A in conjunction with the fire safety improvement works.</p>	<p>HD had completed the procurement process and awarded the contracts for the partial LM works. It was anticipated that the site work for one lift will be completed by 2025-26 while that for the other one will be completed by 2026-27.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 3.13(c) of the Audit Report	Audit has recommended that the DoH should keep in view the need of carrying out full/partial modernisation works for aged lifts included in the tentative long-term LM Programme, taking into consideration factors such as breakdown rates, technical feasibility, cost effectiveness and suspension time.	<p>HD has selected two housing estates to implement the partial LM works as trial. Tender for one of the estates was awarded in August 2024 with seven qualified lift contractors submitting the bids. All of them confirmed the compatibility amongst the retained lift components, prevalent building works provisions and the lift components to be replaced. Partial LM tender for another estate was issued in February 2025, with tender closing in April 2025. Compared to the typical suspension period for lifts of 7.5 to 10.5 months, the shut-down period for lifts with partial LM works is expected to be shortened to around five months, thereby enhancing the overall effectiveness of LM works.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.13(d) of the Audit Report	Audit has recommended that the DoH should remind District Maintenance Offices/Property Services Agents to check the data accuracy such that all lifts with service years of 25 or more are evaluated annually in accordance with Hong Kong Housing Authority (HA)'s strategy towards LM.	<p>The enhanced information technology system will issue regular reminder emails to responsible staff for conducting annual evaluation for lifts. The first batch of reminder emails was issued automatically in early July 2024.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
<p>Para. 3.23(b) of the Audit Report</p> <p>and</p> <p>Page 122 of the PAC Report</p>	<p>Audit has recommended that the DoH should take measures to reduce the lift shut-down period in order to minimise the disruption to lift users as far as practicable.</p> <p>PAC has strongly urged HA/HD to –</p> <ul style="list-style-type: none"> • make continuous efforts to review and enhance the efficiency of the process for LM works so as to minimise the disruption to lift service arising from the shut-down for the modernisation works; and • make every effort to expedite the implementation of the LM Programme, while taking into account the resource constraint and the affordability of the lift industry. 	<p>In addition to the trial of partial LM works, HD had worked with the Lift and Escalator Contractors Association (LECA) to review the LM project management, work procedures, capacity of the industry, etc. with a view to expediting the implementation of LM works without compromising safety. LECA has also pledged to explore methods with its members to speed up the implementation of the LM Programme.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Provision of barrier-free facilities in public rental housing estates
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Barrier-free access and facility improvement programmes		
Para. 2.22(a) of the Audit Report	Audit has recommended that DoH should review the application process for adaptation works with a view to shortening the processing time as far as practicable.	<p>HD has reviewed the application procedures for adaption works. The updated procedures were implemented in July 2024. HD has also revised its internal guideline to facilitate its frontline staff in processing applications for such works.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
Para. 2.22(d) of the Audit Report	Audit has recommended that DoH should step up efforts in obtaining consent for the installation of Visual Fire Alarm (VFA) systems from Incorporated Owners (IOs) of the estates under Tenants Purchase Scheme, Buy or Rent Option Scheme and Home Ownership Scheme.	<p>HD continues to persuade the relevant IOs in regular meetings to obtain their consents for the installation of VFA systems. Moreover, during the annual meeting held on 9 October 2024 with NGOs providing services to persons with disability, HD has once again promoted the installation of VFA systems to public rental housing households with hearing-impaired family members.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 3: Lift Addition Programme		
Para. 3.17(b) of the Audit Report	Audit has recommended that DoH should closely monitor the progress of the detailed feasibility studies with a view to further expediting the implementation of the two lift addition proposals mentioned in para. 3.10(c).	Detailed feasibility study for the first proposal is in progress and is targeted to be completed in the second quarter of 2025. As for the second proposal, the detailed feasibility study will be conducted upon obtaining agreement from the co-owner. HD would keep liaising with the co-owner through various ways, including

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>holding meetings and issuing persuading letters, with a view to expediting the process of securing the co-owner's consent.</p> <p>As the recommendation has been implemented and will continue to be pursued, we recommend deleting this part from the next progress report.</p>
Part 4: Retrofitting lifts at walkways relating to housing estates under Universal Accessibility Programme		
Para. 4.25(b) of the Audit Report	Audit has recommended that the Director of Highways should make continued efforts in expediting the completion of outstanding lift retrofitting works mentioned in para. 4.22.	<p>Regarding the three outstanding lift retrofitting items mentioned in para. 4.22 of the Audit Report, one of them was completed for public use in December 2023. The other two lift retrofitting items were re-commenced in mid-2024 and scheduled for completion in the third quarter of 2025 and the first quarter of 2026 respectively. The Highways Department has completed the procedures for recovering the delay damages from the contractor due to partial project delay and additional costs incurred as a result of restarting the relevant works.</p> <p>As the recommendation has been implemented, we recommend deleting this part in the next progress report.</p>

Regulatory control of food premises
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Regulatory control of licensed and permitted food premises		
Paras. 2.31(c) and (d) of the Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(c) take measures to ensure that first and routine inspections to licensed/permitted food premises are conducted in accordance with the timeframes and frequencies specified in the FEHD guidelines; and</p> <p>(d) take measures to ensure that first and regular test buying of restricted foods online, and supervisory checks of permitted food premises engaging in online sale of restricted foods are conducted in accordance with the timeframes and frequencies specified in FEHD guidelines.</p>	<p>FEHD has reminded frontline staff to strictly follow the operational guidelines. In addition, FEHD is developing LMIS 3, with new features including issuing timely reminders to the officers concerned to conduct first and routine inspections as well as test buying of restricted food online in accordance with the guidelines, and monitoring of such work. The new system is expected to be rolled out in 2025.</p>
Para. 2.31(h) of the Audit Report	<p>Audit has recommended that DFEH should enhance FEHD guidelines to clearly specify the follow-up actions required in case the test buying could not be successfully conducted (e.g. when a selected food item is repeatedly out of stock).</p>	<p>FEHD is reviewing the relevant operational guidelines, which are expected to be updated within the first half of 2025.</p>
Para. 2.31(j) of the Audit Report	<p>Audit has recommended that DFEH should rationalise the timeframes for follow-up actions on critical or serious violations identified during inspections of food premises.</p>	<p>Having reviewed the various guidelines and timeframes, FEHD considers that it has already taken appropriate follow-up actions (such as immediate prosecution action or followed up under the Warning Letter System (WLS)) in respect of major or serious non-compliance. As for minor non-compliance, clear guidelines have been set for front-line staff to follow.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>FEHD has reminded front-line staff to strictly follow the relevant guidelines.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. 2.31(k) of the Audit Report	Audit has recommended that DFEH should take measures to ensure that irregularities identified during inspections are rectified in a timely manner and follow-up actions are documented in inspection reports.	FEHD has reminded frontline staff to strictly follow the operational guidelines. In addition, LMIS 3 will include a reminder function. The new system is expected to be rolled out in 2025.
Paras. 2.46(a) and (e) of the Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) consider taking measures to enhance the recording of demerit points registered and warnings issued for monitoring purpose; and</p> <p>(e) compile management information for reviewing the implementation of WLS with a view to identifying room for improvement.</p>	FEHD has reminded frontline staff to strictly follow the operational guidelines. In addition, LMIS 3 will include an additional function to record enforcement and regulatory actions taken, which will facilitate the compilation of management information. The new system is expected to be rolled out in 2025.
Paras. 2.46(b) to (d) of the Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(b) for section 4A offence, consider conducting a comprehensive review of the guidelines for assessing follow-up actions under the “no encroachment” licensing condition to enhance the deterrent effect;</p>	After reviewing the specific proposals on regulation of food business, FEHD issued new guidelines to frontline staff in August 2024 on how to effectively utilize different enforcement tools to deal with illegal extension of business area by food premises of varying severity, with a view to increasing the penalties and deterrent effect on persistent offenders. Such enforcement actions have been effective and the number of cases of illegal extension of

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(c) review the need for imposing sanctions under the Demerit Points System (DPS) and the WLS for section 4A offence with a view to enhancing the deterrent effect, particularly for repeated offenders;</p> <p>(d) review the mechanism of suspension and cancellation of food business licences under DPS with a view to enhancing the deterrent effect, particularly for repeated offenders; and</p>	<p>business area by food premises has decreased. FEHD will continue to review the relevant systems and enforcement arrangements as necessary.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. 2.54 of the Audit Report	Audit has recommended that DFEH should consider reviewing the assessment criteria for considering not suspending the execution of licence suspension/cancellation pending the appeal results so that warranted cases are covered.	<p>Regarding the specific proposals on regulation of food business, FEHD has reviewed the existing appeal mechanism, including the number and nature of appeals lodged with the Licensing Appeals Board in the past to ascertain whether there is any abuse. The Department is of the view that there are specific and clear assessment criteria for determining whether the suspension/cancellation of a license should be paused while pending the outcome of an appeal. FEHD will continue to review the relevant arrangements as necessary.</p> <p>As the follow-up actions for this item have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. 2.64 of the Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) take measures to ensure that monthly records of inspections to food premises are maintained by the District Environmental Hygiene Offices (DEHOs) in accordance with FEHD</p>	FEHD has reminded frontline staff to strictly follow the operational guidelines and to keep the relevant records. FEHD has issued updated guidelines to frontline staff in December 2024 specifying the frequency of inspection of various permitted food premises.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>guidelines and the inspection numbers are accurately recorded in the Environmental Hygiene Statistical Information System;</p> <p>(b) consider reviewing the reporting basis for the performance pledge for inspections to licensed food premises;</p> <p>(c) take measures to ensure the accuracy and completeness in reporting the achievement of the performance pledge, including maintaining documentation to support the achievement reported;</p> <p>(d) consider the need for setting performance pledge for inspections of permitted food premises;</p> <p>(e) take measures to ensure the accuracy and completeness of the number of food business licences suspended/cancelled reported in FEHD's Controlling Officer's Report;</p> <p>(f) take measures to ensure that FEHD guidelines on issuing press releases for suspension and cancellation of food business licences are complied with; and</p> <p>(g) ensure that capabilities are incorporated in LMIS 3 to address the issues relating to regulatory control of licensed/permitted food premises identified in this Audit Report as far as practicable.</p>	<p>In addition, LMIS 3 will include the recording function, including records of inspections conducted and suspension/cancellation of food business licences. The new system will also include an inspection reminder function, and arrange frontline staff to conduct inspections according to the frequency applicable under the Risk-based Inspection System. The new system is expected to be rolled out in 2025.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 3: Regulatory control of unlicensed food premises		
Para. 3.7 of the Audit Report	<p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) consider reviewing FEHD's practice in identifying unlicensed food premises and take follow-up actions as appropriate; and (b) closely monitor the number of unlicensed food premises, including the characteristics of unlicensed food business activities in the districts with a view to formulating appropriate measures to address the issues. 	<p>FEHD has arranged dedicated staff to strengthen the work on the collection and analysis of intelligence on unlicensed food premise in order to support the enforcement actions by frontline staff in the districts. In addition, FEHD is reviewing the operational guidelines on unlicensed food premises with a view to formulating suitable enhancement measures.</p> <p>FEHD is also developing a dedicated management information system to record and report the enforcement and regulatory work relating to unlicensed food premises, with a view to facilitating case monitoring and data analysis. The new system is expected to be rolled out in 2025.</p>
Para. 3.27 of the Audit Report	<p>Audit has recommended that DFEH should take measures to ensure that –</p> <ul style="list-style-type: none"> (a) inspections are conducted to unlicensed food premises in accordance with the required timeframes/frequencies and the reasons for deviations are documented as required; (b) complaints against unlicensed food premises are replied timely in accordance with FEHD guidelines; (c) Health Inspectors of all DEHOs comply with the requirements stipulated in FEHD guidelines for using official notebooks; 	<p>FEHD reminded frontline staff of all ranks to strictly follow the operational guidelines and maintain relevant records, and reminded management staff to tighten the supervision of frontline staff. In addition, FEHD has reviewed its various guidelines and timeframes and considered that frontline staff have already had clear guidelines to follow.</p> <p>In addition, FEHD is developing a dedicated management information system to record and report the enforcement and regulatory work relating to unlicensed food premises, with a view to facilitating case monitoring and data analysis. The new system is expected to be rolled out in 2025.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(d) Senior Health Inspectors of all DEHOs comply with the requirements stipulated in FEHD guidelines for checking official notebooks; and</p> <p>(e) standard inspection forms are used properly to record details of inspections of unlicensed food premises as required, and the inspections forms are submitted to and reviewed by the Senior Health Inspectors timely.</p>	
<p>Paras. 3.36(a) to (e) of the Audit Report</p>	<p>Audit has recommended that DFEH should –</p> <p>(a) review the practices of different DEHOs in conducting summary arrest operations with a view to improving the arrangements of the operations;</p> <p>(b) consider publicising the conduct of summary arrest operations on FEHD website as appropriate;</p> <p>(c) take measures to ensure that all DEHOs comply with the relevant requirement on maintaining and updating the list of targets for summary arrest operations;</p> <p>(d) take measures to ensure that summary arrest operations are conducted in accordance with FEHD guidelines and justifications are documented for not doing so; and</p> <p>(e) review the practice in reporting unlicensed food premises in the District Action Plans with a view to providing more</p>	<p>FEHD has reminded all frontline staff in the districts to strictly follow the operational guidelines and maintain relevant records. FEHD will announce the arrests through press releases according to the severity of the cases.</p> <p>FEHD is reviewing the relevant operational guidelines to facilitate continuous monitoring by senior management staff on the arrangements for immediate arrests, target lists and whether any of the same proprietors continue to operate without licences in the districts. The guidelines are expected to be updated within the first half of 2025.</p> <p>In addition, FEHD will incorporate the functions of preparing target lists for immediate arrest and keeping relevant records into the Licensing Management Information System – Unlicensed Premises. The new system is expected to be rolled out within 2025.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	management information on premises with persistent unlicensed food business operations by the same proprietor for determining the appropriate actions.	
Part 4: Other related issues		
Paras. 4.13(c) to (e) of the Audit Report	<p>Audit has recommended that the DFEH should –</p> <p>(c) enhance publicity and public awareness of the restrictions over pets' entrance to food premises under the law;</p> <p>(d) review the practice in conducting inspections to pet-friendly restaurants and take follow-up actions as appropriate (e.g. conducting inspections during weekends or public holidays); and</p> <p>(e) keep under review the need for reviewing the relevant law on pets' entrance to food premises, taking into account Mainland/overseas experience, public views and the changing circumstances.</p>	The Environment and Ecology Bureau and FEHD are conducting research on practices and experiences in other places, and will take note of the views of the public regarding bringing dogs into food premises, so as to prudently examine whether there is room for relaxing the relevant restrictions.
Para. 4.37 of the Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) closely monitor the implementation of LMIS 3 project with a view to ensuring that the project is completed on time and is within budget; and</p>	The LMIS 3 system is expected to be rolled out in 2025. FEHD is closely monitoring the development progress and conduct regular review meetings to ensure that it will be rolled out as scheduled.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) learn from the experience of LMIS projects in implementing other information technology projects in future.	

**The Chinese University of Hong Kong:
Campus facilities operated by external entities
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 3: Monitoring of operations of campus facilities		
Para. 3.23(c) of the Audit Report	Audit has recommended that the Vice Chancellor (VC), Chinese University of Hong Kong (CUHK) should take measures to ensure that the caterers obtain restricted food permits for the sale of restricted foods specified in the Food Business Regulation.	<p>Among the 18 caterers identified by Audit, four immediately ceased selling restricted food items, whereas the remaining 14 have obtained the relevant permits.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
Part 4: Other issues		
Para. 4.27(a) of the Audit Report	Audit has recommended that the VC, CUHK should take measures to ensure that barrier-free facilities are provided at the campus facilities operated by external entities as far as practicable, taking reference from the Building (Planning) Regulations and the Design Manual – Barrier Free Access.	<p>CUHK has completed the installation of barrier-free facilities in the five campus facilities operated by external entities as identified by Audit.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>

Nano and Advanced Materials Institute
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Project management		
Para. 2.14 of the Audit Report	<p>Audit has recommended that the Chief Executive Officer (CEO), Nano and Advanced Materials Institute (NAMI) should –</p> <p>(a) take measures to ensure that the target numbers of Innovation and Technology Fund (ITF) - funded projects commenced/completed are met;</p>	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> • conducted detailed market demand analyses to determine market trend and technology development direction in setting the target; • strengthened co-operation with the industry and organise seminars regularly with relevant departments/organisations; • strengthened the monitoring function of Project Administration Team to enhance the management of different stages of project from commencement to completion; • established a strict project monitoring mechanism to closely monitor projects' progress and promptly solve problems to ensure projects are completed as planned; and • required research staff to conduct preliminary research and characterisation tests before start of project, in order to identify potential technical difficulties in advance, thereby reducing the risk of project delay and improving project efficiency. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) document the reasons why the actual numbers of ITF-funded projects commenced/completed were less than the targets;	<p>NAMI will continue to monitor the progress on meeting target numbers, and to ascertain and document reasons for shortfalls as well as recommending follow-up actions.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(c) take measures to ensure that ITF-funded projects commence and are completed in a timely manner;	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> • enhanced quality of project proposals; • strengthened the monitoring function of Project Administration Team to enhance the management of different stages of project from commencement to completion; • established a strict project monitoring mechanism to closely monitor projects' progress and promptly solve problems to ensure projects are completed as planned; and • required research staff to conduct preliminary research and characterisation tests before start of project, in order to identify potential technical difficulties in advance, thereby reducing the risk of project delay and improving project efficiency. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) take measures to ensure that final reports of ITF-funded projects are submitted to the Innovation and Technology Commission (ITC) in a timely manner; and	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> strengthened the accountability of Project Administration Team. Besides issuing earlier reminders to individual project teams for on-time report submission, the team is also required to notify management of follow-up actions taken on potential cases of late submission; and project teams would be held accountable for late submission of final reports without justifiable reasons. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(e) take measures to ensure that –</p> <ul style="list-style-type: none"> (i) post-project evaluation reports are submitted to ITC in a timely manner; and (ii) appropriate follow-up actions are taken on the results of the post-project evaluation reports. 	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> established a regular evaluation mechanism for phased evaluation of projects to identify and solve issues in a timely manner, with project plans adjusted based on the feedback; and actively sought opinions from industry partners, and worked with them to follow up on the post-project evaluation reports that they were required to submit. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 2.21 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) take measures to ensure that the target numbers of contract research projects commenced are met;</p>	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> • conducted detailed market demand analyses to determine market trend and technology development direction in setting the target; • strengthened co-operation with the industry and organised seminars regularly with relevant departments/organisations; and • strengthened the monitoring function of Project Administration Team to enhance the management of different stages of project from commencement to completion. <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(b) ascertain and document the reasons why the actual numbers of contract research projects commenced were less than the targets;</p>	<p>NAMI will continue to monitor the progress on meeting target numbers, and to ascertain and document reasons for shortfalls as well as recommending follow-up actions.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(c) document the rationale for making significant adjustments to the performance targets on the number of contract research projects commenced; and</p>	<p>Starting from the 2025-26 Annual Plan submitted in January 2025, NAMI documented the rationale for making any significant adjustments to the performance targets on the number of projects commenced.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
	(d) consider setting more challenging targets on the income from contract research projects.	<p>In the 2025-26 Annual Plan submitted in January 2025, NAMI set more ambitious targets on the income from contract research projects, with due consideration given to NAMI's technology roadmap, market needs and economic environment.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Para. 56 of the PAC Report (Page 60)	PAC strongly urged that NAMI should having regard to its actual capabilities, consider setting upper and lower targets that are more aggressive yet practicable for all projects to be commenced and completed by it, as well as incomes from projects, so as to tie in with its future development direction.	<p>NAMI indicated that when setting performance targets, it would comprehensively consider factors such as external economic environment, market demand, NAMI's technical development and business development plan and human resources. NAMI would set targets that were both ambitious and feasible in line with its actual capabilities and future development direction.</p> <p>In March 2025, NAMI introduced the upper and lower limit targets for relevant performance indicators for contract research projects in the 2025-26 Annual Plan.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>PAC strongly urged that NAMI should initiate worthwhile projects and those worth pursuing with partners through communication and collaboration with the industry and relevant organisations (including non-local organisations), and closely monitor the project progress to ensure that the targets on numbers of projects commenced and completed, as well as incomes from projects, are met.</p>	<p>Since October 2024, NAMI has improved the patent management (e.g. strengthened monitoring for the progress of pending patents). NAMI will conduct regular market demand analyses, strengthen co-operation with universities, other research institutes and enterprises, as well as enhance market promotion and brand building in the local market, the Mainland China and the “Belt and Road” countries. NAMI will also make continuous improvements in promoting the organic combination of technological innovation and market demand, thereby enhancing its market competitiveness and influence.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Para. 2.36 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) take measures to improve the laboratory safety inspections, including –</p> <p>(i) reminding NAMI staff to complete the laboratory safety inspection reports only after the inspections; and</p> <p>(ii) completing all checking procedures listed on the laboratory safety inspection reports;</p> <p>(b) take measures to ensure that remedial actions are taken on the non-compliance found during the laboratory safety inspections and the details of the remedial actions are documented; and</p>	<p>NAMI implemented the following measures in late 2024 –</p> <ul style="list-style-type: none"> with effect from October 2024, for any non-compliance identified, the personnel in charge of the subject laboratory must document remedial actions or improvement measures in details with photos attached as evidence showing that the issues have been properly followed up. These materials would be submitted to Research and Development (R&D) Director and Chief Technology Officer (CTO) for endorsement. NAMI has set a time limit for relevant Section Heads to review safety inspection reports. Laboratory Safety Team would verify if non-compliance has been rectified during their daily inspections;

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) take measures to ensure that all laboratory safety inspection reports are reviewed and approved by NAMI's Directors of Research and Development to enhance the monitoring of laboratory safety management.	<ul style="list-style-type: none"> with reference to the codes of practice of both the Massachusetts Institute of Technology and the Chinese Academy of Sciences on laboratory environment, health and safety, NAMI updated the inspection requirements and procedures in December 2024. The new requirement include –
Para. 56 of the PAC Report (Page 67)	PAC strongly urged that apart from putting in place a stringent equipment inspection and management system, clear safety labelling and operational procedures, and contingency measures, NAMI should also raise safety awareness among laboratory users through inspections, publicity and education to create a safety-conscious atmosphere, thereby ensuring the safety of its staff and the environment.	<ul style="list-style-type: none"> (i) adding a new column of “inspection time” on the checklist to prevent prefill or late filling; (ii) stipulating the safety inspection frequency; and (iii) setting out reporting and follow-up arrangements as well as the review and endorsement mechanism. The two-tier inspection procedures as follows – <ul style="list-style-type: none"> I. research teams of each section should perform safety inspection on their laboratories every week and report to Section Heads and Laboratory Safety Team for review and endorsement; and II. Laboratory Safety Team should conduct inspection every two months and submit reports to Section Heads, CTO and the Chief Operating Officer (COO) for review and endorsement.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<ul style="list-style-type: none"> NAMI will circulate the laboratory safety manual via email on a quarterly basis or as and when the safety guidelines are updated, and display basic safety rules in the laboratory to enhance employees' safety awareness. The Laboratory Safety Team would also conduct random daily safety inspection, provide safety training for new employees and relevant employees every two months, and hold bi-monthly safety meeting with the personnel in charge of laboratories to remind employees to follow the laboratory safety rules. <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.36 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(d) take measures to increase the number of researchers engaged under Research Talent Hub (RTH); and</p>	<p>NAMI will continue to strive to increase the number of researchers engaged under RTH as far as practicable, according to different projects and market needs to meet the R&D requirements.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(e) document the reasons for the decrease in number of researchers engaged under RTH.</p>	<p>As implemented in January 2025, with effect from 2025-26, NAMI would document the reasons for decrease in number of researchers engaged under RTH against the target in the Annual Plan and Annual Operational Report where needed.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented, we recommend deleting this part from the next progress report.
Para. 2.37 of the Audit Report	Audit has also recommended that the Commissioner for Innovation and Technology (CIT) and the CEO, NAMI, should take measures to ensure clarity in reporting performance indicators and clearly define the performance indicators in the papers submitted to LegCo (e.g. adding an explanatory note on the calculation basis of the performance indicators).	<p>ITC has included an explanatory note on the calculation basis of the performance indicators in the information submitted to LegCo to avoid any possible misunderstanding and will adopt the same practice to future reports to LegCo.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 3: Industry income and commercialisation		
Para. 3.10 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) take measures to encourage the industry partners to increase their contribution in projects; and</p>	<p>NAMI will continue to develop competitive technologies to galvanise support from industry partners. Furthermore, NAMI will enhance outreach activities to proactively engage potential industry partners, organise and participate in more exhibitions and roadshows and will extend efforts to the Greater Bay Area (GBA) and countries participating in the Belt and Road Initiative.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(b) step up efforts in achieving the performance target on level of industry and other income.	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> conducted more technology transfer through licensing and contract research projects; and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<ul style="list-style-type: none"> developed different licensing models catering for industry partners with different backgrounds. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Para. 56 of the PAC Report (Page 62)	PAC urged that NAMI should, after the epidemic, strengthen its work on industry sponsorships and commercialisation to boost its other income.	<p>As implemented in October 2024, NAMI boosted commercialisation of project deliverables by improving the patent management (e.g. strengthened monitoring for the progress of pending patents). NAMI will conduct regular market demand analyses, strengthen co-operation with universities, other research institutes and enterprises, and enhance market promotion and brand building in the local market, the Mainland China and the “Belt and Road” countries. NAMI will also make continuous improvements in promoting the organic combination of technological innovation and market demand, thereby enhancing its market competitiveness and influence.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.11 of the Audit Report	Audit has also recommended that the CIT and the CEO, NAMI, should take measures to ensure that a consistent basis is adopted in calculating and reporting the level of industry and other income.	<p>ITC requested all R&D Centres including NAMI to adopt the same standard formula provided by ITC to calculate and report the level of industry and other income. All R&D Centres have followed up on the issue.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 3.31 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) take measures to reduce discontinued patent applications;</p>	<p>NAMI implemented the following measures in October 2024 with a view to reduce discontinued patent applications –</p> <ul style="list-style-type: none"> continued to review and facilitate the patent application progress; and developed a checklist of key determining factors to set out the parameters that must be considered in filing new patent applications. <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(b) closely monitor the number of pending patents and take measures to increase the number of patents granted;</p>	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> established a monitoring mechanism to keep track of the status of pending patents; and reviewed and streamlined internal process to ensure timely submissions and responses to patent office. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(c) for pending patents filed for a long period of time, ascertain the reasons for the long time taken and take necessary follow-up actions;</p>	<p>As implemented in October 2024, NAMI would analyse long pending applications on a quarterly basis to ascertain reasons and adjust filing strategy accordingly.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(d) take measures to ensure that the information of patents granted on NAMI's website is accurate and up-to-date;	<p>NAMI implemented the following measures since October 2024 –</p> <ul style="list-style-type: none"> • update the patent information on NAMI's website every month; and • stepped up data checking process to ensure information is accurate and up-to-date. <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(e) explore measures to increase the licensing fee income generated from platform projects and seed projects; and	<p>NAMI implemented the following measures in October 2024 –</p> <ul style="list-style-type: none"> • regularly conduct updates to its portfolio of ready-to-license technologies for promotion to various industry sectors; • strengthened engagement with industry sponsors, venture capitalists and technology incubation platforms in the Mainland to promote NAMI's technologies; • tailored presentations and demonstrations to showcase the value and applications of innovations to potential licensees; • broadened outreach to identify new opportunities for licensing; and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<ul style="list-style-type: none"> introduced a set of standard pricing structure. <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(f) formulate guidelines on the rationale for determining the licensing fee.	<p>As implemented in October 2024, NAMI compiled the general guidelines on the rationale in determining licensing fee.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Part 4: Administrative expenditure and corporate governance		
Para. 4.14 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) enhance guidelines on modification of business travel arrangements for personal reasons and take measures to ensure that approval is obtained from appropriate approving authorities;</p>	<p>NAMI implemented the following measures in November 2024 –</p> <ul style="list-style-type: none"> enhanced the guidelines on business travel arrangements including modification due to personal reasons; and specified the Chairperson of the Board of Directors (the Board) as the approving authority for the CEO's relevant expenditures. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	(b) enhance guidelines on subsistence allowance claims involving the CEO and take measures to ensure that approval is obtained from appropriate approving authorities;	<p>As implemented in November 2024, NAMI enhanced the guidelines on subsistence allowance claims involving the CEO, and specified the Chairperson of the Board as the approving authority for such claims.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented, we recommend deleting this part from the next progress report.
	(c) take measures to contain the actual expenditures for business travels outside Hong Kong to a level within the entitled subsistence allowance as far as practicable;	<p>NAMI implemented the following measures in November 2024 –</p> <ul style="list-style-type: none"> • enhanced the guidelines on business travel outside Hong Kong, requiring all staff to keep actual expenditures to a level within the entitled subsistence allowances as far as practicable; • mandated prior approval if the expected meal or hotel costs exceed the entitled subsistence allowance; and • mandated exceptional approval for claims exceeding the entitled subsistence allowance and should be supported with sufficient justifications. <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	(d) enhance guidelines on approval of entertainment expense claims involving the CEO and take measures to ensure that approval is obtained from appropriate approving authorities;	<p>As implemented in October 2024, NAMI enhanced the guidelines on approval of entertainment expense claims involving the CEO, and specified the Chairperson of the Board as the relevant approving authority for such claims.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(e) remind NAMI staff to observe the spending limits of entertainment expenses;	<p>As implemented in October 2024, NAMI reminded all staff to observe spending limits of entertainment expenses. The relevant guidelines will be re-circulated on a quarterly basis.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(f) take measures to ensure that approvals for entertainment expense claims exceeding the spending limits are only given with sufficient justifications;	<p>As implemented in October 2024, NAMI reminded all staff that entertainment expense claims exceeding spending limits would only be approved with sufficient justifications and relevant documentation.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(g) for entertainment expenses incurred by staff at the grade below Section Directors, take measures to ensure that –</p> <p>(i) prior approvals are obtained; and</p> <p>(ii) for exceptional cases with only verbal approvals, covering approvals are obtained as soon as possible; and</p>	<p>As implemented in October 2024, NAMI enhanced relevant guidelines and reminded staff at the grade below Section Directors to obtain prior approval for entertainment expenses. In exceptional cases where timely prior approval cannot be obtained, covering approval must be obtained as soon as possible and properly documented.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(h) specify the reasonable ratio of NAMI staff to guests entertained in NAMI's guidelines and take measures to ensure that there is a reasonable ratio on all occasions of entertaining external guests and document the justifications for exceptional cases.	<p>As implemented in October 2024, NAMI enhanced relevant guidelines and specified the reasonable NAMI staff to guests ratio on all occasions of entertainment and the justifications for exceptional cases would be documented.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Para. 56 of the PAC Report (Page 66)	<p>PAC strongly urged NAMI that –</p> <p>(a) as the CEO of NAMI is the most senior member of the management of the institute and is directly accountable to the Board, any decisions involving the personal interests of the CEO should be referred to the Board or any other independent committee, which is of a higher level, even if this is not expressly stipulated in the guidelines;</p>	<p>In addition to enhancing the guidelines for modifying business travel arrangement as well as approving subsistence allowance and entertainment expenses for the CEO which specified the Chairperson of the Board as the approving authority of such applications in October and November 2024, NAMI stated that it would carefully consider whether to accept applications for modification of business travel due to personal reasons, in particular those involving supervisory grade staff. NAMI will also continue to review the relevant mechanism to ensure rationality and transparency.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(b) supervisory staff should set a good example by proactively refraining from self-approval in cases where any actual, potential or perceived conflicts of interests concerning themselves are involved, and should avoid referring such cases to their subordinates for approval, so as to ensure fairness and impartiality;	
	(c) supervisory staff should continuously refine and review guidelines on administrative expenditure to avoid any behaviour giving rise to a conflict of interests; and	

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) apart from circulating the guidelines regularly, NAMI should also enhance its employees' understanding of the guidelines through briefings by senior staff to avoid non-compliance.	<p>NAMI has reminded all employees to comply with the expenses/allowance limits to minimise the chance of over-spending. CEO also elaborated on the rationales of relevant guidelines to all employees at a town hall meeting held in December 2024, instructing all staff to adhere to the guidelines to ensure the proper use of public money. The relevant guidelines would also be re-circulated on a quarterly basis.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.31 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) take measures to ensure that meetings for the Sub-Committee of the Technology Committee (TC) are held in accordance with NAMI's guidelines.</p>	<p>As implemented in November 2024, NAMI resumed weekly meetings of the Sub-Committee of the TC. NAMI would comply with the requirement of holding meetings as stipulated in the Corporate Governance Manual, and would review and revise the arrangement as appropriate.</p>
Para. 57 of the PAC Report (Page 71)	<p>PAC stressed that NAMI should comply with the requirement of holding meetings as stipulated in the Corporate Governance Manual, which should be reviewed and revised in a timely manner.</p>	<p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.31 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(b) take measures to ensure that first-tier declarations of interests are made by Board/Committee members in a timely manner;</p>	<p>As implemented in November 2024, NAMI strengthened the monitoring of first-tier declarations of interests made by the Board/Committee members and reminded members to submit their declarations in a timely manner.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) take measures to ensure that the requirements on second-tier declarations of interests are complied with by Board/Committee members; and	<p>As implemented in November 2024, NAMI reminded the Board/Committee members to comply with second-tier declarations of interests at the start of meetings.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(d) take measures to ensure that the decisions of the Chairman or the Board/Committees on declarations of interests made by Board/Committee members are documented in the relevant meeting minutes.	<p>As implemented in November 2024, NAMI enhanced the record system and reminded note takers of relevant meetings to ensure the decisions of the Chairman of the Board/Committees on declarations of interests made by Board/Committee members are properly documented in relevant meeting minutes.</p>
Para. 57 of the PAC Report (Page 71)	PAC stressed that the Board and its functional committees are at the core of NAMI's corporate governance and are responsible for formulating NAMI's strategies and overseeing the operation of the management, while the management is responsible for executing the Board's decisions and reports to the Board. NAMI should ensure that the relevant minutes (which cover declarations of interests by Board members and decisions on such declarations) are accurate, comprehensive and properly filed, so as to provide a basis for subsequent follow-up actions.	<p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Para. 4.32 of the Audit Report	Audit has also recommended that the CIT and the CEO, NAMI, should monitor the tenure of Board members to ensure healthy turnover as far as practicable in the appointment and re-appointment of Board members.	NAMI's Board is not a Government Advisory and Statutory Body and the "Six-year" rule does not apply. However, ITC has been making its best effort to take the rule into consideration when appointing non-official Board members. NAMI's Board is responsible for monitoring routine

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>operation and financial aspects of NAMI, examining and endorsing various reports, vetting R&D projects as well as steering the research direction including commercialisation of R&D deliverables. In light of this, ITC strictly adheres the principle of meritocracy, under which the suitability of candidates is assessed based on whether their expertise and experience can fulfill the core needs of NAMI's future development. If it is recommended to reappoint a member who has already served the Board for more than six years, considerations and justifications will be documented.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 5: Other issues		
Para. 5.4 of the Audit Report	Audit has recommended that the CIT, in collaboration with the CEO, NAMI, should take measures to strengthen guidance and regulation over matters concerning the safeguarding of national security (e.g. incorporating clauses in agreements to strengthen regulation over matters concerning the safeguarding of national security).	<p>In consultation with the Department of Justice, ITC is drafting a supplementary agreement to the tripartite funding agreement to incorporate clauses concerning the safeguarding of national security with R&D Centres.</p> <p>Furthermore, specific clauses on safeguarding national security have already been included in the ITF funding application guidelines and funding agreements concerning individual ITF-funded projects.</p> <p>NAMI has adopted the terms and conditions for suppliers in the tendering and procurement documents of NAMI's host institution, where there are clauses on safeguarding national security.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
Para. 5.20 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) stipulate guidelines to require the Selection Panel to make decisions on whether members who have declared interests for recruitment cases should remain in the Panel or withdraw from the Panel;</p>	<p>As implemented in August 2024, NAMI enhanced the recruitment interview procedure, stipulating that a Selection Panel member who has declared interests or relationships with the interviewees should be exempted from serving on the Panel, unless there are exceptional reasons as accepted by the Human Resources Team.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(b) take measures to ensure that the decisions on declarations of interests for recruitment cases made by the Selection Panel are documented and complied with;</p>	<p>As implemented in August 2024, NAMI enhanced the procedure on documenting decisions on declarations of interests by the Selection Panel to ensure that the decisions are documented and complied with.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(c) draw experience from the exit interviews on the reasons of staff leaving NAMI and take measures to reduce the staff turnover; and</p>	<p>NAMI will continue to draw information from the exit interviews on the reasons for staff leaving, and to formulate effective strategies for staff retention, such as enhancing promotion prospects, increasing training opportunities.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) monitor the overall distribution of staff performance grades and take measures to ensure that the actual distribution of performance grades do not deviate from the approved overall distribution as far as possible.	<p>As implemented in December 2024, NAMI reminded all appraising officers to observe the distribution of staff performance grades in conducting annual performance assessment. COO would review and coordinate the overall rating in case there is deviation from the approved overall distribution. Justifications for deviation will be properly documented.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Para. 57 of the PAC Report (Page 72)	<p>PAC recommended that NAMI should establish an effective staff performance grading system to assess staff performance, and take measures to ensure, as far as possible, that the actual distribution of performance grades is in line with the approved overall distribution.</p> <p>PAC recommends that NAMI should formulate clear and quantifiable assessment indicators for granting performance-linked pay to staff in addition to basic wages, so as to enhance staff performance and promote corporate development.</p>	<p>NAMI stated that it had made reference to the overall distribution of employee performance ratings recommended by the Board. Nevertheless, employee performance was evaluated using a number of performance indicators, with grading based on actual performance. When the actual overall distribution deviated from the recommended range, NAMI would report to the Board with explanations and seek its endorsement. NAMI will continue to review and optimise its current performance rating mechanism.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 5.20 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(e) take measures to expedite the recruitment of Chief Science Officer (CSO).</p>	<p>The intended responsibilities of the CSO have been shared by other Chief Officers for over two years. In view of the upcoming merger of NAMI with the Hong Kong Applied Science and Technology Research Institute, the Board endorsed the deletion of this position.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation is no longer relevant, we recommend deleting this part from the next progress report.
Para. 5.30 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) take measures to evaluate the effectiveness of NAMI's publicity and promotional events (e.g. conducting opinion surveys and recording the attendance);</p>	<p>As implemented in August 2024, NAMI evaluated the effectiveness of publicity and promotional events by recording the attendance and conducting opinion surveys for conferences/seminars/workshops organised by NAMI, and also for events co-organised by NAMI and other parties wherever practicable.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(b) ascertain the reasons for not meeting the performance targets relating to publicity;</p>	<p>NAMI submitted the 2025-26 Annual Plan in January 2025 which had reflected and recorded the reasons for not meeting publicity-related performance targets where needed.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(c) step up efforts to achieve the performance targets relating to publicity; and</p>	<p>As implemented in September 2024, NAMI made reference to the number of annual publicity events that NAMI had organised/participated for brand building, promotion of NAMI's R&D achievement and successful commercialisation stories, etc. to set performance targets in a progressive manner. NAMI also stepped up efforts in organising and participating in relevant publicity events in close collaboration with the Government, academia and the industry to meet the targets.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented, we recommend deleting this part from the next progress report.
	(d) maintain supporting records for performance information relating to publicity.	<p>As implemented in October 2024, NAMI retained all information related to individual publicity activities for verification purposes.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
Para. 5.41 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(a) ascertain the reasons for the increase in operating expenditure and take effective measures to contain operating expenditure to a lower level with a view to improving the cost-effectiveness of NAMI's operation.</p>	<p>Reasons for the increase in operating expenditure included acquiring new research infrastructure and equipment, upgrading existing facilities, hiring top research talents, increasing promotion and marketing activities, etc.</p> <p>As implemented in November 2024, NAMI introduced close monitoring and cost-saving initiatives to contain the operating expenditure to current or lower level, optimised the use of existing resources, and conducted regular financial reviews to assess the effectiveness of cost management strategies.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 56 of the PAC Report (Page 63)	PAC urged NAMI should consider, subject to relevant accounting standards, recording the expenditure on setting up new laboratories as fixed assets, and amortising or depreciating these assets progressively over the upcoming	The operating expenditure mentioned in para. 5.32 of the Audit Report was extracted from the financial statement prepared by NAMI on cash basis to facilitate the monitoring of the cashflow by the Government. On the other hand, NAMI also prepares

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>accounting periods, so as to reflect its financial position more accurately.</p>	<p>financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants to reflect the financial position. The expenditures related to the setting up of new laboratories were recorded as fixed assets in this financial statement and was amortised or depreciated over its estimated use life.</p> <p>As the existing accounting practice of NAMI fulfils the requirement of the recommendation, we recommend deleting this part from the next progress report.</p>
	<p>PAC urged that the Administration should review whether the current practice of returning any unspent balance of ITF grants to the Government will indirectly encourage the R&D Centres to deliberately use up all the grants to avoid having any unspent balance, resulting in wastage.</p>	<p>The Government has been devoting resources to foster Hong Kong's I&T development in a prudent manner and controlling the operating expenditure of the R&D Centres, thereby ensuring the proper use of public money.</p> <p>In reviewing NAMI's applications for ITF-funded R&D projects, ITC will consider whether the expenditure requirements set out in the project proposals are reasonable and meet the actual R&D needs. ITC also requires NAMI to submit progress/final reports and audited accounts for approved projects to facilitate assessment on whether the project has achieved the deliverables and on the project spending. Upon completion of the project, NAMI needs to return all unspent funds to the Government.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 5.41 of the Audit Report	<p>Audit has recommended that the CEO, NAMI should –</p> <p>(b) step up efforts in deepening co-operation with the Mainland with a view to better integrating into the overall development of the Country; and</p>	<p>As implemented in October 2024, NAMI strengthened the promotion in the Mainland (especially the GBA cities), further deepened the co-operation with the industries, research institutes/higher education institutions, etc. in the Mainland for project collaboration, technology presentations and other promotional activities.</p> <p>As this recommendation has already been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(c) consider setting performance targets or indicators relating to NAMI's work in the Mainland (e.g. number of Mainland companies engaged, and number of publicity and promotional events held in the Mainland).</p>	<p>As implemented in January 2025, starting from 2025-26 onwards, NAMI will set performance targets relating to NAMI's work in the Mainland, including the number of exhibitions/roadshows organised/participated; the number of seminars/workshops organised/participated; and other publicity activities organised/participated in the Annual Plan and Annual Operational Report.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 5.42 of the Audit Report	<p>Audit has also recommended that the CIT and the CEO, NAMI, should keep under review the GDP contributions from NAMI and formulate effective strategies to increase the GDP contributions.</p>	<p>ITC will continue to review and assess regularly all R&D Centres' (including NAMI) GDP contributions and other performance. ITC would also work with NAMI's Board in urging NAMI to explore more opportunities for collaboration with the industry, and transferring technology for industry applications and commercialisation, thereby driving economic growth and increasing its GDP contributions.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.

Planning and management of sheltered space within Hong Kong waters
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Planning and provision of sheltered space		
Para 2.17 of the Audit Report	<p>Audit has recommended that the Director of Marine should –</p> <p>(a) closely monitor the demand and supply of sheltered space and explore fallback options to address the shortfall in sheltered space if there is any project slippage;</p>	<p>Marine Department (MD) is closely monitoring the situation and will periodically conduct the “Assessment of Typhoon Shelter Space Requirements” (Assessment) within Hong Kong waters. MD has commenced the preliminary preparation of the upcoming round of assessment, which is expected to commence in the third quarter of 2025 and be completed by late 2027 or early 2028.</p>
	<p>(b) explore using technology to assess the occupancy of Typhoon Shelters (T/Ss) during typhoons and normal days;</p>	<p>For short-term measures, subject to operational priorities, MD will take aerial photos of T/Ss on a monthly basis to assess the occupancy of T/Ss. For remote T/Ss with low utilisation rate, such as Hei Ling Chau T/S and Yim Tin Tsai T/S, photos will be taken quarterly. This arrangement has been implemented and will continue on an ongoing basis.</p> <p>In addition, MD is currently engaging a local technology innovation company to assess the feasibility of using technology to evaluate the usage of T/Ss. A pilot programme will be launched based on the result of the feasibility study.</p>
	<p>(c) make available on MD's website the layout plans of Sheltered Anchorages (S/As) for public information;</p>	<p>The review of 18 S/As will be conducted along with the next round of Assessment within Hong Kong waters in the third quarter of 2025. Subsequent to the Assessment, the latest layout plans of the S/As would be uploaded to MD's website for public information.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) make available on MD's website the information (e.g. the size and boundaries) on Private Mooring (PM) areas in sheltered space; and	MD is compiling the layout plans of PM areas with general information (including size and boundaries). MD plans to upload the information to MD's website in the third quarter of 2025 for public information.
	(e) keep in view the effectiveness of the new mooring facility in shallow water areas in sheltered space.	MD installed a pair of screwing anchors mooring equipment in the shallower waters of the Yim Tin Tsai T/S in late 2024. A patrol vessel of MD was also moored with it for pilot testing. MD will review the effectiveness of the screwing anchors mooring equipment after the typhoon season in 2025.
Para 2.30 of the Audit Report	<p>Audit has recommended that the Director of Marine should –</p> <p>(a) take measures to ensure the timely completion of the final assessment report on the wave attenuation performance of floating barriers;</p>	<p>The Civil Engineering and Development Department (CEDD) completed the final assessment report on the performance of the floating barriers placed in Hei Ling Chau T/S in mid-January 2025. The report stated that the wave attenuation performance of floating barriers was satisfactory.</p> <p>As the follow-up action has been implemented, we recommend deleting this part from the next report.</p>
	(b) keep in view the effectiveness of wave protection enhancement works in T/Ss; and	<p>MD will keep in view the effectiveness of wave protection enhancement works in T/Ss through analysing incident reports after passage of typhoons.</p> <p>As the follow-up action has been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) remind the owners/operators of local vessels to take precautionary measures promulgated in MD's pamphlet during typhoons or inclement weather.	<p>MD plans to host the annual Safety Afloat Educational Seminar in May 2025 to educate and remind the stakeholders to take precautionary measures promulgated in MD's pamphlet "Measures to Enhance the Safety of Local Vessels During Passage of Tropical Cyclones".</p> <p>In addition, a Marine Department Notice is promulgated before typhoon season each year to remind the stakeholders to take precautionary measures during passage of typhoons. The Marine Department Notice this year was promulgated in March 2025.</p> <p>MD will continue to conduct publicity work including dispatching leaflets to remind the stakeholders to remain vigilant to the threat of typhoons and take appropriate precautionary measures during passage of typhoons to ensure the safety of vessels and persons on board. MD also distributed the pamphlet "Measures to Enhance the Safety of Local Vessels During Passage of Tropical Cyclones" to the stakeholders during the Navigational Safety Seminar 2025 on 14 January 2025.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para 2.31 of the Audit Report	<p>Audit has recommended that the Director of Civil Engineering and Development should keep in view –</p> <p>(a) the conditions of marine structures and the development of new surveying technology to</p>	CEDD procured a new remote controlled boat equipped with multi-beam echo sounder. It was shipped to

Para. No.	Audit/PAC's Recommendations	Progress to Date
	facilitate the under-water inspections in shallow water areas in sheltered space; and	<p>Hong Kong in March 2025. CEDD will utilise the boat to perform under-water inspections for relevant breakwaters in shallow water areas in sheltered space.</p> <p>As the follow-up action has been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	(b) the need of conducting under-water inspections for the six breakwaters mentioned in para. 2.28(a) of Chapter 2 of Report No. 83 of the Director of Audit upon the expiry of the five-year cycle in November 2024.	<p>According to the annual above-water inspections of the six breakwaters concerned, their structural conditions have been satisfactory. During the new cycle of under-water inspection, CEDD completed the inspection for one of the breakwaters in February 2025. According to the survey results, the structural condition was satisfactory. CEDD will continue to arrange annual above-water inspections and the new cycle of under-water inspections for the breakwaters concerned.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para 2.42 of the Audit Report	<p>Audit has recommended that the Director of Marine should –</p> <p>(a) take measures to ensure that hydrographic surveys are arranged and completed within a reasonable interval and timeframe;</p>	<p>MD's Hydrographic Office included the 18 S/As in its Survey Section's internal "Designated Areas Updating Monitoring List" and set estimated survey dates for the S/As that had expired and required updates, including the Sai Kung and Tsam Chuk Wan S/As.</p> <p>In February 2025, the Survey Section issued a guideline titled "Identifying and Resolving Survey Data Irregularities: Key Considerations" to</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>all Survey Officer grade staff to remind them of the importance of promptly reporting problems and seeking guidance from supervisors when dealing with data issues so as to ensure that hydrographic surveys are completed efficiently and with high quality.</p> <p>The Survey Section held a training on data collection and processing in March 2025 to address common issues encountered in these areas.</p> <p>In March 2025, the Survey Section also conducted a hydrographic survey at the Tseung Kwan O S/A and, for the first time, utilised a newly procured unmanned survey vessel equipped with a multi-beam echo sounder. The objective of the survey is not only to apply this new equipment practically, but also to evaluate its effectiveness and efficiency in conducting hydrographic surveys within a S/A.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	(b) collaborate with relevant stakeholders to facilitate the dredging work in Aberdeen South T/S as far as practicable; and	<p>To minimise the number of vessels affected, CEDD proposed an enhanced dredging scheme. A smaller dredging plant will be used under the enhanced scheme to reduce the necessary work area. Besides, the entire project will be implemented in two phases. MD is evaluating the feasibility of the enhanced scheme.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) in consultation with the Fire Services Department (FSD), consider arranging fire drills to evaluate the effectiveness of the alternative firefighting tactics in Kwun Tong T/S and Tuen Mun T/S.	MD conducted a joint fire drill with the FSD and the Hong Kong Police Force on 13 January 2025 at Tuen Mun T/S. In future, MD will continue to collaborate with relevant departments to arrange fire drills at Kwun Tong T/S to assess the effectiveness of alternative firefighting strategies.
Part 3: Management of Sheltered Space		
Para 3.12 of the Audit Report	Audit has recommended that the Director of Marine should –	
	(a) step up efforts in tackling expired licence/laid-up permission cases during daily patrol, especially for those vessels requiring certificates of survey;	
	(b) make strenuous efforts to prosecute owners of certificated local vessels without valid operating licences (OL) or laid-up permissions;	In addition to the routine patrol, MD will conduct special operations of targeting vessels without valid licence/laid-up permission at each T/S subject to the operational priority. This new arrangement has already been implemented since January 2025. MD plans to conduct the special operation in all T/Ss within one year. As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.
	(c) investigate whether the vessel mentioned in para. 3.6(d) of Chapter 2 of Report No. 83 of the Director of Audit had permanently left Hong Kong waters when applying for cancellation in 2020, and take appropriate follow-up action;	The vessel concerned was removed from the New Yau Ma Tei T/S on 9 October 2024. MD successfully prosecuted the owner of the vessel concerned. As the follow-up action has been implemented, we recommend deleting this part from the next report.
	(d) consider adopting e-service (e.g. iAM Smart) in the renewal of the OL/laid-up permissions;	MD is exploring the feasibility of adopting iAM Smart for the renewal of OL/laid-up permission.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>In addition, MD is upgrading the electronic system, which will automatically send reminder emails to vessel owners two months before and two months after the expiry date of OL. The upgrade of the electronic system is planned for completion in the third quarter of 2025.</p>
	<p>(e) step up efforts in following up with vessel owners on expired OL/laid-up permissions, and take prosecution action as appropriate; and</p> <p>(f) inspect the laid-up vessels at intervals within the validity period of permissions according to MD's guidelines.</p>	<p>MD is contacting the owners of the 6 500 vessels with expired OL/laid-up permissions to remind them to renew the OL or cancel the Certificate of Ownership (COO) if the vessels have already been destructed or have permanently left Hong Kong waters. MD plans to contact all relevant owners by the first quarter of 2025.</p> <p>MD is also seeking legal advice to explore further actions to be taken against vessels whose owners are deceased or whose companies have been dissolved.</p> <p>In addition to the routine patrol, MD will conduct special operations targeting vessels without valid licence/laid-up permission at each T/S subject to the operational priority. This new arrangement has been implemented since January 2025. MD plans to conduct the special operation in all T/Ss within one year.</p> <p>MD is also reviewing the guidelines for inspections on laid-up vessels and the review is expected to be completed in the third quarter of 2025.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Paras 3.22 of the Audit Report	<p>Audit has recommended that the Director of Marine should –</p> <p>(a) take proactive measures, including considering taking legal action, to recover the costs of removing the sunken vessels from the vessel owners;</p>	<p>The reason for not recovering the costs of removing the sunken vessels from the vessel owners is mainly due to the difficulty in confirming the identification of the sunken vessel after the salvage operation. In order to minimise the conflicts with the owners arising from identifying the sunken vessels, MD will take further precautionary measures, such as taking more photos from different angles during salvage operations. MD will also enhance public education on different occasions to promote that removing sunken vessels is the responsibility of the owner.</p> <p>MD will tighten up the vetting and approval of the vessel owner's application for destruction of vessel, and will explore the possibility of issuing the demand notes to the owner to recover the cost of removing the sunken vessel. MD sought the advice of the Department of Justice on this matter and will commence issuing demand notes to the relevant owners to recover the salvage costs for those vessels that have sunken since 1 January 2025.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	<p>(b) take urgent rectifying action in removing sunken vessels in T/Ss and S/As; and</p>	<p>MD formulated new procedures and protocol in late December 2024 for handling the removal of sunken vessels, such as the requirement to report to the responsible supervisor of any sunken vessels that could not be removed</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>within a specified period with reasons, and to update records of the sunken vessels that have yet to be removed at three-month intervals. MD will review and update the internal guidelines to comply with the above new procedural arrangements. The updating is scheduled for completion in the second quarter of 2025.</p>
	<p>(c) consider making legislative amendment to the Merchant Shipping (Local Vessels) Ordinance to increase the penalty level on failure to comply with removal/direction notices and to introduce a fine each day during which the non-compliance continues.</p>	<p>MD completed a review of the penalty level. MD analysed the prosecution records and statistics of the relevant offences over the past ten years and found that the fines imposed by the courts have not reached the maximum penalty prescribed in the law (i.e. a fine of \$25,000 and one year's imprisonment). Therefore, MD has no plan to increase the penalties. Nevertheless, MD will step up patrols and carry out public education and publicity to combat related offence.</p> <p>As the review of the penalty level has been completed, we recommend deleting this part from the next report.</p>
<p>Paras 3.28 of the Audit Report</p>	<p>Audit has recommended that the Director of Marine should step up efforts in monitoring the situation of non-permitted floating structures in sheltered space, and take enforcement action in a timely manner.</p>	<p>MD reminded the relevant officers to step up monitoring of non-permitted floating structures during routine patrols. In addition, the publicity pamphlets regarding the prohibition of placing non-permitted floating structures were printed and MD is carrying out the related publicity actions, including the distribution of pamphlets to the public during routine special operations.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para 3.33 of the Audit Report	<p>Audit has recommended that the Director of Marine should –</p> <p>(a) evaluate the effectiveness of designation of different berthing areas for different classes of vessels in Kwun Tong T/S and make adjustments to the size of berthing areas for exclusive mooring of non-pleasure vessels and mooring of all classes of vessels where appropriate; and</p>	<p>MD planned to commence the review of the designation of different berthing areas for different classes of vessels in Kwun Tong T/S in the third to fourth quarters of 2025.</p>
	<p>(b) review the effectiveness of trial-run of the designation of different berthing areas for different classes of vessels in Aberdeen West T/S in a timely manner.</p>	<p>In response to the request of fishery groups to start the review after fishing moratorium and typhoon season in 2024, MD initiated the review in January 2025 by consulting the fishery groups to collect their opinions on the trial scheme before conducting the review.</p>
Para 3.37 of the Audit Report	<p>Audit has recommended that the Director of Marine should maintain a centralised record on removal notices issued to ensure the completeness of the records so that prompt follow-up action can be taken.</p>	<p>MD established a centralised recording arrangement for the removal notices.</p> <p>As the follow-up action has been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Part 4: Ancillary facilities and services		
Para 4.10 of the Audit Report	<p>Audit has recommended that the Director of Marine should, in collaboration with relevant government departments, review the need of providing additional public landing facilities within Tuen Mun T/S.</p>	<p>The public landing facilities in Hong Kong are managed by TD and the Home Affairs Department respectively. While the CEDD is responsible for maintenance, MD is responsible for maritime issues relating to the use of facilities by vessels. The public landing facilities in and near the Tuen Mun T/S are managed by TD. MD forwarded the Audit's recommendations to TD for follow-up in mid-December 2024. MD will provide appropriate assistance to the relevant department in conducting surveys on the utilisation of the facilities in and near the Tuen Mun T/S.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para 4.11 of the Audit Report	<p>Audit has recommended that the Director of Civil Engineering and Development should –</p> <p>(a) closely monitor the implementation of the provision of the new public landing facilities at Aberdeen South T/S to ensure their timely completion;</p>	<p>The construction works of the new public landing facilities at Aberdeen South T/S commenced in March 2025 for completion in the second quarter of 2026. CEDD will maintain close liaison with the relevant government departments and stakeholders, keep track of the site works, and hold regular progress meetings with the contractor to closely monitor the works progress.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	<p>(b) take measures to ensure that all cleaning completion reports submitted by contractors through Port Maintenance Information System (PMIS) are endorsed in a timely manner;</p>	<p>CEDD enhanced the workflow in PMIS in December 2024 by issuing an e-mail notification according to the designated timeframe to remind relevant staff for the endorsement of cleaning completion reports in PMIS so as to ensure that all cleaning completion reports submitted by contractors through PMIS are endorsed in a timely manner.</p> <p>As the follow-up action has been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	<p>(c) closely monitor the issue of works orders on the rectification works for defective public landing facilities; and</p>	<p>CEDD will continue to prioritise and arrange the maintenance works in a timely and orderly manners through PMIS. Furthermore, CEDD has included a standing discussion item in the monthly progress meetings with the maintenance term contractors in order to closely monitor the issue of works orders on the rectification works for defective public landing facilities.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	<p>(d) in collaboration with relevant government departments, closely monitor the implementation of potential improvement works on the concrete steps in T/Ss.</p>	<p>CEDD consulted the relevant government departments and has been implementing improvement works on the concrete steps in T/Ss. The improvement works for the concrete steps in Causeway Bay T/S mentioned in the Audit Report were completed in October 2024.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
<p>Para 4.21 of the Audit Report</p>	<p>Audit has recommended that the Director of Water Supplies should –</p> <p>(a) ascertain the reasons for COO numbers recorded by the shipping water selling machine (SWSM) not matching those recorded in MD's list of local vessels;</p>	<p>The Water Supplies Department (WSD) has been conducting a trial operation on automatic SWSM at the Tuen Mun Water Selling Kiosk with a view to providing 24-hour water selling service.</p> <p>In accordance with the Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation (Cap. 548E), local vessels are permitted to enter and anchored in T/Ss, and are allowed to purchase fresh water by using SWSM. The original aim of the design for users to input COO numbers of the vessels into SWSM was to allow users to make record and report to their companies as necessary, and not for the purpose of verifying the COO numbers.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>After investigation, it was found that some users, for the sake of convenience, did not input the COO numbers when purchasing fresh water. However, this does not affect the users' right to purchase fresh water from SWSM.</p> <p>Since the reason has been ascertained, we suggest deleting this part from the next report.</p>
	(b) enhance the functions of the SWSM so that water will be sold only when valid COO numbers have been entered into;	<p>WSD completed the review on the trial operation of SWSM in terms of its convenience to users, the objectives to record the COO numbers, the necessity to enter correct COO numbers and to make optimisation measures as needed. The users advised that the input of the COO numbers is rather complicated and that not every customer requires a transaction summary for record. As such, WSD enhanced the interface of SWSM on 17 February 2025 so that users can make purchases without the need to input the COO numbers. Inputting the COO numbers is optional in case the users would like to keep the transaction record and report to their companies.</p> <p>WSD will continue to monitor the usage and gather feedback from users when implementing SWSM in the future.</p> <p>Since the enhancement work for the functions of SWSM was completed, we suggest deleting this part from the next report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) ascertain the reasons for the significant decrease in water consumption in water selling kiosks (WSKs), and take appropriate follow-up actions; and	<p>WSD completed the review on the water consumption in WSKs. It was revealed that the significant decrease in water consumption was mainly due to the decrease in demand for shipping water after the peak of marine construction works for the Airport Three Runway System Project from 2022. The water consumption of WSKs was relatively stable in 2023 and 2024. WSD would review the water consumption of WSKs regularly.</p> <p>Since the reason has been ascertained and WSD will continue to monitor the water consumption of WSKs, it is suggested to delete this part from the next report.</p>
	<p>(d) investigate the cases mentioned in para. 4.20 of Chapter 2 of Report No. 83 of the Director of Audit and take follow-up actions to rectify any non-compliance identified.</p> <p>(i) two of the six water boats, of which their owners had not been granted WSD permission, had obtained fresh water of 3,218 cubic metres in July 2024 from the Tuen Mun WSK (including those from the shipping water selling machine) after checking relevant sales records. The two water boats might have sold water to vessels without WSD permission.</p>	<p>WSD completed the investigation and follow-up actions for the cases in January 2025. Details are as follows –</p> <p>(i) Investigations for the two water boats have been concluded. During the interviews with the owners of the two vessels, we understood that their water boats drew water for their own use and replenished water for other vessels under their management. It was revealed that they did not resell the water to other ships and the owners made relevant statements on this matter. With the investigation results and information gathered, there is insufficient evidence to suggest that these two water boats were involved in unauthorised resale of water to other ships.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(ii) in five of the 12 permissions, the holders of the permissions were different from the owners of the concerned water boats as recorded in MD's records. The owners of those five water boats may not be granted permission to sell water to vessels.</p>	<p>(ii) If the licensed water boat owners plan for resale of water to other ships, they should submit applications to WSD for approval for each of their vessels. If there is any change of particulars on COO (such as the vessel is sold or transferred to another owner) or the water boat license expires, the resale permit would also correspondingly be voided. WSD informed the owners of the five water boats with ownership transferred that they are required to apply for WSD's permission if they wish to resell water.</p> <p>Moreover, MD has been providing information on water boat licenses and their owners to WSD on monthly basis since November 2024, so as to monitor if there is any change of licensee or validity of the water boats.</p> <p>Since the investigation has been completed, we suggest deleting this part from the next report.</p>
Para 4.29 of the Audit Report	<p>Audit has recommended that the Director of Marine should –</p> <p>(a) closely monitor the performance of the cleansing contractor to enhance the cleanliness of T/Ss and S/As;</p>	<p>The “black spots” mentioned in the monthly reports submitted by the contractor were not official records or reports specified in the conditions of the contract. The ratings were given by the contractor's foremen at the beginning of the day when they assessed the cleanliness condition of the black spots. As stated in para. 4.25 of Chapter 2 of Report No. 83 of the Director of Audit, the mentioned unsatisfactory cleanliness level was mainly caused by the overnight accumulation of floating</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>refuse outside the contractor's working hours. The rating was used as an assessment tool for contractor's foremen to make decision on the resource deployment. Therefore, the rating only reflected the situation prior to the start of each day's cleaning operation, which did not truly reflect the overall cleanliness condition after cleansing. MD implemented the following measures to monitor the performance of the cleansing contractor –</p> <ul style="list-style-type: none"> (i) replacing the terms “black spot” with “priority area” in the monthly report provided by the cleansing contractor to avoid misunderstandings; (ii) optimising the format of the existing report to allow patrol officers to monitor and clearly record the cleanliness level of the priority area; and (iii) comparing the monthly report provided by the contractor with the departmental observation report to assist in monitoring the performance of the cleansing contractor. <p>The above mentioned follow-up actions were completed by the end of December 2024, and MD started using the new observation report in January 2025. MD will continue to closely monitor the cleanliness level of T/Ss and S/As.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	<p>(b) instruct the cleansing contractor to cease the current practice of handling waste oil; and</p>	<p>Under the Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), waste oil is chemical waste and should be transported to licensed chemical waste disposal facilities (e.g. Chemical Waste Treatment Centre) for proper disposal.</p> <p>MD instructed the cleansing contractor to cease the current practice of handling waste oil in September 2024. Details are as follows –</p> <ul style="list-style-type: none"> (i) formally requested the cleansing contractor by e-mail on 19 September 2024 to cease the current practice of handling waste oil; (ii) emphasised to the cleansing contractor to cease the current practice of handling waste oil during the monthly meeting on 25 September 2024; and (iii) instructed the cleansing contractor to take measures to avoid unauthorised dumping of waste oil, such as displaying banners and enhancing surveillance in marine refuse collection points and their vessels. <p>As the follow-up actions have been implemented, we recommend deleting this part from the next report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(c) in collaboration with relevant parties, work out an arrangement for handling waste oil produced by local vessels during operation at an early date.</p>	<p>MD liaised with the Environment Protection Department (EPD) for handling waste oil issue. Details are as follows –</p> <p>(i) MD organised a meeting with EPD on 6 December 2024 to work out a proper arrangement when suspected waste oil was found during the cleansing operation.</p> <p>(ii) MD and EPD exchanged views on feasible arrangements for collecting waste oil from local vessels and are jointly exploring appropriate handling methods. During the meeting, EPD stated that waste oil and other oil-contaminated waste are classified as chemical waste. Chemical wastes are regulated under the Waste Disposal Ordinance (Cap 354) and Waste Disposal (Chemical Waste) (General) Regulation which should be transferred to licensed waste disposal facility for proper handling. MD agreed that the owner and operator of local vessels should follow the “polluter pays” principle, as per other land-based operators, to properly handle the waste oil generated during operation.</p> <p>(iii) MD and EPD reached a consensus and worked out a mechanism that EPD will identify whether the suspected waste oil found by MD's staff/contractor during the cleansing operation is chemical waste or not and will handle the chemical waste after confirmation. MD's staff/contractor can directly</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>approach EPD staff or its contractor (i.e. the Chemical Waste Treatment Centre) if they encounter suspected waste oil during cleansing operation. EPD will then assign an appropriate person to identify the waste oil or suspected chemical waste and handle the disposal properly. The aforesaid mechanism has been implemented since 14 February 2025.</p> <p>(iv) Moreover, EPD and MD will conduct joint publicity activity to raise the awareness of local vessel owners and operators on the proper handling of waste oil generated during their operations. EPD completed the production of promotional leaflets, and the first joint publicity activity took place at the Aberdeen T/S on 18 February 2025.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>

**Producer Responsibility Scheme on Waste Electrical and Electronic Equipment
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Administration of the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment		
<i>Processing of applications for suppliers and sellers of regulated electrical equipment</i>		
Para. 2.14 of the Audit Report	<p>Audit has recommended that the Director of Environmental Protection (DEP) should –</p> <p>(a) take measures to ensure that the processing of applications received for endorsement of removal service plans, registration as registered suppliers of regulated electrical equipment (REE) and deregistration of REE suppliers is timely completed in accordance with the stipulated time pledges;</p> <p>(b) set out selection criteria for conducting pre-cancellation and post-cancellation inspections in processing applications for deregistration of REE suppliers and specific time pledge for conducting pre-cancellation inspections;</p> <p>(c) take measures to ensure that the required submissions (e.g. the last audit reports) are received before approving the applications for deregistration of REE suppliers; and</p> <p>(d) enhance the publicity on the obligations of suppliers under the Product Eco-responsibility Ordinance (PERO) in distributing REE in Hong Kong via cross-boundary and overseas online sales platforms.</p>	<p>(a) The Environmental Protection Department (EPD) has been strengthening the monitoring of the progress in processing the applications received, including regular review and report of the compliance with internal time pledges and taking proactive follow-up actions to ensure that the applications are properly and timely processed.</p> <p>(b) and (c) Following a review of internal guidelines, EPD has established selection criteria for conducting inspections for deregistration of suppliers and set time pledges for processing the applications in order to ensure that deregistration cases are properly handled and comply with the requirements of relevant internal guidelines.</p> <p>(d) Since December 2024, EPD has enhanced the publicity work, including disseminating information on EPD website and online platforms, notifying relevant stakeholders by email, and visiting the trade to carry out promotional activities, so as to</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>remind relevant suppliers and sellers of their responsibilities under PERO. EPD will continue to promote and publicise the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment (WPRS).</p> <p>As these recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<i>Licensing and permit control on abandoned REE (e-waste)</i>		
Para. 2.28 of the Audit Report	<p>Audit has recommended that DEP should –</p> <p>(a) take measures to ensure timely submission of quarterly and annual reports by the licensees of waste disposal licences for e-waste (e-WDLs), including issuing reminders and maintaining related records in accordance with the guidelines updated in September 2024;</p> <p>(b) take measures to follow up overdue submission of quarterly and annual reports from the licensees of e-WDLs, including issuing letters (e.g. advisory notes) and maintaining related records in accordance with the guidelines updated in September 2024;</p> <p>(c) take measures to ensure timely completion of the processing of quarterly and annual reports submitted by the licensees of e-WDLs and properly document</p>	<p>(a) to (c) EPD has introduced the following new measures to improve the licensing control on e-waste –</p> <p>(i) EPD has updated internal guidelines to establish measures, including reminding licensees of e-WDLs to timely submit quarterly and annual reports, following up on overdue submissions, completing the review of reports submitted by licensees in a timely manner and properly recording the date of completion of the review; and</p> <p>(ii) EPD organised internal training in November 2024 to assist EPD staff in compliance of the guidelines.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>the relevant dates in accordance with the guidelines updated in September 2024; and</p> <p>(d) enhance the monitoring of compliance of licensing requirements of e-WDLs by licensees (e.g. by reporting the daily breakdown of the amount of each type of e-waste treated during the period by the licensees of e-WDLs).</p>	<p>(d) EPD has revised the terms and conditions of e-WDLs and has them implemented for new licenses and renewed licenses since December 2024 to strengthen the reporting requirements for quarterly and annual reports. The licensees are required to report the daily breakdown of the amount of each type of e-waste treated during the reporting period in the quarterly and annual reports.</p> <p>As these recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<i>Inspections on suppliers, sellers, collectors and recyclers</i>		
<p>Para. 2.38 of the Audit Report</p>	<p>Audit has recommended that DEP should –</p> <p>(a) keep under review the frequency of inspections on individual suppliers of REE with a view to ensuring that the inspections are conducted in accordance with the stipulated requirements;</p> <p>(b) document the justifications of selecting sellers and collectors of REE for inspections;</p> <p>(c) set specific time pledge for preparing inspection reports for inspections conducted on suppliers of REE;</p>	<p>(a) to (d) EPD will continue to review the frequency of inspections of individual REE suppliers as appropriate, subject to work priorities.</p> <p>EPD has reviewed and updated internal guidelines, established inspection criteria and set internal time pledges for preparing inspection reports. Reasons for conducting inspections for sellers and collectors, such as receipt of intelligence, complaints or other circumstances, have been documented in the inspection reports.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(d) take measures to ensure that inspection reports for inspections conducted on suppliers, sellers and collectors of REE are timely prepared in accordance with the stipulated time pledges;</p> <p>(e) make better use of EPD's information management system for generating management reports related to inspections conducted on suppliers, sellers and collectors of REE;</p> <p>(f) take measures to ensure that an adequate number of inspections on licensees of e-WDLs are conducted in accordance with the requirements stipulated in the guidelines; and</p> <p>(g) set specific time pledge for preparing the inspection checklists for inspections conducted on licensees of e-WDLs.</p>	<p>(e) EPD has updated the existing electronic information management system, such as adding new application processing management and internal reporting functions, with a view to strengthening relevant management and supervision work, and ensuring work completed according to the time pledges of internal guidelines. In addition to updating the existing electronic information management system, EPD will commence a new contract in the second quarter of 2025 to revamp the current information system to further improve the operation of WPRS.</p> <p>(f) and (g) Regarding inspections on licensees of e-WDLs, EPD has revised internal guidelines and set internal time pledges, and conducted internal training in November 2024 to assist EPD staff to comply with the updated guidelines. The revisions include –</p> <p>(i) Requiring supervisory staff to check every six months to ensure that an adequate number of inspections on licensees of e-WDLs are conducted in accordance with the requirements stipulated in the guidelines; and</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>(ii) Requiring EPD staff to enter the inspection results into the Environmental Database Model for Enforcement and Monitoring within five working days from the date of inspection of the licensees of e-WDLs for record and enforcement purposes.</p> <p>As the recommendations on (a), (b), (c), (d), (f) and (g) in this item have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 3: Design, Construction and Operation of the Waste Electrical and Electronic Equipment Treatment and Recycling Facility		
<i>Design and construction of the Waste Electrical and Electronic Equipment Treatment and Recycling Facility</i>		
Para. 3.13 of the Audit Report	<p>Audit has recommended that DEP should –</p> <p>(a) in implementing works projects involving waste treatment facilities under a design-build-operate contract, take measures to conduct market surveys and consultations with stakeholders as comprehensively as practicable with a view to better estimating the treatment demand and incorporating the requirements on treatment capacity in the tender documents;</p> <p>(b) in implementing works projects involving construction of facilities, take measures to ensure the timely commissioning of operation, particularly those works projects involving approvals of utility services and statutory licences by relevant authorities; and</p>	<p>(a) EPD has collected market data on the regulated WEEE, and will commence market survey when new regulated WEEE is being added. Relevant data will be adopted to assess the treatment capacity in the follow-on contracts, and the requirements on treatment capacity will be incorporated in the tender documents.</p> <p>(b) and (c) EPD will reserve time for the approvals of utility services and statutory licences in the project schedule of the follow-on contracts, such that the facilities will be put into operation on time and the contractors will complete outstanding works on time.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) in implementing works projects, take measures to ensure the timely completion of outstanding works by contractors.	As these recommendations have been included in the preparation of follow-on contracts and are committed to be fully implemented, we recommend deleting this part from the next progress report.
Monitoring of operating costs		
Para. 3.24 of the Audit Report	<p>Audit has recommended that DEP should –</p> <p>(a) continue to make efforts to reduce the top-up operation fee and handling fee for treating washing machines and refrigerators exceeding their respective sub-type-specific design treatment capacities of the Waste Electrical and Electronic Equipment Treatment and Recycling Facility (WEEE·PARK) and transferring washing machines to service providers for treatment respectively;</p> <p>(b) keep under review the cost-effectiveness of treating washing machines and refrigerators collected by WEEE·PARK;</p> <p>(c) explore the feasibility to redesign WEEE·PARK with a view to aligning its treatment capacity with the mix of sub-types of regulated WEEE;</p>	<p>(a) and (b) EPD has reviewed the cost-effectiveness, service structure and operation of the WEEE·PARK in the collection and treatment of regulated WEEE, and has conducted market survey, hoping to encourage more service providers to participate in the treatment of regulated WEEE (such as washing machines and refrigerators). EPD will continue to monitor market conditions to review the cost-effectiveness of treating washing machines and refrigerators, and explore the inclusion of new service specifications in the follow-on contracts.</p> <p>(c) Since the implementation of WPRS six years ago, EPD has collected comprehensive market data on the quantity of different types of regulated WEEE, and will review the design and facilities of WEEE·PARK in future.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(d) continue to make efforts to reduce the top-up logistics fee for collecting regulated WEEE that exceeded the baseline tonnage;</p> <p>(e) conduct a cost-benefit analysis to determine whether alternative logistics service providers should be engaged in providing collection and logistics services for regulated WEEE that exceeded the baseline tonnage; and</p> <p>(f) when designing the terms of the upcoming contract for the operation of WEEE-PARK, take measures to conduct market surveys and consultations with stakeholders as comprehensively as practicable and consult the relevant stakeholders early, with a view to clearly setting out the scope of essential collection and logistics services with detailed performance requirements in the Employer's specifications.</p>	<p>(d) EPD has been committed to reducing the top-up logistics fee, and the fee involved in the latest fourth Employer's Change have been reduced. EPD will conduct a cost-benefit analysis on the operating cost of WEEE-PARK by comparing market prices with the rates/fee quoted by the bidders of the next follow-on contract.</p> <p>(e) and (f) EPD will conduct scenario and cost-benefit analysis, as necessary, when formulating the follow-on contracts, and will clearly setting out the scope of essential collection and logistics services with detailed performance requirements in the Employer's specifications.</p> <p>As these recommendations have been included in the preparation of follow-on contracts and are committed to be fully implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
<i>Monitoring of operation and maintenance of facilities</i>		
<p>Para. 3.34 of the Audit Report</p>	<p>Audit has recommended that DEP should –</p> <ul style="list-style-type: none"> (a) take measures to further enhance the collection and logistics services provided by Contractor A; (b) keep under review the conditions of facilities and equipment at WEEE·PARK, particularly those facilities and equipment with frequent maintenance and long repairing time that affected the normal operation of WEEE·PARK, with a view to ensuring the smooth operation of the WEEE treatment process; (c) take measures to ensure that detailed records of maintenance work and follow-up actions in relation to instances of failure in facilities and equipment that required frequent maintenance and long repairing time are regularly compiled and reported in the monthly and yearly operational reports by Contractor A; 	<ul style="list-style-type: none"> (a) EPD has strengthened the inspection on collection services since November 2024 (e.g. increasing the number of random calls to the public and the frequency of checking of the computer system for collection services) in order to continue to improve the collection and logistics services provided by the Contractor. (b) EPD continues to monitor the operation of WEEE·PARK through daily inspections, and requested the Contractor to report the major maintenances arrangements that may affect normal operation at monthly progress meetings, with a view to ensuring the smooth operation of WEEE treatment process. (c) Since November 2024, the Contractor has promptly notified EPD of any maintenance work that may affect the normal operation of WEEE·PARK and have included detailed records of such work in the monthly and yearly operational reports. In addition, EPD staff conduct daily inspections to monitor the operational status of facilities and equipment of WEEE·PARK; EPD has also strengthened the discussions with the Contractor at the monthly progress meetings regarding ongoing, completed and planned

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(d) make continued efforts to enhance site and occupational safety of WEEE·PARK with a view to safeguarding safety of all operations and all persons on sites; and</p> <p>(e) remind EPD staff to maintain the records indicating the dates of reporting of accidents to relevant departments by Contractor A with a view to ensuring that accidents are reported by Contractor A in a timely manner.</p>	<p>major maintenance work that may affect normal operation to ensure smooth operation of the regulated WEEE treatment process.</p> <p>(d) and (e) EPD has reminded the Contractor to improve the site and occupational safety of WEEE·PARK, and requested the Contractor to report accidents and submit accident investigation reports on time. EPD has timely updated and maintained the dates of reporting accidents to relevant departments by the Contractor. Moreover, EPD has strengthened the follow-up actions and review of each accident at the monthly progress meetings to ensure that improvement measures have been properly implemented, with a view to further enhancing the site and occupational safety.</p> <p>As these recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<i>Monitoring of contractor's performance</i>		
Para. 3.48 of the Audit Report	<p>Audit has recommended that DEP should –</p> <p>(a) take measures to ensure that Contractor A –</p> <p>(i) timely reports all non-compliance test results on environmental performance requirements to EPD in accordance with the stipulated timeframe; and</p>	<p>(a) EPD has clearly stated to the Contractor the timing to trigger a level 2 monitoring for environmental performance requirements, and regularly reminds the Contractor to report the test results to EPD in a timely manner. The Contractor has reported all non-compliance test results to EPD in a timely manner as required, and EPD will continue</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(ii) timely triggers a level 2 (i.e. more stringent) monitoring for environmental performance requirements in accordance with the required timeframe specified by EPD in September 2024;</p> <p>(b) consider reviewing the comprehensiveness of the operational performance requirements when designing the terms of the upcoming contract for the operation of WEEE·PARK and incorporating more operational performance requirements where appropriate;</p> <p>(c) take measures to encourage Contractor A to meet the target number of repaired products for individual sub-types of regulated WEEE as far as practicable;</p> <p>(d) continue to donate repaired Type 2 regulated WEEE by Contractor A with a view to helping needy members in the community and minimising waste disposal; and</p> <p>(e) take measures to ensure that the performance of contractors is duly reflected in their performance reports.</p>	<p>to reflect the Contractor's performance in the quarterly performance reports.</p> <p>(b) EPD will review the comprehensiveness of the operational performance requirements when formulating the next follow-on contract, and will incorporate more relevant requirements in this aspect as necessary and appropriate.</p> <p>(c) EPD has strengthened the review on the trends of relevant demands every year and will, as far as possible, adjust and set target number for repaired products for each sub-type in the next operation year (i.e. October 2025) according to market demand.</p> <p>(d) EPD has requested the Contractor to recover more Type 2 regulated WEEE for donation to the needy in the remaining operation years of the Contract.</p> <p>(e) EPD has duly reflected the Contractor's performance in the performance reports.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As these recommendations have been implemented, or have been included in the preparation of follow-on contracts and are committed to be fully implemented, we recommend deleting this part from the next progress report.
Part 4: Other related issues		
<i>Collection of recycling levies</i>		
Para. 4.17 of the Audit Report	<p>Audit has recommended that DEP should –</p> <p>(a) take measures to ensure that returns and audit reports are submitted by the registered suppliers of REE in a timely manner, including –</p> <p>(i) reviewing EPD staff's practice in issuing reminders to the registered suppliers of REE for submission of returns and audit reports, and updating EPD guidelines where appropriate;</p> <p>(ii) taking measures to ensure that reminders and warning letters are timely issued to the registered suppliers of REE in accordance with the related guidelines; and</p> <p>(iii) considering other measures to ensure timely submission of returns and audit reports by the registered suppliers of REE (e.g. imposing fines and/or surcharges on late submission cases);</p>	<p>EPD has introduced the following measures to ensure the recycling levies are collected and handled properly in accordance with the stipulated time pledges –</p> <p>(i) EPD has updated internal guidelines, monitors the compliance status of time pledges for processing applications, and continues to closely monitor the submission of returns and audit reports by registered suppliers;</p> <p>(ii) EPD has followed internal guidelines to properly issue first reminders, warning letters and/or final notices on time; and</p> <p>(iii) EPD has promoted the use of electronic information management system for submitting returns and audit reports to registered suppliers of REE in order to speed up processing.</p> <p>EPD will continue to monitor and regularly review the procedures and circumstances for collecting recycling levies, and take follow-up actions as appropriate.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(b) take measures to ensure that the processing of returns and audit reports submitted by the registered suppliers of REE is timely completed in accordance with the stipulated time pledges;</p> <p>(c) take measures to ensure that payment notices for recycling levies are timely issued in accordance with the stipulated time pledge;</p> <p>(d) make continued efforts to ensure timely settlement of recycling levies by the registered suppliers of REE; and</p> <p>(e) keep in view the status of the overdue payment notice for recycling levy and take follow-up actions as appropriate.</p>	<p>As these recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<i>Other administrative issues</i>		
<p>Para. 4.28 of the Audit Report</p>	<p>Audit has recommended that DEP should –</p> <p>(a) closely monitor the cost recovery position of WPRS with a view to achieving full cost recovery and take actions where appropriate;</p> <p>(b) step up efforts in facilitating applicants to apply for e-WDLs for recycling certain sub-types of regulated WEEE with few licensed recyclers; and</p>	<p>(a) EPD regularly reviews relevant recycling levy levels for WPRS. The reviews take into account various factors that may affect the level of levies, such as inflation rates, the processing ratio of different categories of REE, and changes in the sales volume of REE.</p> <p>(b) While the number of recyclers of different kinds of e-waste depends on the market situation of the recycling industry, EPD has strengthened the assistance to recyclers who intend to participate in applying for the necessary licenses and permits.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) take measures to further promote e-submission of applications, returns and reports related to WPRS.	<p>(c) EPD has promoted the use of e-submission of applications, returns and reports to registered suppliers and sellers through various channels, such as emails, calls and visits, and will continue to promote the use of the electronic information management system.</p> <p>As these recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

**Regulation of operations of small unmanned aircraft
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Registration, training and assessment requirements		
Para. 2.19 of the Audit Report	Audit has recommended that the Director-General of Civil Aviation (DGCA) should –	
	(a) enhance the Electronic Portal for Small Unmanned Aircraft (eSUA) so that when an account holder applies for deletion of his account, a reminder will be prompted to alert him to deregister the small unmanned aircraft (SUA) where applicable;	The Civil Aviation Department (CAD) will continuously enhance the eSUA, to facilitate the public to complete various registration processes associated with the applications of SUA. CAD targets to complete the enhancement by the third quarter of 2025. During the enhancement works, CAD enhanced its internal procedures. CAD staff will remind account holders on SUA deregistration if needed.
	(b) investigate and rectify any odd data identified in eSUA including those mentioned in para. 2.9 of Chapter 4 of Report No. 83 of the Director of Audit;	CAD will continue to review the data and targets to complete the rectification by the third quarter of 2025.
	(c) explore the feasibility of enhancing system control measures of eSUA in identifying odd data; and	CAD will continuously enhance eSUA to facilitate the public to complete various registration processes associated with the applications of SUA. CAD targets to complete the enhancement by the third quarter of 2025. During the enhancement works, CAD enhanced its internal procedures. CAD staff will proactively contact the applicants for verification if needed.
	(d) continue to closely monitor the handling of the SUA under verification and take measures to ensure that those cases will be properly followed through.	CAD will continue to closely monitor the handling of the SUA under verification and targets to complete the work by the third quarter of 2025.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 2.32 of the Audit Report	<p>Audit has recommended that DGCA should –</p> <p>(a) improve the assessment of initial applications and renewal applications for SUA Approved Training Organisations (ATOs), including:</p> <p>(i) updating the checklist for assessment of applications with reference to the updated and additional requirements for SUA ATOs in a timely manner; and</p> <p>(ii) reminding staff of CAD to exercise due care in checking the submissions of applicants, including the number of questions for each theoretical knowledge examination paper and the guidance documents on the reporting procedures and handling of occurrences; and</p>	<p>CAD updated the relevant checklist to facilitate staff to conduct assessment and reminded staff to follow up with the concerned SUA ATOs on examination paper and the relevant guidance documents.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	<p>(b) consider conducting continued oversight audits on SUA ATOs on an unannounced basis as far as practicable.</p>	<p>CAD will conduct continued oversight audits on SUA ATOs on an unannounced basis as far as practicable, and targets to commence implementation from the third quarter of 2025.</p>
Part 3: Advanced operations permission and insurance requirements		
Para. 3.19 of the Audit Report	<p>Audit has recommended that DGCA should –</p> <p>(a) take measures to ensure that all Advanced Operations Permission (AOP) holders are subject to scheduled oversight</p>	<p>CAD enhanced its internal procedures. In addition to ensuring that all AOP holders are subject to scheduled oversight audits at least once within</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	audits at least once within their AOP validity periods and consider establishing procedures in handling cases where scheduled oversight audits cannot be conducted due to operational factors;	<p>their AOP validity periods when preparing for the audit schedule, CAD also stated in the procedures that cases where scheduled oversight audits cannot be conducted due to operational factors will be handled through alternative methods (e.g. flight demonstration).</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	(b) remind the staff of CAD to, as far as practicable, adhere to the guidelines that an AOP will only be renewed if a scheduled oversight audit has been performed in the past 12 months and when all findings identified in scheduled oversight audits have been duly addressed;	<p>CAD reminded staff to adhere to the guidelines as far as practicable.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	(c) remind the staff of CAD to maintain inspection records on self-assessment records of AOP holders when conducting scheduled oversight audits;	CAD updated the relevant checklist to facilitate staff to conduct assessment and reminded staff to maintain the inspection records when conducting scheduled oversight audits.
	(d) revise the checklist for scheduled oversight audits with a view to facilitating the inspection of self-assessment records;	As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.
	(e) consider formalising the practice of issuing reminders to AOP holders before the specified date for submission of renewal applications; and	<p>CAD enhanced its internal procedures and formalised the issuance of renewal reminders to AOP holders with a view to facilitating the industry.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(f) take into account the time required for arranging and completing the scheduled oversight audits and AOP holders to address the findings when planning the schedule for conducting scheduled oversight audits.	<p>CAD enhanced its internal procedures in planning the schedule for conducting scheduled oversight audits in order to allow time for AOP holders to take follow-up actions after the scheduled oversight audits.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. 3.27 of the Audit Report	Audit has recommended that DGCA should keep in view the market readiness for rolling out insurance products for Category A2 Operations and take forward the implementation of the second phase of insurance requirements when the SUA operators and insurance market are ready.	<p>CAD will continue to take forward the engagement with the insurance industry and liaison with TLB to gauge the market readiness for the implementation of the insurance requirements for Category A2 SUA.</p> <p>CAD planned to conduct a survey in 2025 to gauge the market readiness for the implementation of the second phase of insurance requirements, and targets to complete the survey by the third quarter of 2025.</p>
Part 4: Other related issues		
Para. 4.9 of the Audit Report	<p>Audit has recommended that DGCA should –</p> <p>(a) conduct a strategic review on future manpower deployment, having regard to the work duties in relation to the SUA Order; and</p>	<p>Having regard to the work duties in relation to the regulation of SUA, CAD will continue to review the arrangement of manpower deployment accordingly. CAD has currently deployed the existing resources for implementing the proposal related to low-altitude economy development, including expanding CAD's regulatory oversight to operationalise various application scenarios for low-altitude flying activities and to cover a new Category C SUA through legislative amendment exercise(s).</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.
	(b) expedite the handling of cases of suspected violations as far as practicable.	<p>Having regard to the work duties in relation to the regulation of SUA, particularly from the fourth quarter of 2024 to the third quarter of 2025 with priority given to more time-critical tasks, including the supporting work for the increasing day-to-day use of SUA under the SUA Order (e.g. processing of AOP applications), CAD will continue to expedite the handling of cases of suspected violations as far as practicable.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. 4.19 of the Audit Report	<p>Audit has recommended that DGCA should –</p> <p>(a) improve the monitoring of the performance of service providers of promotional campaigns; and</p>	<p>CAD enhanced its internal procedures and introduced various measures for enhancing the monitoring of the performance of service providers of promotional campaigns, such as by requesting the service providers of promotional campaigns to submit reports.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
	(b) make sustained efforts in arranging publicity and education targeting visitors with a view to enhancing their awareness on the SUA Order.	CAD organised publicity events targeting visitors at different locations including Hong Kong International Airport, Lo Wu Mass Transit Railway (MTR) Station, Hong Kong West Kowloon High Speed Rail Station and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>other popular tourist spots, such as the Peak, areas along the Victoria Harbour and Sunny Bay MTR Station.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>
Para. 4.25 of the Audit Report	Audit has recommended that DGCA should make sustained efforts in facilitating the wider use of SUA in Hong Kong.	<p>Under the steer of the working group established by the Deputy Financial Secretary and the Secretary for Transport and Logistics in November 2024, and drawing on the experience of engaging government departments, companies or organisations in wider use of SUA, CAD will continue its efforts in facilitating the diverse applications of SUA in Hong Kong while safeguarding aviation and public safety.</p> <p>As the follow-up actions have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p>

**Residential Care Service Voucher Scheme for the Elderly
Progress in implementing recommendations of Audit/PAC**

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Administration of the Residential Care Service Voucher		
<i>Processing of applications and utilisation</i>		
Para. 2.21 of the Audit Report	<p>Audit has recommended that the Director of Social Welfare (DSW) should –</p> <p>(a) keep under review the utilisation of the Residential Care Service Vouchers (RCSVs) and make continued efforts to ensure that they are effectively utilised;</p>	<p>The Social Welfare Department (SWD) will continue to closely monitor the utilisation of RCSVs to ensure that they are effectively utilised. The Residential Care Service Voucher Office (RCSVO) will make continued efforts to keep track of the monthly statistics to review the utilisation of RCSVs, and discuss strategies for service promotion, handling of RCSV applications, etc. in the bi-monthly regular meeting of RCSVO.</p> <p>SWD has provided 'Frequently Asked Questions' (FAQs) on its Homepage to address common concerns over RCSV applications, which enabled the applicants to learn more about the RCSV Scheme and to make services choices.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(b) clearly specify the timeframes for processing RCSV applications in guidelines, including those for providing service briefings and obtaining Standardised Care Need Assessment Mechanism for Elderly Services (SCNAMES) assessment results;</p>	<p>SWD has reviewed and revised the corresponding parts of the guidelines to specify the workflow in processing RCSV applications and the timeframe for respective processing stages, including that the first contact with the applicant should be within five working days after case assignment, and that service briefing should be conducted within ten working days. If the task</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>could not be completed on time due to special circumstances, SWD staff should record the reasons of delay.</p> <p>To shorten the processing time for RCSV applications and reduce administrative work, starting from August 2024, RCSVO can download applicants' SCNAMES assessment reports directly from the Long Term Care Services Delivery System, and no longer needs to contact responsible staff to obtain the relevant information.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	<p>(c) take measures to ensure that RCSV applications are processed within the specified timeframes, including enhancing the monitoring of the compliance, and the justifications for not meeting the timeframes are documented;</p>	<p>SWD has conducted regular in-house training for the staff to enhance their understanding of the workflow in processing RCSV applications and the requirements in meeting the specified timeframes. Peer learning sessions have also been arranged for staff to share ad-hoc issues or updated measures in processing RCSV applications. SWD staff are required to record the related information in processing each RCSV application, including date of first contact, date of service briefing, justifications for not meeting the timeframes, etc. for the supervisor to monitor and take necessary follow-up actions.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) enhance SWD guidelines on follow-up actions upon expiry of the trial period for RCSVs, including specifying the timeframes for the follow-up actions (e.g. following up reply slips and updating RCSV records);	<p>SWD has reviewed and updated the corresponding parts in the guidelines to improve follow-up actions upon expiry of the trial period of RCSVs, including issuing notification letter to voucher holders (VHs) eight weeks before the expiry to inform them of the required follow-up actions and list the various means of reply including fax, mail, email or Voucher Information System for the Elderly (VISE) to facilitate their early return of reply slips. Where necessary, RCSVO will also contact VHs and their family members before the expiry of the trial period. At the same time, SWD has specified in the guidelines the timeframes for collecting the reply slips and updating the Residential Care Service Voucher System (RCSVS). If VHs do not return the reply slips on time, SWD staff should render appropriate follow-up actions.</p> <p>As the follow-up work on this recommendation has been completed, we recommend deleting this item from the next progress report.</p>
	(e) formally promulgate the cessation of the measures of allowing extension of the trial period for RCSVs to SWD staff;	<p>SWD informed all staff concerned by email on 3 October 2024 to formally promulgate the cessation of the measures of allowing extension of the trial period for RCSVs.</p> <p>As the follow-up work on this recommendation has been completed, we recommend deleting this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(f) take timely follow-up actions upon expiry of the trial period for RCSVs, including following up with the VHs on their decisions, and updating RCSVS records and status of voucher holders on Central Waiting List (CWL);</p> <p>(g) specify the timeframe for cancelling invalid RCSVs in SWD guidelines and take measures to ensure compliance; and</p>	<p>SWD has required staff to take appropriate follow-up actions upon expiry of the trial period for RCSVs according to the updated guidelines. The enhanced measures were introduced to staff by email on 7 October 2024, and by internal sharing sessions on 10 October 2024 and 18 February 2025 and included the following –</p> <p>(i) Upon receiving reply slips from VHs, SWD staff should update the RCSVS within three working days while the status of VHs in CWL would also be automatically updated;</p> <p>(ii) If RCSVO has not received the reply slip but the VH decided to opt-in the RCSV Scheme, staff of RCSVO will update RCSVS immediately and request the VH/ family members to return the reply slip as soon as possible. SWD Staff should record the corresponding contact and arrangement;</p> <p>(iii) A VH who has not used the voucher service during the trial period will be considered as opting out of the RCSV Scheme upon the expiry of the trial period. If this VH does not return the reply slip on time, RCSVO will send a notification letter within seven days after expiry of the trial period to inform the VH of the cancellation of the voucher. SWD staff should update the RCSVS and cancel the voucher within three working days after issue of the notification;</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>(iv) For a VH who had used voucher service but is not using the voucher when the trial period expires, if the VH did not return the reply slip on time, the RCSVO will send a notification letter within seven days after expiry of the trial period informing the VH his/her voucher will be cancelled three weeks after expiry of the trial period. SWD staff should update the RCSVS and cancel the voucher within one month after expiry of the trial period.</p> <p>Upon future system enhancement, SWD will explore adding a function to cancel the invalid vouchers automatically.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(h) regularly compile management information for monitoring the processing of RCSVs.</p>	<p>Apart from the compilation of monthly statistics for monitoring the utilisation of RCSVs, RCSVO has enhanced the following measures in compiling management information for monitoring the processing of RCSVs –</p> <p>(i) All applications with processing time longer than 56 days (i.e. the timeframe for handling general applications as specified in the guidelines) would be drawn from RCSVS and require the concerned SWD staff to report the reasons of delay. Relevant information would be examined by Social Work Officers and further brought up to the Senior Social Work Officer's attention on a monthly basis;</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>(ii) RCSVS will send a pop-up message by email to remind RCSVO staff to render follow-up action for VHs who have passed away for more than one month, with copy to the supervising officers for monitoring the number of valid RCSVs.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
<i>Monitoring of fees and subsidy reimbursement</i>		
Para. 2.51 of the Audit Report	<p>Audit has recommended that DSW should –</p> <p>(a) Specify the examination period of the assets and income of applicants or RCSV holders for conducting financial assessments under RCSV Scheme in SWD guidelines and publicise the related requirement;</p>	<p>SWD has revised relevant parts of the guidelines, specifying that the examination of assets and income of applicants should be based on the date of filling in the application form (i.e. the application date as indicated on the application form). Relevant information is uploaded to SWD's webpage under the FAQs section of the RCSV Scheme.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	<p>(b) specify in SWD guidelines the mechanism (including the timeframes) on scrutiny of RSPs' –</p> <p>(i) bed fees;</p> <p>(ii) add-on service fees and arrangement for handling incorrect fee charged cases; and</p>	<p>SWD has revised the guidelines to specify the procedures and timeframes of scrutinising fee-charging adjustment of recognised service providers (RSPs) (including bed fees, add-on service fees, fees for additional services and consumable items as well as incidental charges). RCSVO staff will make price comparison with previous prices and also prices of similar items or services provided by other RSPs. Staff would liaise with RSPs on reasonableness of</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(iii) fees for additional services and consumable items and incidental charges;	<p>the prices/items and request them to make adjustment if necessary. If the pricelist includes items covered by the “standard service package” or consumable items, RCSVO will request RSPs to remove the relevant items. Meanwhile, SWD staff should complete the scrutinisation according to the specified timeframe and ensure the updated pricelist would be uploaded to the Elderly Information Website (EIW) in a timely manner. If the examination could not be completed on time due to special circumstances, SWD staff should record the reasons of delay.</p> <p>SWD has clearly stated in the guidelines of the procedures on handling incorrect fee-charging cases in RSPs, including requesting RSPs to refund the over-paid amount to VH, and suggesting improvement measures and imposing sanctions on RSPs according to the existing mechanism.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(c) inform RSPs of voucher value adjustment of RCSV and request RSPs to submit bed fee forms and add-on service forms in a timely manner;	<p>SWD has completed enhancement measures to ensure all RSPs are timely informed on adjustments of the voucher value in each financial year, and to request RSPs to submit bed fee forms and add-on service forms. SWD has also amended the workflow by issuing notification letters to all RSPs early in February each year to inform RSPs of the voucher value adjustment for the upcoming financial year and request confirmation from RSPs in March. If RSPs fail to return the reply slip on time, they will be considered as not</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>following SWD's adjustment of the voucher value, and the pre-adjustment voucher value will be adopted in their claims for reimbursements. In the annual notification letter to RSPs for voucher value adjustment, RSPs will be reminded to submit the updated bed fee forms and add-on service forms.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(d) take measures to ensure that RSPs submit bed fee forms, add-on service forms before the effective date of the updated fees and fee-charging forms in accordance with the stipulated timeframe;</p>	<p>SWD will remind all RSPs of the handling procedures and requirements in processing fee adjustment through the notification letter to RSPs concerning voucher value adjustment. Through dedicated orientation visits to newly joined RSPs, annual briefings and daily communication between RCSVO and RSPs, RSPs' understanding of the requirements relating to fee adjustment has been enhanced.</p> <p>SWD has set up a working group to formulate a sanction mechanism for handling RSP's non-compliance with the service agreement, including failure to comply with the requirements of applying for a fee update and fee charging.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(e) enhance scrutiny of fees and charges charged by RSPs, including –</p> <ul style="list-style-type: none"> (i) maintaining proper scrutiny records; (ii) for annual voucher value adjustment, disbursing adjusted voucher services subsidy after receiving RSPs' replies (including the related bed fee forms and add-on service forms, if any, for scrutiny); (iii) for large variation in price levels on similar items, documenting the liaison with the RSPs about the differentiation in services as appropriate; and (iv) enhancing the checking of monthly home fees of contract homes on add-on service forms for accuracy; 	<p>SWD has reviewed the corresponding guidelines and implemented the following enhancement measures –</p> <ul style="list-style-type: none"> (i) RCSVO has drawn up the workflow for the scrutiny of fees and charges of RSP and the required record of information to be kept; (ii) For the annual voucher value adjustment, SWD has stated clearly in the notification letter to RSPs on voucher value adjustment matters that the disbursement of voucher services subsidy based on the adjusted value will only be made upon receiving the reply slip from RSPs to confirm the adjustment; (iii) In view of the differences in fee-charging levels for similar items among RSPs, RCSVO has followed the recommendation to find out about the differentiation in services of the RSPs and documenting the clarifications made; and (iv) RCSVO has revised the guidelines to request Contract Homes to submit additional information on RCSV holders and their fee-charging records for checking to ensure accuracy of the information. <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(f) review the practice of subsidising add-on services for RCSV holders residing in contract homes;	<p>SWD has collected information on the practice of subsidising add-on services for VHs residing in Contract Homes, including the original bed fees charged by the Contract Homes and details of the add-on services, and selected samples of VHs for collecting customer feedback. According to SWD's record, no VH refused the add-on services provided by the Contract Homes. SWD will compile the collected information to review the arrangement for subsidising add-on services provided by Contract Homes.</p> <p>SWD has a concrete follow-up plan on this recommendation and will continue with the relevant work.</p>
	(g) take further measures to ensure that RSPs charge RCSV holders for add-on services in accordance with the add-on service forms; and	<p>SWD has updated relevant parts of the guidelines to specify that apart from service monitoring visits, RCSVO will randomly select three VHs from each Contract Home and request the Contract Home to submit corresponding admission agreements and the Home's pricelist of add-on services for checking.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(h) specify the sampling methodology of random checking on reimbursement documents in SWD guidelines and enhance monitoring to ensure compliance with the related requirements.	<p>SWD has updated relevant parts of the guidelines to specify the sampling methodology of random checking on reimbursement documents. SWD staff will randomly select 5% of the reimbursement claims for checking before approval of the monthly reimbursement claims. The selected information and records will be kept in a central register for monitoring purposes.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
Part 3: Monitoring of recognised service providers		
<i>Processing of applications of recognised service providers</i>		
Para. 3.11 of the Audit Report	<p>Audit has recommended that DSW should –</p> <p>(a) maintain management information on actual processing time and the processing time for various stages in the RSP application process;</p>	<p>SWD has updated relevant guidelines and revised the measures by designing a record sheet for recording the processing time of various stages in the RSP application process. The record sheets should be submitted to the supervisor for progress monitoring and would be kept for service performance management in handling the applications.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	<p>(b) take further measures to ensure that the stipulated timeframes for carrying out tasks in various stages in the RSP application process are met and document the reasons for deviations;</p>	<p>Further to the above progress, SWD has developed a reporting mechanism to monitor the progress of processing RSP applications. If the stipulated timeframes could not be met, RCSVO staff should clearly record the reasons and report to their supervisors.</p> <p>RCSVO would regularly review whether the processing of RSP applications could meet the stipulated timeframes. Under general circumstances, RCSVO staff should bring up the RSP applications to the supervisors for review after one month. Supervisors would set the next bring-up date based on the progress of the application process.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
	(c) include all required supporting documents for vetting in the checklist of the RSP's application form, and take further measures to facilitate applicants in completing the application forms and submitting required supporting documents (e.g. providing training to applicants on common issues in applications).	<p>SWD has set up a working group to review the application form and the checklist to facilitate applicants' completion of the application form and submission of supporting documents. The updated documents were uploaded to SWD's webpage in April 2025. Moreover, RCSVO would conduct individual or small group briefings on a need basis to facilitate residential care homes for the elderly (RCHEs) which intend to join the RCSV Scheme in understanding the application process and eligibility requirements.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
<i>Delivery of services by recognised service providers</i>		
Para. 3.26 of the Audit Report	<p>Audit has recommended that DSW should –</p> <p>(a) step up measures to ensure that RSPs charge voucher holders for consumable items and incidental charges in accordance with the price lists and document the justifications for charging fees not included in the price lists;</p> <p>(b) step up measures to ensure that RSPs do not charge voucher holders for care supplements payable by the Government;</p>	<p>SWD has reviewed existing measures for monitoring RSPs' fee charging, and has reminded RSPs through the annual notification letter on voucher value adjustment, the dedicated orientation visit for newly joined RSPs and the annual briefing to RSPs that they should charge VHs according to the pricelists for consumable items and incidental charges and should record the justification if the charged item is not on the pricelist.</p> <p>RSPs should charge VHs according to the pricelists and should document any reasons for not charging in accordance</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>with the pricelists. SWD has set up a working group to formulate a sanction mechanism for handling non-compliance of RSPs. Besides, peer learning sessions for staff would be held to help staff master the skills in monitoring RSPs.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(c) step up measures to ensure that voucher holders receiving care supplement subsidy for diapers are provided with the required quantity and require RSPs to document justifications for the shortfall;</p> <p>(d) require RSPs to record the number of diapers provided to voucher holders receiving relevant care supplement subsidy to facilitate monitoring;</p>	<p>SWD has reviewed the existing procedures and implemented enhancement measures. In respect of newly approved care supplement cases, the updated notification would be sent to respective RSPs timely to ensure that they clearly note that VHs with care supplement subsidy for diapers should be provided with the required quantity of diapers. SWD staff will state clearly requirements relating to care supplement during dedicated orientation visits for newly joined RSPs, and remind RSPs to document relevant arrangements and reasons of any deviation from the required quantity of care supplement items provided. SWD will check related records randomly during the service monitoring visits.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(e) step up measures to ensure that RSPs do not over-charge voucher holders on top-up payment, including making adjustments on the payment</p>	<p>To ensure that RSPs will not over-charge VHs on top-up payments, SWD has added related clauses to the admission agreement of RSPs, stating that RSPs could not over-charge VHs</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>upon discharge of voucher holders and timely refund of any over-paid amounts;</p>	<p>on top-up payments. SWD will also remind RSPs through the annual notification letter on voucher value adjustment, dedicated orientation visit for newly joined RSPs and annual briefing that they are not allowed to over-charge top-up payments from VHs, including adjustment of relevant fees upon discharge of VHs and refund of any overpayment timely.</p> <p>SWD has set up a working group to formulate a sanction mechanism if RSPs fail to comply with the requirements related to care supplement subsidy.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(f) review the over-charged cases identified by Audit in paras. 3.15(a) and (c), 3.17 and 3.21 and take follow-up actions as appropriate (e.g. requesting the RSPs concerned to refund any over-paid amounts to the voucher holders as appropriate);</p>	<p>Regarding the over-charged cases mentioned in paras. 3.15(a) and (c), 3.17 and 3.21, SWD has taken follow-up actions, including requiring arrangement of refunds to VHs or their family members for overcharged fees within a specified time. RSPs have also completed refunds within the time limit. Moreover, SWD has verified that some items not included in the old price list, were indeed included in the updated price list that had taken effect. RCSVO has contacted the concerned family members to confirm that they were aware of the updated price list and have been using the relevant items. SWD has reminded RSPs again that they should strictly comply with the guidelines in the service agreement when handling fee charging matters and ensure the records are accurate and clear.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the cases have been handled, we recommend deleting this item from the next progress report.
	(g) lay down the assessment procedures of RSPs' fulfilment of minimum staffing requirements in SWD guidelines for RCSV Scheme and take measures to ensure that the assessment results are documented;	SWD has stated clearly in the guidelines for the RCSV Scheme the assessment procedures of RSPs' fulfilment of the minimum staffing requirements. RSPs are also required to set up a notification mechanism with other service monitoring units of SWD to ensure the assessment results are properly recorded. As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
	(h) consider requiring RSPs with manpower shortage to include remedial measures in their contingency plans; and	SWD has reviewed relevant guidelines and will require RSPs that might encounter manpower shortage to submit their contingency plans, including relevant remedial measures, according to circumstances. As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
	(i) continue to monitor the compliance of the RSP mentioned in para. 3.24 with its own Service Quality Standards (SQSs) including the arrangement of biannual meetings with the family members of elderly residents and provision of a safe physical environment for staff and service users.	According to the service agreement, all RSPs should comply with the SQSs, such as the arrangement of biannual meetings with family members of elderly residents and the provision of a safe physical environment for staff and service users. SWD will continue to monitor the RSPs to ensure their compliance with the requirements of their SQSs. As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
<i>Service monitoring by the Social Welfare Department</i>		
Para. 3.48 of the Audit Report	<p>Audit has recommended that DSW should –</p> <p>(a) take measures to ensure that service monitoring visits and inspections are conducted in accordance with the timeframes stipulated in SWD guidelines;</p>	<p>SWD has updated the guidelines on the workflow of service monitoring visits and inspections by clearly specifying the timeframes for conducting service monitoring visits to RSPs. To ensure timely follow-up of the monitoring work, SWD has set up a central register to capture the dates of service monitoring visits and irregularities identified during the visits, and such information is required to be submitted for the supervisor's information, monitoring and management of the timeliness of the visits. Besides, SWD has set up the mechanism for receiving inspection reports within the specified timeframe. SWD will continue to enhance the RCSV system by setting reminder functions for conducting service monitoring visits and submitting monitoring reports.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(b) strengthen measures (e.g. providing more guidance/training) to ensure that non-compliances involving areas requiring attention or of higher risks (e.g. not charging voucher holders according to the price lists) are identified by SWD officers;</p>	<p>To ensure SWD staff are aware of the non-compliance in aspects requiring attention or of higher risks, SWD has reviewed the current procedures and strengthened measures by arranging orientation training, regular staff meetings and regular peer learning groups for staff newly posted to RCSVO. SWD had set up a working group to draft and update relevant materials on the areas requiring attention and relevant skills in conducting service monitoring visits.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(c) review the designs of the checklist and report of service monitoring visits to ensure that all the key service provisions are covered properly (e.g. provision of the required quantity of diapers);	SWD has reviewed the checklist for service monitoring visits and has revised the design of the service monitoring visit report to ensure that all key service provisions are properly covered. As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
	(d) review the over-charged cases identified by Audit in para. 3.33(a) and take follow-up actions as appropriate (e.g. requesting the RSP concerned to refund any over-paid amounts to the voucher holders as appropriate);	SWD has reviewed the over-charged cases in para. 3.33(a) and requested the RSP concerned to refund any over-paid amounts to the VHs. The RSP concerned was reminded to charge the items according to the pricelist. For charged items not included in the effective pricelist, RSP should properly record the relevant reasons and whether the VHs or family members have expressed consent for purchasing those items. As the concerned cases have already been settled, we recommend deleting this item from the next progress report.
	(e) strengthen measures for repeated non-compliances by RSPs (e.g. reviewing the effectiveness of the measures for handling identified non-compliances in preventing repeated non-compliances);	In response to repeated non-compliance by RSPs, SWD has reviewed relevant monitoring procedures and set up a central register which records information on previous non-compliance of RSPs to facilitate monitoring. SWD has also set up a working group to formulate a sanction mechanism to prevent repeated non-compliance.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	(f) take measures to ensure that service monitoring visit reports are submitted within the stipulated timeframe;	<p>SWD has reviewed relevant procedures and set up a reporting mechanism with a stipulated timeframe for submission of service monitoring visits reports. Upon completion of service monitoring visit, staff of RCSVO are required to submit the service monitoring report to his/her supervisor within one month. If any non-compliance is identified during the service monitoring visit, apart from taking immediate actions such as giving verbal advice, staff are required to submit a report and carry out the necessary follow-up actions within five working days.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(g) strengthen measures to monitor the timeliness of submission of the inspection reports (e.g. setting timeframes for monitoring purpose);	<p>SWD has revised the guidelines by enhancing details of relevant procedures, including stipulating the timeframe for receiving inspection reports for monitoring purposes.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(h) compile management information (e.g. dates of regular checks and inspections, dates of reports, details of non-compliances and follow-up actions taken) to facilitate monitoring of RSPs;	<p>SWD has reviewed the relevant procedures and set up a database to compile management information, including dates of regular checks and inspections, dates of reports, details of non-compliance and follow-up actions taken to facilitate monitoring of RSPs.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
	(i) explore further measures to shorten the gap periods between batches of Service Quality Group (SQG) Scheme as far as practicable (e.g. preparing the evaluation work of SQG Scheme and performance of SQG members as well as arranging briefings for RSPs as early as possible);	SWD has carried out measures to shorten the time gap between batches of the SQG Scheme. As the follow-up work of this recommendation has been implemented, we recommend deleting this item from the next progress report.
	(j) enhance monitoring of the timeliness of report submission by RSPs in response to SQG members' opinions to DSWOs (e.g. specifying the timeframe for taking follow-up actions on delays in SWD guidelines); and	SWD has reviewed relevant procedures and has stipulated the timeframe for taking follow-up actions on the late submission of reports by RSPs to DSWOs. Staff of the district offices of SWD will, based on the relevant procedural guideline, monitor the RSPs' follow-up actions taken on the opinions of SQG members. As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
	(k) consider maintaining a central register for recording complaints against RSPs.	SWD has set up a central register for recording complaints against RSPs. As this recommendation has already been implemented, we recommend deleting this item from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 4: Other related issues		
<i>Voucher Information System for the Elderly</i>		
Para. 4.13 of the Audit Report	<p>Audit has recommended that DSW should –</p> <p>(a) step up measures to ensure that RSPs timely submit reimbursement forms for RCSV subsidies and information on admission and discharge of RCSV holders, including enhancing the monitoring of the compliance with the stipulated timeframes;</p>	<p>SWD has stated the relevant requirements in the annual notification letter on voucher value adjustment to remind RSPs of timely submission of the reimbursement forms for RCSV subsidies and information on admission and discharge of VHs through the Voucher Information System for the Elderly (VISE) to RCSVO. VISE will automatically issues pop-up/reminder messages to RSPs for late submission. SWD will explore the feasibility of enhancing VISE to set a deadline for the submission of the reimbursement form for RCSV subsidies. SWD has set up a working group to step up sanctions for RSPs failing to comply with the stipulated timeframes.</p> <p>As this recommendation has already been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>
	<p>(b) step up measures to enhance the accuracy of information provided by RSPs in reimbursement forms for RCSV subsidies;</p>	<p>To enhance the accuracy of information provided by RSPs in reimbursement forms for RCSV subsidies, SWD holds an annual refreshing training on VISE. This year's refreshment training course will be conducted in June 2025. Briefing on VISE will also be conducted for newly joined RSPs in the dedicated orientation visit.</p> <p>As this recommendation will be carried out on an on-going basis, we recommend deleting this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) specify the procedures (including approval criteria and authority) for granting extension of the absence period for RCSV holders in SWD guidelines;	<p>SWD has critically reviewed the guidelines and has added relevant clauses to specify the procedures for granting extension of the absence period for RCSV holders, including the approval criteria and authority. For VHS demonstrating genuine needs for longer absence, recommendation of extension not more than 30 days should be submitted to the supervisor. If extension of more than 30 days is required, approval from the Senior Social Work Officer should be sought while the total extended absence period could not exceed two months.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(d) explore the feasibility of enhancing VISE for online submission of hospitalisation, discharge and medical examination information of RCSV holders by RSPs and for online submission of applications by RCHCs for joining RCSV Scheme;	SWD has confirmed to enhance VISE to facilitate RSPs' online submission of information on the dates of hospitalisation, discharge and medical examination of RCSV holders. The enhancement work has kick-started and is expected to complete in the second quarter of 2025. Meanwhile, SWD is exploring the feasibility of allowing RCHCs to submit online applications for joining the RCSV Scheme.
	(e) step up measures to ensure that RSPs update the number of vacancy for beds open for accommodating RCSV holders in VISE in accordance with the stipulated timeframe;	SWD has updated relevant parts of the guidelines by clearly stating that RSPs should update the number of bed vacancies for RCSV users via VISE by end of each month. On every 25th day of a month and the first day of the following month, RCSVO will remind all RSPs of this requirement through auto-generated emails in VISE and through phone calls on the first working day.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>On the fourth day of the month, staff of RCSVO will contact RSPs still failing to update the information on bed vacancy on that day or the next immediate working day. RSPs are required to provide immediate updates verbally while they still have to update the information via VISE within three working days.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(f) explore the feasibility of creating data interface between VISE and EIW for vacant beds open for accommodating RCSV holders;	<p>SWD is preparing for the creation of data interface between VISE and EIW for the information on bed vacancy available for accommodating RCSV holders. It is anticipated to be completed and put to use by the second quarter of 2025.</p>
	(g) step up measures to encourage the use of VISE for submitting RCSV applications to enhance efficiency; and	<p>To encourage the use of VISE for the submission of RCSV applications, SWD has added FAQs to its webpage, and has provided the link and QR code of VISE on online platforms and in the invitation letter to eligible elderly persons for joining the RCSV Scheme. At the same time, SWD will encourage the submission of RCSV applications through VISE on promotional materials.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(h) continue to keep under review the utilisation of VISE and take follow-up actions as appropriate.	<p>SWD will continue to keep in view the utilisation of VISE from the monthly reports generated, share the utilisation rate and discuss promotional strategies in regular RCSVO meetings.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has already been implemented, we recommend deleting this item from the next progress report.
<i>Elderly Information Website</i>		
Para. 4.24 of the Audit Report	<p>Audit has recommended that DSW should –</p> <p>(a) specify the timeframes for updating the latest residential place and fee information on the Elderly Information Website in SWD guidelines and take measures to ensure compliance;</p>	<p>SWD has reviewed and clearly stated in the existing guidelines that the latest number of beds and fee information on the Elderly Information Website (EIW) should be updated within five working days after such information submitted by RSPs has been confirmed by RCSVO. Staff of RCSVO have been reminded to update RSPs' latest fee information timely on the EIW during regular meetings.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	<p>(b) take measures to provide residential place information for RSPs' Nursing Home (NH) places (including the number of beds open for accommodating RCSV holders and bed vacancy information) on the Elderly Information Website;</p>	<p>SWD has enhanced EIW to provide information of RSPs' NH places (including the number of beds available for accommodating RCSV holders and bed vacancy information) for the public's perusal.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) take measures to improve completeness of RSPs' fee information on the Elderly Information Website, including providing the effective dates of fee schedules of RSPs on the website; and	<p>SWD has reviewed the current procedures and staff of RCSVO will follow the guidelines to scrutinise and process matters relating to RSPs' adjustment of fee-charging, and will upload RSPs' updated pricelists timely with the uploading date specified for the public's perusal.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
	(d) timely update RSPs' information related to SQG Scheme on the Elderly Information Website.	<p>SWD has reviewed the current procedures and will update the information on the SQG Scheme when updating information on RCHEs joining the RCSV Scheme on EIW.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>
Way forward		
Para. 4.37 of the Audit Report	<p>Audit has recommended that DSW should –</p> <p>(a) continue to encourage RSPs to increase residential places open for RCSV holders and invite eligible RCHEs to participate in RCSV Scheme; and</p>	<p>SWD will publicise the RCSV Scheme and its services in the community through leaflets, posters and briefing sessions and continue to encourage RSPs to increase residential places available to VHs. Moreover, SWD staff will provide briefings on the services under the RCSV Scheme for potential RCHEs through telephone enquiries or office interviews.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) keep under review the demand for RCSVs, the service supply of RCHes and the users' feedback, and adjust the number of vouchers and RCSV Scheme as necessary.	<p>SWD will continue to keep in view the statistics and data relevant to the RCSV Scheme as well as users' feedback, so as to review the demand for RCSVs and adjust the provision of services.</p> <p>As this recommendation has already been implemented, we recommend deleting this item from the next progress report.</p>

The Hong Kong Polytechnic University:
Repair and maintenance of university premises
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Planned maintenance		
<i>Planning of repair and maintenance work</i>		
Para. 2.10 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) enhance guidelines on the Facilities Condition Assessments, including setting out the basis for giving ratings on the four evaluation criteria;</p> <p>(b) ensure the accuracy of the ratings given to the facilities in the Facilities Condition Assessments;</p>	<p>PolyU has optimised the relevant guidelines on Facilities Condition Assessments, including updating the evaluation criteria for assigning ratings and introducing a data validation process to ensure data accuracy across the four evaluation criteria. The new guidelines took effect in December 2024.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(c) enhance the monitoring of maintenance of lifts and escalators to minimise the occurrence of incidents; and</p> <p>(d) improve monitoring of issuing warning letters to lift contractors for non-compliances with contract requirements.</p>	<p>Since November 2024, PolyU has adopted a new report format to strengthen the monitoring of maintenance by tracking monthly reliability rates of lifts and escalators. The new report format not only provides overall ratings, but also details the maintenance contract for each lift, as well as the service availability of each lift and escalator. This measure can identify contractors who fail to meet the contract requirements and issue warning letters to them for any contract non-compliance.</p> <p>The senior management of Campus Facilities and Sustainability Office (CFSO) will review relevant reports and non-compliance issues during their monthly meetings.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>To prevent similar incidents, PolyU analyses each breakdown case for lifts and escalators, inspects components, identifies causes, takes rectifications and works with contractors to implement preventive measures.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
<i>Monitoring of repair and maintenance work</i>		
Para. 2.23 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) take measures to ensure that the requirements in PolyU's Operation Manual are complied with, including –</p> <p>(i) normal works orders are approved and covering works orders are endorsed before the commencement of works;</p> <p>(ii) for covering works orders for urgent jobs, the Section Heads' endorsements are sought at the earliest opportunity; and</p> <p>(iii) the special circumstances giving rise to the need for covering works orders are stated in the endorsement applications for the Section Heads' consideration and the justifications for endorsements are documented;</p>	<p>PolyU has instructed all Project Managers (PMs) and contractors that Works Orders (WOs) and Covering Works Orders (CWOs) submitted must be fully justified and approved before the commencement of works, and documented in the designated folders.</p> <p>PolyU has also reviewed the WO handling procedures and created a control checklist setting out the key milestones and essential information to properly monitor the approval status of WO and ensure that the relevant procedures comply with regulations.</p> <p>The senior management of CFSO will review this control checklist, focusing on any non-compliance issues, during their monthly meetings.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(b) ascertain the reasons for the long time taken to issue the certificates of completion for works orders;</p> <p>(c) take measures to ensure that certificates of completion are issued as soon as practicable after the works are completed;</p> <p>(d) take measures to ensure that necessary information of works orders (e.g. works completion date) is properly maintained with a view to facilitating the monitoring of the handling of works orders; and</p>	<p>The delays in issuing the certificates of completion are due to several factors, including late submissions of required documents by contractors to PolyU and failure in document processing by PMs in a timely manner.</p> <p>In addition to adopting the control checklist mentioned in Audit's recommendations, PolyU has enhanced the handling procedures for WOs and CWOs by setting specific timetables for work processes and instructing PMs to strictly adhere to these enhanced procedures. Notably, PMs must issue certificates of completion within 30 working days after the completion of works.</p> <p>These enhanced processes enable PMs to effectively monitor the progress of WOs and CWOs and conduct monthly review on any non-compliance with the progress. The senior management of CFSO will focus on any deviations in these processes during their monthly meetings.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(e) enhance the guidelines on-site inspections (including the mode, frequency, timing and scope of site inspections), and require the Project Managers to record the results of site inspections.</p>	<p>PolyU has optimised the site inspection guidelines by clearly stipulating the frequency, method and scope of inspections.</p> <p>PolyU has instructed PMs to record essential information of site inspections, including dates, locations, scope and results, and to take photos. These records must be filed in the designated folders. The Section Heads of CFSO will conduct random checks of relevant documents each month.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
Part 3: On-request maintenance and other repair and maintenance work		
<i>On-request maintenance</i>		
<p>Para. 3.15 of the Audit Report</p>	<p>Audit recommends that the President, PolyU should –</p> <p>(a) enhance guidelines on conducting spot checks on job orders for on-request maintenance, including the extent of spot checks, scope of checking and criteria for selecting job orders to conduct spot checks, and ensure that the spot check results are documented;</p>	<p>Regarding random inspections of maintenance work requested by users, PolyU has optimised the relevant guidelines and implemented the following measures –</p> <ul style="list-style-type: none"> • Determine Criteria and Scope: established criteria for selecting job orders for spot checks, including job completion status, job nature, workmanship, target for checking and compliance with statutory requirements. The guidelines also specify the extent and scope of the spot checks to ensure thorough evaluation; • Guidance for PMs: instructed PMs to adhere to the guidelines when conducting spot checks; and • Documentation and Monitoring: the spot check results are required to be documented and uploaded to the system for effective monitoring. <p>PMs are responsible for reporting spot check results to their respective Section Heads and the senior management of CFSO for performance monitoring.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(b) take measures to improve the response rate of electronic survey for collecting users' feedback on on-request corrective maintenance services;</p>	<p>PolyU will collect feedback from users after job orders are completed. However, as most job orders are simple in nature, most users will not proactively provide feedback on such job orders.</p> <p>PolyU has reviewed the current feedback collection mechanism and adopted a more focused approach by prioritising the user feedback on job orders of a more complex nature. In addition to the collection of user feedback on specific job orders, CFSO will conduct departmental visits to collect feedback from user departments on the performance of job orders.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(c) take measures to ensure that all information necessary for performance monitoring of on-request maintenance services is recorded and inputted into Computerised Maintenance Management System (CMMS); and</p> <p>(d) take measures to ensure that the performance pledge for on-request maintenance services is met and the reasons for not meeting the performance pledge are documented.</p>	<p>PolyU has instructed PMs to record and input all information necessary for performance monitoring into the CMMS.</p> <p>PMs are required to monitor job progress and report performance to Section Heads weekly.</p> <p>In addition, reasons for non-compliance will be detailed in the monthly performance pledge reports, which will be submitted to the senior management of CFSO for performance monitoring.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
<i>Assessments of structural integrity of building fabrics</i>		
Para. 3.25 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) enhance the monitoring of progress in completing the assessments of structural integrity of building fabrics; and</p>	<p>PolyU has reviewed the schedule of works for the assessments of structural integrity of building fabrics and strengthened the monitoring mechanism by implementing a control checklist for monthly progress tracking.</p> <p>The Section Head conducts a monthly review of work progress and will take immediate actions if any delays are identified. The overall progress is reported to the senior management of CFSO on monthly basis.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(b) take measures to ensure that the statutory submissions for works commencement are completed by the consultant/contractor in a timely manner.</p>	<p>PolyU has instructed consultants and contractors to complete statutory submissions for works within 20 days of receiving WOs.</p> <p>PMs are required to provide relevant submission records for review by the Section Heads before commencement of minor works to ensure that submissions from the consultants and contractors are accurate. Since the implementation of the relevant improvement procedures in October 2024, there have been no instances of non-compliance with statutory requirements.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
<i>Quantity surveying services</i>		
Para. 3.48 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) specify in its Operation Manual the requirement on the preparation of cost estimates by quantity surveying consultant for building services works carried out by the term contractor with works value of \$100,000 or above;</p> <p>(b) take measures to ensure that the requirement on the preparation of cost estimates by the quantity surveying consultant for building services works carried out by term contractors is complied with;</p>	<p>PolyU has updated the Operation Manual to set out the requirements for preparing cost estimates for works with an estimated value of \$100,000 and above. For works exceeding \$100,000, the cost estimates must be prepared by the in-house Cost and Contract Section or a quantity surveying consultant for building services works.</p> <p>PolyU has informed all PMs of the new requirements and required them to undergo refresher training on preparing cost estimates twice a year.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(c) ensure that cost estimates for repair and maintenance work are prepared by the quantity surveying consultant in a timely manner;</p> <p>(d) ensure that the requirements on processing of payment applications are complied with by the quantity surveying consultant;</p>	<p>Since November 2024, PolyU has implemented the following measures to strengthen the monitoring of the quantity surveying consultant's performance –</p> <ul style="list-style-type: none"> • Monthly Progress Reports: regular updates on the consultant's work progress; and

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(e) ensure that progress reports are submitted by the quantity surveying consultant at monthly intervals as stipulated in the contract and that records of submission are properly maintained;	<ul style="list-style-type: none"> Monthly Review Meetings: during these meetings, the consultant's performance is evaluated based on the latest progress, achievement of service requirements and timely submission of key documents. All meeting documents are stored in a designated shared folder. <p>The consultant's overall performance will be reported to the senior management of CFSO on a monthly basis for ongoing monitoring.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	(f) take effective measures to urge the quantity surveying consultants in the previous contracts (i.e. Consultants A and B) to expedite the clearance of backlogs in payment application processing; and	<p>PolyU has implemented the following measures to expedite the clearance of payment backlogs –</p> <ul style="list-style-type: none"> established milestone dates for backlog clearance and assigned staff to monitor the progress during monthly meetings with Consultants A and B; conducted weekly meetings with Consultants A and B and the relevant contractors to process payment applications; and reassigned unassessed payment applications from Consultants A and B to other quantity surveying consultants for processing. <p>The consultants' work progress will be reported monthly to the senior management of CFSO for ongoing monitoring of performance.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		PolyU will continue to report on the progress of this task.
	(g) enhance the performance monitoring on quantity surveying consultant and issue a warning letter to the consultant after an adverse assessment report is issued.	<p>In response to Audit's recommendations, PolyU has optimised the performance monitoring mechanism for quantity surveying consultants. PolyU will regularly evaluate the consultants' performance and will issue warning letter to the consultants concerned if their performance is found to be below the standard during these evaluations. Additionally, the consultant's performance will be recorded in a quarterly assessment report. If this report indicates an adverse assessment, a warning letter will also be issued to the relevant consultant.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
Part 4: Procurement of services		
<i>Procurement of services through service contracts</i>		
Para. 4.17 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) explore measures to further enhance competition of tendering exercises for service contracts;</p>	<p>PolyU has implemented a number of new measures to enhance the competition in the tendering process for service contracts –</p> <ul style="list-style-type: none"> expanded the supplier database through industry engagement and market research, e.g. including those contractors possessing similar job experience and capabilities that have worked with real estate developers, public organisations, and other institutions; and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<ul style="list-style-type: none"> sent reminders to registered suppliers to remind them to regularly check the open tender notices on the e-tendering system to encourage more potential suppliers to submit tenders. <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(b) enhance the guidelines to specify the required timeframe for issuing notifications to unsuccessful tenderers for service contracts;</p> <p>(c) take measures to ensure that unsuccessful tenderers for service contracts are notified in accordance with the required timeframe with reasons explaining why their offers have not been accepted;</p>	<p>PolyU has implemented the following measures –</p> <ul style="list-style-type: none"> Improved purchasing procedures: to notify unsuccessful tenderers for service contracts with reasons for non-acceptance within 30 days of the contract award date; and Introduced system reminders function: to ensure timely follow-up on sending notifications to unsuccessful tenderers. <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(d) take measures to ensure that service contracts for repair and maintenance of critical systems are arranged in a timely manner; and</p>	<p>PolyU has compiled a list of current service contracts outlining several key dates, including contract expiry dates, lead times for issuing tender documents, tender evaluation, committee approvals, target tender award dates, and construction preparation time, etc. PMs are required to take actions in accordance with these key dates to ensure that contract renewal arrangements are processed in a timely manner.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>The senior management of CFSO will review this list and any non-compliance issues during their monthly meetings.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	(e) ensure that the declaration and undertaking forms submitted by tender evaluation team members for service contracts upon taking up the responsibility are properly kept.	<p>PolyU has established a new e-submission platform to enable tender evaluation panel members to submit their declarations and undertaking forms online when they assume duty. The platform ensures that records are properly maintained and facilitates access to information for verification.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
<i>Procurement of services through term contracts and consultancy service contracts</i>		
Para. 4.36 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) explore measures to ascertain the reasons why the invited contractors with no response or expressing no interest are not interested in inclusion in the tenderer lists for term contracts and take appropriate follow-up actions;</p>	<p>PolyU has proactively made phone calls to invited contractors to ascertain the reasons why they did not respond or expressed no interest in being included in the tenderer lists. Section Heads will review these reasons and take appropriate follow-up actions with invited contractors accordingly.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) explore measures to ensure that sufficient number of contractors are included in the tenderer lists for term contracts as far as practicable;	<p>In addition to current practices, PolyU is looking for suitable contractors through various channels to include them in the invitation lists for soliciting expressions of interest. The relevant channels include lists of contractors used by government departments, real estate developers, public organisations, and other institutions with similar job experience and capabilities.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	(c) take measures to ensure that performance bonds are arranged by the successful tenderers for term contracts in a timely manner, for example, by setting the required timeframe for the submission of performance bonds;	<p>PolyU conducted a benchmark study to review the practices of other institutions and industry standards regarding performance bond requirements. The study indicated that the practice of requiring performance bonds is not common among other institutions similar to PolyU as most WOs are minor and of low value, resulting in a relatively low risk of non-performance by the term contractor. Considering common industry practices, PolyU has decided not to require successful bidders for term contracts to provide performance bonds.</p> <p>Since this recommendation has been implemented and will be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(d) enhance guidelines on the timeliness of completion of tendering exercises for the procurement of services through term contracts and consultancy service contracts in the Operation Manual;</p> <p>(e) take measures to ensure that a reasonable tender validity period is set for the procurement of services through term contracts and consultancy service contracts in order to be commensurate with the specific circumstances, purchase value and complexity of the tendering exercise;</p> <p>(f) take measures to ensure that tendering exercises for term contracts and consultancy service contracts are completed within the prescribed tender validity period;</p> <p>(g) take measures to ensure that repair and maintenance term contracts and consultancy service contracts are arranged in a timely manner and promulgate guidelines on the provision of repair and maintenance services during the time gaps between contracts;</p>	<p>To ensure a smooth transition between contracts, PolyU has drawn up specific tender schedules: six months for consultancy service contracts and nine months for term contracts, which must be completed before the expiry of current contracts.</p> <p>The tender schedules allow sufficient time for forming assessment panels, setting assessment criteria, finalising the list of tenderers, issuing tender documents, receiving tender documents, evaluating tenders, obtaining committee endorsements or approvals, setting target award dates, and preparing for construction. The schedule also establishes a reasonable tender validity period to facilitate timely procurement of services through term and consultancy service contracts.</p> <p>The senior management of CFSO will review a summary list of these contracts and any non-compliance issues during their monthly meetings.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(h) enhance guidelines on the handling of declarations of interests made by staff members for the procurement of services through term contracts and consultancy service contracts in the Operation Manual; and</p>	<p>CFSO has updated the Operation Manual to align with PolyU's established procedures for handling declarations of interest in procurement activities –</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(i) take measures to ensure that the assessments on the extent of conflicts, the decisions made by the relevant approving authorities and the follow-up actions taken in relation to the declarations made by staff members are recorded.	<ul style="list-style-type: none"> all staff involved in procurement must submit an annual undertaking form through the new e-submission platform and ensure that the record is kept in the e-platform for easy retrieval and compliance checks; staff participating in individual tendering exercises are required to submit a separate undertaking form via the e-submission platform; and staff with actual, potential, or perceived conflicts of interest must submit a declaration form through the e-submission platform, which facilitates the documentation of conflict assessments, decisions by approver, and follow-up actions. <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>

Part 5: Campus restoration and security enhancement work and other issues

Campus restoration and security enhancement work

Para. 5.18 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) continue to keep under review the latest situation and adjust the security measures as appropriate; and</p>	<p>PolyU has reviewed the current campus situation. Currently, PolyU accommodates approximately 40,000 faculty members and students. The campus, located in the city center, is small and overcrowded with insufficient space. PolyU has the responsibility and need to effectively control and manage the flow of people inside the campus to ensure that teaching and learning, campus life, school operations, and related activities remain unaffected. After thorough</p>
--------------------------------	---	--

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>evaluation, PolyU concluded that the existing access control and security arrangements remain suitable.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	(b) continue to conduct thorough risk assessments and enhance PolyU's risk management plans.	<p>PolyU has established an Enterprise Risk Management (ERM) Framework since 2020 and has been conducting annual risk assessments. Key risks are documented in the Key Risks Register, along with corresponding risk management plans. The implementation status of the ERM Framework and the Register is reported annually to the Audit Committee of the University's Council. The Key Risks Register for 2025, along with related risk management measures, was reported to the Audit Committee in February 2025.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
<i>Health and safety matters of repair and maintenance work</i>		
Para. 5.38 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) take measures to ensure that all site safety inspections conducted by CFSO are recorded;</p> <p>(b) take measures to ensure that the information recorded in the register of site safety irregularities of CFSO is accurate;</p>	<p>PolyU has implemented the following measures to enhance safety inspections in on-site construction site –</p> <ul style="list-style-type: none"> built-in validation parameters have been added to the data sheets to ensure data accuracy and automatically checking for errors and inconsistencies; and

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) consider regularly compiling a consolidated report capturing information on all the site safety inspections conducted and the irregularities identified by CFSO and HSO to facilitate performance monitoring;	<ul style="list-style-type: none"> compiled a consolidated report including necessary data, all site safety inspection results, and identified irregularities. <p>The consolidated report is submitted to the Departmental Health and Safety Committee on a quarterly basis, with irregularities highlighted for attention and shared with team members.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	(d) enhance guidelines on the circumstances under which written warnings should be issued to the contractors with unacceptable health and safety performance, for example, by giving more details on the factors to be considered regarding the issuing of warning letters;	<p>PolyU has optimised the guidelines for issuing written warnings, including the consideration of the following factors –</p> <ul style="list-style-type: none"> Unsafe Behaviours: clearly identified unsafe behaviours and unacceptable health and safety performance on work sites, specifically those acts that do not comply with stipulated safety rules and regulations; Frequency of Repeated Violations: established the criteria for frequency of repeated violations; and Severity of Non-Conformance: identified irregularities that may lead to severe injury risks and serious violations of Safety Regulations or the Code of Practice. <p>Written warnings issued are included in the consolidated Health & Safety monthly report, which is submitted quarterly to the Departmental Health</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>and Safety Committee and the senior management of CFSO for monitoring contractors' performance.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
	<p>(e) take measures to ensure that CFSO staff involved in repair and maintenance work attend adequate training on health and safety to meet the annual training requirement, and ensure that the annual target completion rate of the training requirement is met;</p> <p>(f) update the Health, Safety and Environment Management Manual to incorporate the latest annual training requirement on health and safety; and</p>	<p>PolyU has implemented the following measures –</p> <ul style="list-style-type: none"> the Section Heads of CFSO are responsible for reviewing the occupational safety and health training hours requirements and ensuring that team members meet the requirements. The overall progress is reported to the senior management of CFSO on a monthly basis; and the Departmental Health and Safety Committee reviews the overall progress of staff participation in safety training on a quarterly basis. <p>Additionally, CFSO has updated the Health, Safety, and Environment Management Manual to include the latest annual training requirements for health and safety.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(g) enhance guidelines on submission of accident report forms and ensure timely submission of the forms.	<p>PolyU has fully complied with the relevant legal requirements for accident reporting and has also reviewed the reporting timeframe for the internal submission of accident report forms.</p> <p>PolyU has optimised the guidelines by clearly specifying that the responsible department must complete the designated accident report form and submit it via the designated e-platform within three working days after receiving notification from the concerned staff or after the relevant department becomes aware of the accident/incident.</p> <p>The senior management of CFSO has instructed all PMs and Section Heads to strictly adhere to these accident reporting procedures.</p> <p>Since this recommendation has been implemented and will continue to be carried out on an ongoing basis, we recommend to remove this item from the next progress report.</p>
Digitalisation		
Para. 5.44 of the Audit Report	<p>Audit recommends that the President, PolyU should –</p> <p>(a) keep under review the scope for exploring innovation and technology solutions in the management of work related to repair and maintenance as appropriate; and</p> <p>(b) enhance the accuracy and completeness of records maintained in the computer systems and databases for the management of work related to repair and maintenance, for</p>	<p>PolyU currently uses different in-house systems to handle repair and maintenance (R&M) services, including service procurement, contract management, and issuing work and job orders. Relevant data will be stored in these systems and relevant files will be uploaded to a common shared folder for record-keeping.</p> <p>PolyU plans to develop a consolidated platform that encompasses all aspects of R&M work, including preventive maintenance, corrective maintenance and cyclic replacement maintenance.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	example, by developing system functions to validate the accuracy and completeness of the data inputted by users before the relevant records are stored in the computer systems and databases.	PolyU also plans to set up a task force to formulate an IT strategy to strengthen the management of repair and maintenance work and establish clear workflows and data storage methods.

Tuen Mun - Chek Lap Kok Link
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
<i>Cost Control</i>		
Para. 49 on Page 133 of the PAC Report	PAC urges that – (a) the Highways Department (HyD) and other works departments to be mindful of cost control in the implementation of works projects, exercise restraint and maintain strict discipline in resource utilisation, and adhere to the original resource allocation in works projects; and	<p>The Government has widely adopted parallel tendering arrangement which aims to increase the accuracy of approved project estimates. In addition, HyD will continue to follow the latest guidelines on the resource utilisation of works project to ensure proper use of the funds under control.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
	(b) the Financial Services and the Treasury Bureau (FSTB) and DEVB review the existing mechanism for resource utilisation in works projects and explore potential areas for optimisation. For example, consideration could be given to establishing a multi-level monitoring mechanism for the use and deployment of resources to enhance transparency and accountability.	<p>DEVB and FSTB are reviewing the existing mechanisms for resource utilisation for public works projects, including areas for optimisation relating to contingencies and provisions for price adjustments. In addition, DEVB and FSTB plan to strengthen the current supervisory mechanism, such as establishing more detailed internal guidelines for relevant departments and controlling officers to further ensure the proper usage of resources. To enhance the transparency on the resource utilisation and allocation, DEVB and FSTB also plan to report to the LegCo regularly on the use of provision for price adjustments in public works projects.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 49 on Page 133 of the PAC Report	<p>PAC requests that –</p> <p>(a) the Transport and Logistics Bureau (TLB) report to the Committee on the total final expenditure of the Tuen Mun - Chek Lap Kok Link (TM-CLKL) project; and</p>	<p>The remaining tasks of the TM-CLKL project mainly involve the remaining works of Contracts G and H and the handover procedures with the relevant management and maintenance departments. HyD will continue to closely monitor the progress of the remaining works and the handover procedures so as to complete the remaining works of the TM-CLKL project as soon as possible and finalise its total expenditure for reporting to the Committee. TLB is confident that the actual total expenditure will remain within the total approved project estimate of about \$46.7 billion for the project, and that there will not be any cost overrun for the whole project.</p>
	<p>(b) FSTB and DEVB report to the Committee on the findings of the review of the existing mechanisms for resource utilisation in public works projects.</p>	<p>DEVB and FSTB will report to the Committee in due course upon completion of the review.</p>
<i>Performance of Consultant X</i>		
Para. 49 on Page 135 of the PAC Report	<p>PAC strongly urges that –</p> <p>(a) TLB and DEVB explore, where appropriate, the introduction of risk-sharing clauses in consultancy agreements and a mechanism to deal with compensation events whereby consultants should assume certain responsibilities in relation to the progress, cost control and risk management of works projects. When taking forward a works project, HyD should proactively seek legal advice and consider bringing</p>	<p>Currently, consultancy agreements for public works projects have clearly stipulated that consultants must indemnify the Government for any claims, damages, losses or expenses arising from their professional negligence in the performance of their duties or provision of services. At the same time, the consultants must purchase a professional indemnity insurance policy in proportion to the consulting fees to cover possible indemnity or negligence. DEVB will also reflect the consultants'</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>claims for compensation to protect the Government's interests if the consultant is found to be involved in potential legal liabilities, such as professional negligence or breach of contract;</p>	<p>performance at various stages of the implementation of public works projects in their quarterly performance assessment reports. The assessment system helps DEVB take appropriate regulatory actions when necessary, including suspending a consultant from tendering or removing them from the approved list of consultants. The consultants' performance scores will also affect their chances of winning future tenders.</p> <p>DEVB believes that the existing public works consultant management system and contract terms for public works consultancies have already balanced the responsibilities and risks of all parties. The introduction of additional risk-sharing terms and compensation mechanisms is considered inappropriate and may potentially jack up the risk premium, leading to an increase in tender prices and construction costs. If DEVB finds out that a consultant has had professional negligence or breached the contract in the implementation of a project, DEVB will seek legal advice and consider initiating claims against the consultant in order to protect the Government's interests. The performance of a project involves multiple aspects such as construction progress, cost control, risk management, etc. If the consultant is required to share the additional costs that may be caused by poor performance in these areas regardless of whether there are deficiencies due to the consultant, the consultant will probably consider such terms unreasonable and unacceptable. Furthermore, the amount of additional costs incurred in the works often far exceeds the gain that the consultant can</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>make from the contract. It is indeed difficult for the consultant to purchase appropriate professional indemnity insurance for these disproportionate liabilities. Thus, the relevant contract terms will ultimately only cause most consulting firms to give up participating in public works projects or substantially increase the risk premium in the tender price, thereby significantly increasing the overall project cost.</p> <p>According to the General Conditions of Employment of Engineering and Associated Consultants for a Design and Construction Assignment, the consultants shall exercise all reasonable professional skill, care and diligence in performing the services. In addition, the consultants shall indemnify the Government for any claims, damages, losses or expenses resulting from negligence in the performance of their duties or services.</p> <p>In the implementation of works projects, if HyD finds out that a consultant may be involved in legal liabilities such as professional negligence or breach of contract, HyD will continue to seek legal advice as appropriate on a case-by-case basis and consider initiating claims so as to protect the Government's interests.</p>
	(b) TLB and DEVB explore the establishment of an explicit reward and punishment mechanism to provide appropriate incentives or impose penalties on consultants based on their performance in order to enhance their performance and accountability; and	DEVB believes that the current management system is effective. The system requires evaluation of the consultants' performance regularly, and the scores they receive will affect their chances of winning future tenders. DEVB also takes appropriate regulatory actions against consultants (including suspending them from tendering or removal from the approved

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>list of consultants) who have committed serious violations or whose performance is extremely unsatisfactory, such as obvious lack of supervision in ensuring site safety. To strive for excellence, DEVB will review the performance evaluation mechanism for consultants and, if necessary, introduce optimisation measures to encourage consultants to improve their performance, thereby increasing their chances of winning future tenders.</p>
	<p>(c) during the implementation of works projects, HyD and other works departments should strengthen the management of consultant performance, maintain close communication and regularly share project progress with consultants to understand potential risks and facilitate the timely adoption of contingency measures.</p>	<p>HyD will continue to monitor, manage and regularly assess the performance of consultants in strict accordance with the relevant government circulars and handbooks, including the Handbook on Selection, Appointment and Administration of Engineering and Associated Consultants.</p> <p>In addition, DEVB issued guidelines in 2023 requiring the adoption of the “New Engineering Contract” (NEC) form for all major consultancy agreements of public works projects. NEC introduces an early warning mechanism to encourage the client’s representatives and consultants to identify and raise potential risks that may affect the project at an early stage, and to jointly negotiate and work out the best solution to facilitate the smooth implementation of the project according to the prescribed framework and timeframes in the agreement in the event of difficulties and problems. HyD will continue to follow the guidelines issued by DEVB in adopting the NEC form in future consultancy agreements.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
<i>Tender evaluation mechanism</i>		
Para. 50 on Page 142 of the PAC Report	PAC is strongly of the view that it is necessary for the Administration to review the existing tender evaluation mechanism for public works projects in order to give more weight to the past performance of tenderers, and to explore the introduction of a “blacklist” mechanism to increase the deterrent effect and to motivate the industry to improve service quality.	<p>At present, the past performance scores of public works consultants and contractors can account for 20 to 40 percent of their technical scores in future tenders, which is enough to affect their chances of winning future tenders. In addition, DEVB has established a mechanism to deal with public works consultants or contractors who have committed serious violations or whose performance is extremely unsatisfactory, including suspending them from tendering or removing them from the relevant approved lists of consultants and contractors. As the above arrangement is already deterrent and its effect is similar to that of a “blacklist”, DEVB believes that there is no need to set up a separate “blacklist” mechanism.</p> <p>As stated in the above response to para. 49 of the PAC report, DEVB will review the performance assessment system for consultants and, if necessary, introduce optimisation measures to encourage consultants to improve their service performance, thereby increasing their chances of winning future tenders.</p> <p>In addition, DEVB has introduced new regulatory measures since July 2023. If a contractor on the approved list of contractors is involved in a serious site safety incident, the contractor may be suspended immediately from tendering under the relevant public works project category.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Administration of Contracts A and B		
<i>Interfacing issues of Contracts A and B with reclamation contract for the Hong Kong Port</i>		
Para. 2.10 of the Audit Report	<p>Audit has recommended that, in implementing works projects involving interfacing works contracts, the Director of Highways should take measures to improve the management of interfacing works with a view to mitigating the risks arising from interfacing issues (e.g. significant works variations, prolongation costs, disruption costs, granting of extensions of time (EOTs), and contractual claims and disputes), including –</p> <ul style="list-style-type: none"> (a) ensuring timely handover of works sites among interfacing works contracts; (b) better coordinating with all related parties on interfacing works; and (c) enhancing project management planning. 	<p>HyD issued letters in December 2024 to remind its staff and consultants to follow the guidelines in the Project Administration Handbook for Civil Engineering Works (PAH) to ensure timely handover of works sites among interfacing works contracts and better coordinate with all related parties on interfacing works.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 50 on Page 138 of the PAC Report	<p>PAC urges that HyD should –</p> <ul style="list-style-type: none"> (a) strive to minimise the interfaces between works contracts as far as practicable for similar projects in the future, including exploring the possibility of using the same contractor to carry out the design and construction of the reclamation and subsequent works, etc.; and 	<p>For similar projects in the future, HyD will strive to minimise the interfaces between works contracts as far as practicable, including exploring the possibility of using the same contractor to carry out the design and construction of the reclamation and subsequent works, etc., so as to minimise interfacing issues between contracts.</p> <p>In addition, HyD has adopted the NEC form in accordance with the guidelines issued by DEVB, which seeks to promote the establishment of a mutually supportive and trustworthy</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>partnership between contracting parties through contractual provisions of mutual trust and collaboration, as well as mechanisms such as early warning and compensation events, etc., stipulated in the contract, so as to enhance the performance and cost-effectiveness of project management through joint risk management.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
	<p>(b) explore the adoption of the early contractor involvement approach in public works contracts to facilitate the participation of contractors in the design and site investigation stages of works projects, so as to identify potential risks and problems in the projects at an early stage, thereby avoiding delays or overspending in the works projects.</p>	<p>The “Early Contractor Involvement” (ECI) approach is similar to the conventional “Design and Build” (D&B) approach in that it seeks to enhance the cost-effectiveness of the project and shorten the construction period by taking on board the contractors’ inputs at the early possible stage and make good use of the contractors’ technical expertise and equipment.</p> <p>In implementing public works projects, HyD will continue to adopt different procurement approaches, including the adoption of the D&B approach or ECI approach, having regard to the specific needs and constraints of individual projects in order to achieve the optimum cost-effectiveness and shorten the construction period.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
<i>Other issues under Contract A</i>		
Para. 2.23(a) of the Audit Report	Audit has recommended that the Director of Highways should, in implementing works contracts involving watermain diversion works, take measures to better ascertain the site conditions at the planning stage with a view to minimising variations of works (e.g. increasing the length of watermain required to be diverted) after contract commencement.	<p>HyD issued letters in December 2024 to remind its staff and consultants to follow the related guidelines such as PAH to consult relevant undertakings and government departments on underground utilities and maintain close liaison, with a view to better ascertaining the site conditions at the planning stage so as to minimise variations of works after contract commencement.</p> <p>HyD has been actively making use of the 3D Digital Underground Pipeline Database and the Underground Public Utilities Information System established by the Lands Department in collaboration with relevant government departments and utility undertakings with a view to obtaining more accurate information of underground pipelines.</p> <p>HyD is also exploring more extensive use of detection techniques that do not require excavation such as ground-penetrating radar, so as to further confirm the location and information of underground pipelines.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 2.23(b) of the Audit Report	Audit has recommended that the Director of Highways should, in issuing works variations, remind HyD staff and consultants to issue variation orders (VOs) in writing before carrying out the varied works in accordance with the related guidelines.	HyD issued letters in December 2024 to remind its staff and consultants to comply with the contract terms regarding the issue of VOs in writing and the related guidelines in PAH.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 2.23(c) of the Audit Report	<p>Audit has recommended that the Director of Highways should, in implementing design-and-build contracts, remind HyD consultants to closely liaise with relevant stakeholders with a view to ensuring their timely responses and to approve design submissions by HyD contractors after taking into account the stakeholders' views as early as possible.</p>	<p>HyD issued letters in December 2024 to remind its staff and consultants to enhance liaison with relevant stakeholders with a view to ensuring their timely responses and to approve contractors' design submissions as early as possible after taking into account the stakeholders' views.</p> <p>HyD has requested the consultancy agreements commenced in recent years to set up an electronic platform for consultants and stakeholders to submit and respond to design documents through electronic means, so as to enhance the efficiency of design submission and approval, and to reduce the time required for circulation of documents. The electronic platform can also be equipped with reminder notifications to regularly remind the relevant stakeholders to handle outstanding responses to design documents and notify HyD and consultants to intervene in complex cases in a timely manner.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 2.23(d) of the Audit Report	<p>Audit has recommended that the Director of Highways should, in implementing works contracts involving piling works –</p> <ul style="list-style-type: none"> (i) remind HyD staff and consultants to conduct thorough ground investigations as far as practicable in accordance with the related guidelines with a view to better ascertaining sub-surface conditions for piling works; and (ii) explore new technologies and digital tools for conducting more thorough ground investigations with a view to providing better information on site conditions. 	<p>HyD issued letters in December 2024 to remind its staff and consultants to follow the latest guidelines such as the Geoguide 2 and PAH and conduct thorough ground investigations as far as practicable.</p> <p>HyD has been actively exploring the use of new technologies and digital tools to enhance the accuracy of the investigation, such as geophysical survey techniques, to obtain more accurate geological information.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 50 on Page 140 of the PAC Report	<p>PAC strongly demands that HyD should actively explore new technologies that are cost-effective and mature so as to better understand the geological conditions at an early stage of the projects and minimise additional expenditure arising from unanticipated ground conditions.</p>	<p>HyD has made use of geophysical survey techniques in the ground investigation works of individual project to obtain more accurate information on the subsurface conditions.</p> <p>HyD will continue to explore new technologies with a view to providing more accurate information on site conditions.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
<i>Other issues under Contract B</i>		
Para. 2.42(a) of the Audit Report	Audit has recommended that the Director of Highways should, in implementing works projects involving reclamation works, take measures to estimate the quantity of fill material required for the reclamation works as accurately as practicable.	<p>HyD issued letters in December 2024 to remind its staff and consultants to continue to follow the latest guidelines on ground investigation as set out in the Port Works Design Manual published by the Civil Engineering and Development Department and relevant technical circulars, and to accurately estimate the amount of rock fill material required for reclamation works as far as practicable. HyD will also explore the use of geophysical survey and sonar scanning techniques with a view to obtaining geological and seabed information more cost-effectively.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 2.42(b) of the Audit Report	<p>Audit has recommended that the Director of Highways should, in implementing tunnel works projects –</p> <p>(i) regularly remind HyD staff and consultants to follow the related guidelines in specifying the passive fire protection system inside tunnels;</p>	<p>HyD issued new guidelines in 2023 stating that the thermal barrier inside tunnels should normally be of board type. In addition, HyD issued letters in December 2024 to remind its staff and consultants to continue to follow the related guidelines when specifying the specifications of the passive fire protection system in tunnels.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(ii) continue to explore new technologies for constructing passive fire protection system inside tunnels with a view to improving the design of tunnel structures;	<p>HyD will continue to explore new technologies for constructing passive fire protection system inside tunnels with a view to improving the design of tunnel structures.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
	(iii) continue to enhance the design of road drainage system in response to climate change, and regularly remind HyD staff and consultants to follow the related guidelines for the design of drainage for road tunnels; and	<p>HyD issued new design guidelines in 2023 requiring the additional capacity be provided in tunnel drainage system in order to cope with severe rainstorms due to extreme weather and climate change. In addition, HyD issued letters in December 2024 to remind its staff and consultants of the need to continue to follow the related guidelines in implementing tunnel projects and designing the associated drainage systems.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
	(iv) draw lessons from the experience gained in constructing emergency access hatches in carriageway along Tuen Mun - Chek Lap Kok Tunnel (TM-CLK Tunnel) with a view to improving the design of tunnel structures.	<p>HyD has learned from the experience of constructing emergency access hatches in tunnels and has stipulated in the latest tunnel design guidelines that entrance and exits to the space above or below the tunnel carriageway should not be located on the carriageway.</p> <p>HyD also issued letters in December 2024 to remind its staff and consultants to continue to follow the related guidelines in the design of tunnel structures.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Para. 50 on Page 140 of the PAC Report	PAC strongly demands that HyD should, when a certain quantity of building materials needs to be re-procured in the course of works projects (such as the abovementioned rock fill issue), consider the establishment of an open tender mechanism for this purpose to ensure that the procurement process complies with the principles of fairness, openness and transparency.	<p>DEVB is actively exploring the adoption of a central procurement model for procuring suitable construction materials and components. This procurement model can capitalise on the overall demand for public works projects and enhance cost-effectiveness by taking advantage of bulk purchasing. When a certain quantity of construction materials needs to be re-procured in the course of works projects in future, HyD will work with DEVB to explore cost-effective procurement procedures.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 50 on Page 144 of the PAC Report	<p>PAC strongly recommends that HyD should –</p> <p>(a) conduct adequate feasibility studies, risk assessments and field tests on the new designs and materials that are proposed to be used in the future to minimise the problems that may occur; and</p>	DEVB has set up a task force to steer and co-ordinate the scientific research of various works departments, and collaborate with universities and research institutions on a regular basis so as to identify research and development initiatives that have considerable benefits in terms of enhancing productivity, improving cost performance and speeding up the construction of public works projects, and initiatives that can be widely applied to other projects for further piloting in public works projects, so as to put into practice and substantiate the

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>research results on new construction materials and innovative construction technologies, and to formulate relevant standards and guidelines.</p> <p>The Building Technology Research Institute (BTRi) led by the Government was established in August 2024 to conduct research and development in areas covering innovative construction materials, construction methods and technologies, and to devise standards, conduct testing and provide accreditation.</p> <p>BTRi will work closely with DEVB and works departments (including HyD) to put into practice and establish innovative construction materials, technologies and machineries through pilot projects in public works projects.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
	<p>(b) enhance internal communication and collaboration, remind the relevant parties to give due consideration to future maintenance needs when selecting designs and materials, and to comment early on the new designs or materials proposed to be used so as to include new proposals as appropriate in tender documents.</p>	<p>HyD issued new guidelines in 2023 stating that under normal circumstances, the thermal barrier inside tunnels should be of board type and tunnel fittings should be able to be dismantled manually as far as practicable to reduce the extent and duration of closure of the tunnel tubes for maintenance works, thereby minimising the impact on traffic and making long-term inspection, maintenance and repair work more efficient and cost-effective.</p> <p>HyD issued letters in December 2024 to remind its staff and consultants to continue to follow the related guidelines.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Part 3: Other contract management issues		
<i>Administration of Contracts C to H</i>		
Para. 3.18(a) of the Audit Report	<p>Audit has recommended that the Director of Highways should, in implementing works projects involving construction of slope and retaining wall –</p> <ul style="list-style-type: none"> (i) remind HyD staff and consultants to conduct thorough pre-tender site investigation as far as practicable in accordance with the related guidelines; and (ii) closely monitor the progress of varied works (if any) to minimise the time and cost implications. 	<p>HyD issued letters in December 2024 to remind its staff and consultants to follow the latest guidelines such as the Geoguide 2 and PAH to conduct thorough pre-tender site investigation as far as practicable, and continue to explore the use of techniques such as geophysical survey to obtain more accurate geological information. Meanwhile, HyD has also reminded its staff and consultants to closely monitor the progress of the variation works to minimise the impact in terms of time and cost.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 3.18(b) of the Audit Report	<p>Audit has recommended that the Director of Highways should draw lessons from the dislocation of manhole and drain covers constructed under Contract C with a view to improving the design of such works in future works projects.</p>	<p>HyD updated the standard drawings applicable to transverse drain in July 2023 which include the use of thickened drain covers and the provision of screw tightening to prevent the covers from dislocation.</p> <p>In addition, HyD also issued letters in December 2024 to remind its staff and consultants to follow the latest design guidelines and select suitable manhole and drain covers. HyD will also explore upgrading the manhole covers from Class E600 (with weight capacity</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>of 60 tonnes) to Class F900 (with weight capacity of 90 tonnes) for road sections with frequent, high-speed and heavy traffic. Class F900 covers are generally suitable for airport runways and are equipped with screws for tightening so as to prevent the covers from dislocation.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 3.18(c) of the Audit Report	Audit has recommended that the Director of Highways should, in implementing works contracts involving tunnel works, take into account future maintenance needs in a timely manner when formulating Vitreous Enamel (VE) panel design.	<p>HyD issued new design guidelines in 2023 requiring that under normal circumstances, tunnel fittings should be able to be dismantled manually to reduce the extent and duration of closure of tunnel tubes for maintenance works, thereby minimising the impact on traffic and making long-term inspection, maintenance and repair work more efficient and cost-effective.</p> <p>HyD also issued letters in December 2024 to remind its staff and consultants to continue to follow the related guidelines.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 3.18(d) of the Audit Report	<p>Audit has recommended that the Director of Highways should, in preparing documents for works contracts –</p> <p>(i) take additional measures to critically vet tender documents to ensure their completeness,</p>	HyD updated its internal guidelines in 2018 to explicitly require staff to scrutinise the tender documents submitted by the consultants, including spot checking of tender documents, bills of quantities and drawings. In addition, HyD and its consultants have made extensive use of the Building

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>accuracy and consistency with one another before tenders are invited; and</p> <p>(ii) remind HyD staff and consultants to follow the related guidelines in checking tender documents.</p>	<p>Information Modelling (BIM) technology in the production of drawings to ensure that details such as sections, elevations, layout plans and reinforcement in all drawings are compatible with each other and to reduce human errors.</p> <p>HyD issued letters in December 2024 to remind its staff and consultants to follow the latest guidelines on vetting tender documents to ensure their completeness, accuracy and consistency before tenders are invited.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 3.18(e) of the Audit Report	<p>Audit has recommended that the Director of Highways should keep under review the adoption of new technologies under Contract D (e.g. BIM and the Smart Fire System Mobile Application) and conduct reviews on their effectiveness for tapping the experience for implementing future works projects.</p>	<p>HyD issued letters in December 2024 to remind its staff and consultants to keep in view the adoption of new technologies and their effectiveness so as to gain experience for future works projects.</p> <p>HyD will proactively incorporate suitable new technologies in the tender documents when planning other projects in the future.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 50 on Page 145 of the PAC Report	<p>PAC strongly urges HyD to draw lessons from relevant experience to enhance the management of works contracts and actively use technology to assist staff in vetting tender documents.</p>	<p>In respect of enhancing the management of works contracts, HyD will continue to make more extensive use of the NEC form in public works contracts in accordance with DEVB's guidelines. NEC introduces an early warning mechanism to encourage the</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>client's representatives and contractors to identify and raise potential risks that may affect the project at an early stage, and to jointly negotiate and work out the best solution to facilitate the smooth implementation of the project according to the prescribed framework and timeframes in the contract in the event of construction difficulties and problems.</p> <p>In respect of vetting tender documents, HyD updated its internal guidelines in 2018 to explicitly require staff to scrutinise the tender documents submitted by the consultants, including spot checking of tender documents, bills of quantities and drawings. In addition, HyD and its consultants have made extensive use of the BIM technology in the production of drawings to ensure that the details of sections, elevations, layout plans and reinforcement in all drawings are compatible with each other and reduce human errors.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Site safety		
Para. 3.29(a) of the Audit Report	Audit has recommended that the Director of Highways, in implementing works projects, should make continued efforts to enhance site safety with a view to safeguarding safety of all operations and all persons on sites.	HyD issued letters in December 2024 to remind its staff and consultants to make continued efforts in enhancing site safety and strictly follow the latest guidelines as set out in PAH, the Construction Site Safety Manual and relevant technical circulars with a view to safeguarding safety of all operations and all personnel on site and stepping up monitoring of contractors' reporting

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 3.29(b) of the Audit Report	<p>Audit has recommended that the Director of Highways, in implementing works projects, should take additional measures to ensure that HyD contractors timely report accidents at construction sites (including submission of related reports) in accordance with related requirements, including –</p> <ul style="list-style-type: none"> (i) requiring the Supervising Officer/Engineer to compile management information for monitoring the compliance with related requirements; and (ii) reminding HyD contractors to include all accidents in the monthly reports submitted to the Supervising Officer/Engineer's Representative. 	<p>of site accidents, as well as to ensuring that the contractors include all accidents in the monthly reports submitted to the Supervising Officer/Engineer's Representative. In addition, HyD has requested all works contracts to include matters such as reporting of accidents in the agenda of the regular Site Safety and Environmental Management Committee meetings to ensure that the relevant requirements in the contracts are fully implemented.</p> <p>HyD also published a standardised computer report form and provided guidelines in February 2025 to require HyD staff and consultants managing various works contracts to prepare relevant accident management information.</p>
Para. 3.29(c) of the Audit Report	<p>Audit has recommended that the Director of Highways, in implementing works projects, should enhance the monitoring to ensure that HyD contractors submit the reports relating to site safety monitoring procedure in accordance with the contract requirements.</p>	<p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Part 4: Operation and traffic management		
<i>Management, operation and maintenance of the Tuen Mun-Chek Lap Kok Tunnel</i>		
Para. 4.19(a) of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should keep under review the staff manning level requirements specified in the Management, Operation and Maintenance (MOM) agreement for TM-CLK Tunnel.</p>	<p>TD will continuously review the staff manning level requirements stipulated in the MOM agreement for the TM-CLK Tunnel. In response to the tunnel's traffic volume and the corresponding needs for tunnel operation and maintenance, the department will timely review and revise the staff manning level</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>requirements for the operator to ensure the efficient and safe operation of the tunnel. Under the new agreement, staff manning level has been increased by eight operations staff and two engineering and maintenance staff compared to the previous agreement, to better meet the tunnel's actual operational and maintenance needs.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 4.19(b) of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should require the operator of TM-CLK Tunnel to continue to review and revise the human resources plan in the MOM agreement as and when necessary with a view to ensuring staff stability and sufficient competent staff employed by the operator.</p>	<p>TD has requested operators to regularly review their human resource plans, adjust strategies in a timely manner, and take appropriate measures (such as improving employee benefits, strengthening training, and providing promotion opportunities) to maintain staff stability and attract new operational personnel to join the tunnel industry, thereby ensuring that staff manning levels meet the agreement requirements.</p> <p>When the new agreement came into effect on 27 December 2024, the tunnel operator had largely recruited sufficient operational and maintenance staff, with only one vacancy for a Building Maintenance Officer. The vacancy was subsequently filled in February 2025.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 4.19(c) of the Audit Report	Audit has recommended that the Commissioner for Transport should require the operator of TM-CLK Tunnel to take further measures with a view to complying with the staff manning level requirements (in particular for maintenance staff) stipulated in the MOM agreement.	TD will continue to take measures to ensure staff stability, including suitably allowing operators to hire some applicants who have yet had one year of experience in traffic control or public transport facility management as assistant traffic officers, and provide them with training. Upon completion of the training and passing the examinations, they will be promoted to traffic officers. In addition, TD has also given approval for the operator to suitably hire applicants who do not hold a driving licence as traffic officers and assign them to duties that do not involve driving (such as manning the administration building lobby), in order to attract new talent to the tunnel industry and improve the supply and recruitment efficiency of human resources.
Para. 50 on Page 146 of the PAC Report	PAC recommends that TD should take timely measures to facilitate Operator A's employment of adequate manpower as stipulated in the MOM agreement to ensure that the operation of the tunnel will not be affected.	<p>Furthermore, the operator is preparing to collaborate with the Employees Retraining Board again, and is expected to launch a new round of the "Hire and Train" Scheme (Foundation Certificate in Knowledge of Tunnel Traffic Supervision) in the third quarter of 2025, which will enable trainees to be transferred to become traffic officers upon completion of the course and officially join the tunnel management industry.</p> <p>The operator will also continue to promote employee recruitment through various channels, including publishing job advertisements and participating in open recruitment events organised by the Labour Department or major recruitment media to attract new talent to the tunnel industry.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>TD will continue to closely monitor the operator's recruitment and training progress to ensure that the operator's staffing arrangements meet the requirements of the agreement as far as possible.</p> <p>As TD and the operator have devised concrete plans and will carry them out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 4.19(d) of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should take measures to improve the assessment of performance of the operator of TM-CLK Tunnel, including:</p> <p>(i) considering setting timeframe for the completion of the overall quarterly performance assessment report on the operator;</p>	<p>TD has set a clear timeframe for completing the overall quarterly performance assessment reports for operator. Responsible staff from TD are required to complete the assessment reports on the operator within two months after the end of the assessment period and mark the completion dates on the reports to ensure that the assessments are completed on time and are traceable.</p> <p>The overall quarterly performance assessment report covering the period from August to October 2024, and from November 2024 to 26 December 2024 (i.e. before the end of the first agreement) were completed by end December 2024 and end February 2025 respectively (i.e. within two months after the end of the evaluation period), with the completion dates indicated on the reports.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(ii) reviewing the assessment basis for each assessment item in the overall quarterly performance assessment report where appropriate; and	To better assess the performance of the operator, TD is conducting a comprehensive review of the various assessment items in the overall quarterly performance assessment reports with a view to refining the assessment criteria and documenting the specific justifications for the performance rating (e.g. relevant data or observation records) in the reports. The review is expected to be completed by the second quarter of 2025 and implementation will commence in the evaluation cycle in the third quarter of 2025.
	(iii) improving the documentation on the justification for performance ratings in the overall quarterly performance assessment report.	
Para. 4.19(e) of the Audit Report	Audit has recommended that the Commissioner for Transport should, in collaboration with the Director of Electrical and Mechanical Services, expedite follow-up actions to resolve the problems in using the heavy recovery vehicles (HRVs) with a view to ensuring timely and safe vehicle recovery operations in TM-CLK Tunnel;	TD and the Electrical and Mechanical Services Department (EMSD) are planning to enhance the axle load capacity of HRVs and convert the vehicle type of these vehicles from heavy goods vehicles to special purpose vehicles. It is expected that the relevant conversion works can be completed within 2025. As the details of the conversion works have yet to be finalised, there is no information on the related expenses at this stage.
Para. 50 on Page 147 of the PAC Report	PAC strongly demands TD to report in a timely manner details of the conversion works for HRVs and the related expenditure.	
Para. 50 on Page 146 of the PAC Report	PAC recommends that TD and EMSD should set out appropriate specifications and requirements for the procurement of HRVs for tunnels in accordance with the design and conditions of different tunnels, and carry out field tests.	Before the delivery of HRVs, TD and EMSD will conduct testing and acceptance inspections on the vehicles and make appropriate adjustments (e.g. adjusting the center of gravity of the recovery vehicles) where necessary to ensure that the vehicle specifications comply with the tender requirements, operational needs, and relevant safety standards.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>In planning and procuring HRVs in future, TD and EMSD will pay more attention to site-specific technical specifications and requirements that better suit the actual environment and tunnel design. This includes taking into account the structural constraints of tunnels, the special needs of recovery operations, as well as the mobility and stability of the vehicles.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 4.19(f) of the Audit Report	Audit has recommended that the Commissioner for Transport should explore additional measures to help the operator of TM-CLK Tunnel identify out-of-gauge vehicles with a view to preventing out-of-gauge vehicles without a permit passing through TM-CLK Tunnel.	TD, through the "E&M InnoPortal" of EMSD, released the relevant technical requirements in late January 2025 to seek technical solutions for identifying out-of-gauge vehicles within government tunnels. EMSD has received a total of ten proposal submissions so far. It is expected that the evaluation of these proposals will be completed in the second quarter of 2025. Depending on the matching results, TD will further explore the feasibility of using new technologies in the tunnel environment.
Para. 4.20(a) of the Audit Report	Audit has recommended that the Director of Highways should, in collaboration with the Commissioner for Transport, ascertain the maintenance responsibilities of all tunnel equipment before tender/award of MOM agreements for tunnels.	In drawing up the MOM agreements for future government tunnels, TD will enhance communication with HyD with a view to incorporating all tunnel equipment planned to be maintained by the tunnel operators and the associated maintenance requirements into the MOM agreements for the respective tunnels.
Para. 4.20(b) of the Audit Report	Audit has recommended that the Director of Highways should, in collaboration with the Commissioner for Transport, take additional measures to ensure that	HyD issued letters in December 2024 to remind its staff and consultants to stock-take all tunnel equipment as far as practicable before tendering/awarding

Para. No.	Audit/PAC's Recommendations	Progress to Date
	the maintenance requirements of tunnel equipment are included in MOM agreements for tunnels as appropriate.	<p>the MOM agreements for tunnels so as to identify the maintenance responsibilities of all tunnel equipment at the early stage of the project and to follow the latest guidelines in PAH to ensure that the maintenance requirements of tunnel equipment are included in MOM agreements for tunnels as appropriate.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
<i>Traffic management of the Tuen Mun - Chek Lap Kok Link</i>		
Para. 4.28 of the Audit Report	Audit has recommended that the Commissioner for Transport should keep under review the traffic at TM-CLKL and relevant road sections in Tuen Mun, and take traffic management measures where appropriate.	<p>TD will continue to keep under review the traffic at TM-CLKL and relevant road sections in Tuen Mun, and take forward traffic management measures in a timely manner where appropriate.</p> <p>Apart from the medium to long-term measures including the proposed Lung Fu Road Slip Roads and Hoi Wing Road Slip Road, Tuen Mun Bypass and Route 11, TD has also formulated short-term traffic management measures having regard to the traffic conditions in Tuen Mun. The Government has arranged for junction widening works along Ming Kum Road and Lung Mun Road to enable vehicles to travel more smoothly between Tuen Mun Road (Fu Tei Section) and TM-CLK Tunnel using the route along Tsing Tin Road, Ming Kum Road, Tsing Wun Road and Lung Mun Road, so as to divert the traffic from Tuen Mun Road (Town Centre Section) and Wong Chu Road. These include the widening of the junction of Ming Kum Road and Tsing Tin Road, the widening of the junction of Lung Mun Road and</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>Wu Shan Road, and the widening of the junction of Ming Kum Road and Shek Pai Tau Road.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 50 on Page 146 of the PAC Report	PAC recommends that TD should closely monitor the impact of the commissioning of the Northern Connection of TM-CLKL on the traffic within the Tuen Mun area, and actively explore measures to improve the traffic condition.	<p>As reported above regarding the current progress of para. 4.28 of the Audit's Report, TD has been closely monitoring the impact of the commissioning of the Northern Connection of TM-CLKL on the traffic within the Tuen Mun area, and will explore measures to improve the traffic condition, taking into account the traffic conditions and the implementation of various infrastructure projects, in a timely manner.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
Para. 50 on Page 147 of the PAC Report	PAC strongly demands TD to report in a timely manner the traffic volume/capacity (v/c) ratio of Wong Chu Road in 2024.	The traffic data for 2024 are still being compiled. TD will publish the v/c ratio of Wong Chu Road for 2024 in due course.
Para. 50 on Page 147 of the PAC Report	PAC strongly demands TD to report in a timely manner the implementation timetable of the specific measures and road works to divert traffic in the vicinity of Tuen Mun Road and Wong Chu Road, as well as the latest development of other related improvement proposals.	As reported above regarding the current progress of para. 4.28 of the Audit's Report, TD has arranged for junction widening works along Ming Kum Road and Lung Mun Road to enable vehicles to travel more smoothly between Tuen Mun Road (Fu Tei Section) and TM-CLK Tunnel using the route along Tsing Tin Road, Ming Kum Road, Tsing Wun Road and Lung Mun Road,

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>thereby diverting traffic away from Tuen Mun Road (Town Centre Section) and Wong Chu Road.</p> <p>The widening of the junction of Ming Kum Road and Tsing Tin Road was completed in 2022, while the widening of the junction of Lung Mun Road and Wu Shan Road commenced in October 2024 and is expected to be completed in phases from mid-2025 onwards. For the widening works at the junction of Ming Kum Road and Shek Pai Tau Road, HyD is actively taking forward the relevant preparatory work and coordinating with relevant departments and stakeholders, with a view to commencing the works in late 2025.</p> <p>TD is working with HyD to study the next phase of the junction improvement works, so that vehicles travelling between Tuen Mun Road and TM-CLK Tunnel can travel more smoothly along Tsing Tin Road, Ming Kum Road, Tsing Wun Road and Lung Mun Road. In formulating the traffic plans, TD will take into account holistically the future development of the area, including the implementation of various infrastructure projects, and the impact on the major roads in Tuen Mun after the toll reduction and the implementation of time-varying tolls at the Tai Lam Tunnel from 31 May 2025. The Government will consult relevant stakeholders on the proposed junction improvement works in a timely manner, and will liaise with Tuen Mun District Council on the traffic conditions in Tuen Mun and report on the relevant work. The Government will keep the Legislative Council informed of the progress of the medium</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>to long-term measures, including Tuen Mun Bypass, Route 11, Lung Fu Road Slip Roads and Hoi Wing Road Slip Road in due course.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Youth Development Fund
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Entrepreneurial funding schemes providing start-up capital support		
Para. 2.10 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) for the Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) (Entrepreneurship Scheme), provide more management information (e.g. number of applications from youth entrepreneurship applicants (YEAs), the corresponding acceptance rate and reasons for rejection of YEAs) to the Youth Development Commission (YDC) and the Action Group on Youth Development Fund and Programmes (AGYDF) to facilitate their review of the implementation details of the scheme, such as the maximum funding amounts for NGO operators, so as to support worthwhile projects for young entrepreneurs; and</p> <p>(b) continue to provide more assistance and guidance to prospective NGO applicants and step up efforts in encouraging more NGOs to join the Entrepreneurship Scheme with a view to increasing the pool of eligible NGOs for implementing projects under the scheme.</p>	<p>Under the new round (2024-27) of the Entrepreneurship Scheme, HYAB signed the funding agreements with NGO operators in March 2025, and will collect more management information from the NGO operators, such as the number of applications from YEAs, the corresponding acceptance rate, reasons for rejection of YEAs, etc., and will report to AGYDF under YDC after all the organisations have completed their selection process of YEAs. HYAB will continue to provide more assistance and guidance to NGOs interested in applying for funding, such as organising briefing session to explain the requirements in implementing the Entrepreneurship Scheme and submitting funding applications.</p> <p>Under the new round of the Entrepreneurship Scheme, funding has been approved to 19 NGOs, representing an increase of three NGOs as compared with the previous round. It is expected that the NGO operators concerned will gradually launch their entrepreneurship projects in the first half of 2025, providing start-up capital and support services to approximately 260 youth start-up teams, which is more than 217 youth start-up teams in the previous round.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para. 2.31 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <ul style="list-style-type: none"> (a) for the Entrepreneurship Scheme, take measures to enhance the selection process of YEAs by NGO operators, including maintaining proper documentation on the assessment process (e.g. document justifications in cases where applicants with the highest scores in interviews were not selected), and management of conflict of interest; (b) take measures to ensure that NGO operators' checking of the eligibility of YEAs is conducted in accordance with the funding agreements and properly documented (e.g. requesting NGO operators to require YEAs to make declarations concerning their eligibility in the application forms); (c) provide clearer guidelines to NGO operators on what constitutes "applicable" terms and conditions to facilitate their work in preparing agreements with selected YEAs; (d) continue to take measures to ensure that NGO operators closely monitor selected YEAs' achievement of the milestone targets for timely completion of projects; (e) continue to take measures to ensure that NGO operators deliver programmes and 	<p>(a) to (c)</p> <p>In respect of the selection procedures of YEAs, verification of eligibility of YEAs, documentation, management of conflict of interest, etc. by NGO operators, HYAB has updated the clauses of the funding agreements and relevant funding guidelines with a view to providing clearer guidance to the NGO operators.</p> <p>(d) and (e)</p> <p>HYAB will continue to closely monitor and follow up on NGO operators' and selected YEAs' performance and achievement of the milestone targets, as well as arrange mid-term progress review meeting for NGO operators and youth start-up teams to report the implementation progress of relevant projects to HYAB and members of</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>activities under the entrepreneurial support and incubation services in accordance with the funding agreements (including expected numbers of persons benefitted), and require them to take prompt actions to rectify the shortfall in case of under-achievements; and</p> <p>(f) for the second round of the Entrepreneurship Scheme, ensure that clauses on safeguarding national security are incorporated in the funding agreements to be signed between HYAB and NGO operators, and between NGO operators and selected YEAs.</p>	<p>AGYDF under YDC. Where necessary, HYAB will provide appropriate guidance and support to NGO operators.</p> <p>(f) HYAB has incorporated relevant clauses for safeguarding national security into relevant funding agreements and funding guidelines.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.43 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) for the Entrepreneurship Scheme, take further measures to ensure that NGO operators submit reports in accordance with the timeframes stipulated in funding agreements and expedite the payment process to NGO operators as far as practicable;</p> <p>(b) expand the coverage of monitoring visits to all NGO operators, and specify the coverage and the frequency of monitoring visits in HYAB's guidelines;</p>	<p>(a) and (b) HYAB will continue to closely monitor the performance of NGO operators in implementing the Entrepreneurship Scheme. At the briefing session held on 14 April 2025, HYAB reminded NGO operators to comply with the report submission requirements and observe the deadlines for report submission as stipulated in the funding guidelines and the checklist of best practice. HYAB will take appropriate follow-up actions against those NGO operators which fail to submit reports on time (including issue of reminders on overdue reports). HYAB has also revised relevant</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(c) continue to keep under review the achievements of the key performance indicators for the Entrepreneurship Scheme and take follow-up actions as appropriate; and</p> <p>(d) consider setting more outcome indicators making reference to market/international practices (e.g. measuring survival rates for start-ups under the Entrepreneurship Scheme) as appropriate and reporting their achievement.</p>	<p>internal guidelines, including expanding the coverage of monitoring visits to all NGO operators and stipulating that monitoring visits should be conducted to each NGO operator at least once during the funding period.</p> <p>(c) and (d) HYAB will continue to keep under review the achievements of the key performance indicators with NGO operators under the new round of the Entrepreneurship Scheme, and compile more management information relating to the scheme, such as operational data of youth start-up teams during the scheme, as well as the survival rates of the relevant start-up teams upon completion of the funding scheme. Such information will be reported to AGYDF under YDC, so as to facilitate the assessment of the effectiveness of the Entrepreneurship Scheme.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 3: The Experiential Scheme		
Para. 3.11 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) remind NGO operators to promptly inform HYAB of any cancellation of programmes under the Experiential Scheme within the stipulated timeframe and report the cancellations to AGYDF in a timely manner;</p>	<p>(a) HYAB has updated the relevant funding guidelines and clauses of the funding agreements. According to the latest funding guidelines, a funded NGO operator intending to cancel an experiential programme must seek written approval from AGYDF under YDC at least 14 days before the</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(b) draw experience from the first round of the scheme and provide assistance to NGO operators in delivering the programmes as appropriate in future; and</p> <p>(c) in collaboration with NGO operators, step up efforts in promoting the scheme.</p>	<p>scheduled event or departure date of the experiential trip, and provide an explanation of the reasons for making changes to the programme details.</p> <p>(b) and (c) Taking into account the experience from the first round of the scheme, HYAB revised relevant internal guidelines and arranged a briefing session for the funded organisations on 24 March 2025, explaining the requirements under the new round of the Experiential Scheme and relevant Audit Report in details. HYAB will work closely with NGO operators to implement and promote the scheme.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.36 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) enhance monitoring of NGO operators' work in implementing the funding proposals, including the stated number of promotion activities, and remind NGO operators to recruit a more diverse mix of participants as far as practicable;</p>	<p>(a) HYAB will continue to strengthen the monitoring of NGO operators in implementing the Experiential Scheme and their compliance with the provisions set out in the funding guidelines. HYAB explained in the briefing session on 24 March 2025 in detail on the requirements under the new round of the Experiential Scheme and relevant Audit Report. HYAB has also encouraged NGO operators to follow the best practices, including recruiting participants with more diverse background.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(b) formulate measures to minimise confusions caused by the use of terms relating to the role of the parties involved in the programmes (e.g. co-organisers or assisting organisers) by NGO operators when publicising the programmes;</p> <p>(c) take measures to ensure that NGO operators conduct proper checks on participants' eligibility, and take follow-up actions to request refund from NGO operator(s) concerning ineligible participants;</p> <p>(d) request NGO operators to require applicants to make declarations on their eligibility in the application forms;</p> <p>(e) take measures to enhance the accuracy of information submitted by NGO operators regarding participants (e.g. conduct random checking of source documents and remind NGO operators to enhance checking before submission);</p> <p>(f) take measures to ensure that NGO operators follow good practice in managing conflict of interest in the selection of participants; and</p> <p>(g) enhance monitoring of compliance with the requirements in the funding guidelines, including the insurance and publicity requirements.</p>	<p>(b) HYAB has revised the guidelines provided to NGO operators on the use of funds and publicity requirements, which include featuring HYAB, YDC and the logo of government-funded projects and using appropriate terms for the various partners involved in the implementation of programmes.</p> <p>(c) to (g) HYAB has revised the funding guidelines for NGO operators, which have been incorporated into the funding agreements signed with the operators. Apart from updating the relevant funding guidelines to provide clearer guidance to NGO operators (e.g. verifying participants' eligibility, submitting reports within the prescribed deadlines, managing conflicts of interest when selecting participants and complying with the insurance and publicity requirements, etc.), HYAB also reminded the funded organisations of the matters requiring attention and actions during the briefing session on 24 March 2025.</p> <p>Furthermore, HYAB has updated the participant's declaration and undertaking form under the Experiential Scheme to ensure that NGO operators and participants have a clearer understanding of the relevant requirements. These operators are required to verify the eligibility of participants and submit accurate participant details to HYAB, including the participant's declaration and undertaking form submitted by applicants regarding their eligibility, properly manage conflicts of interest during the participants' selection process, and adhere to the insurance</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		<p>and publicity requirements. In respect of the case where participants were found to be ineligible, the relevant NGO operator has already refunded the corresponding grants.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.50 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) for the Experiential Scheme, strengthen monitoring of NGO operators' checking of participants' eligibility, including requesting NGO operators to submit participants' declaration forms for independent checking as appropriate;</p> <p>(b) take measures to ensure that NGO operators submit reports in accordance with the stipulated timeframes, including issuing reminders to them in a timely manner;</p> <p>(c) expand the coverage of monitoring visits to all NGO operators and take measures to ensure that NGO operators submit invitations/notifications of scheduled programmes/activities in accordance with the timeframes stipulated in HYAB's guidelines; and</p>	<p>(a) to (c)</p> <p>HYAB has updated the funding guidelines in respect of the relevant recommendations. For instance, HYAB has revised the relevant terms, requiring NGO operators to submit the participant's declaration and undertaking form, duly completed and signed by participants at least three days before the departure of the experiential programmes by email for HYAB's record and verification. HYAB will continue to strengthen the monitoring of NGO operators in implementing the Experiential Scheme and take further measures to ensure that NGO operators comply with the funding guidelines. For example, after the briefing session held on 24 March 2025, HYAB has issued to NGO operators all relevant appendices of the funding guidelines and a summary of the submission deadlines of relevant documents. Furthermore, HYAB has expanded the scope of monitoring visits to cover all NGO operators. HYAB has also revised the internal guidelines concerning random</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(d) consider setting performance indicators for all schemes under the Youth Development Fund (YDF) (including the Experiential Scheme) and reporting the achievements thereon.</p>	<p>checking, monitoring visits, and issue of written reminders on overdue reports.</p> <p>(d) HYAB has set performance indicators for all schemes under YDF (including the Experiential Scheme). For instance, in the 2023 Policy Address, a performance indicator has been set to increase the number of beneficiaries under various youth exchange and internship programmes in the Mainland and overseas under HYAB from about 17 000 in 2019 to no less than 30 000 by 2024, which covered the Experiential Scheme. HYAB will continue to review and report to the relevant Action Groups under YDC on the achievements of all programmes under YDF (including the Experiential Scheme), and will make timely updating on the existing performance indicators.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 4: Other youth development schemes		
Para. 4.15 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) continue to keep under review the progress of implementation of the Funding Scheme for Youth Adventure Training Activities (FSYATA) and the Funding Scheme for Youth</p>	<p>(a) HYAB and relevant Action Group under YDC will continue to closely monitor the progress of implementation of FSYATA and FSYPTA, including arranging NGO operators to report progress</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>Positive Thinking Activities (FSYPTA) including the participation rates, and take follow-up actions as appropriate (e.g. provide assistance to NGO operators as necessary);</p> <p>(b) take further measures to ensure that NGO operators follow the procurement best practices in the funding guidelines; and</p> <p>(c) enhance monitoring of compliance with the requirements in the funding agreements, including the insurance and record keeping requirements. In cases where the insurance policies were considered not required, the relevant costs should be refunded to the Government.</p>	<p>of their projects, and continuing to participate in funded activities as observers to assess the performance of NGO operators. Under the close monitoring of HYAB and relevant Action Group, the implementation of funded projects is in good progress. Up to end January 2025, the first round of FSYATA and FSYPTA have benefitted more than 10 000 and 6 000 attendance respectively with relevant key performance indicators achieved.</p> <p>(b) and (c) HYAB has enhanced the mechanism and will regularly remind NGO operators to pay attention to and comply with the procurement best practices as well as the insurance and record keeping requirements. NGO operator of the Pilot Scheme on Youth Outdoor Adventure Training Activities which did not require insurance policies has already refunded the relevant costs to the Government.</p> <p>As the above recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
<p>Para. 4.32 of the Audit Report</p>	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <ul style="list-style-type: none"> (a) continue to take measures to ensure that NGO operators of other youth development schemes submit reports and returns in accordance with the funding agreements, and take follow-up actions as appropriate; (b) take measures to ensure that the claiming and disbursement of grants under other youth development schemes are conducted in accordance with funding agreements, and take follow-up actions to request refund for over-payment of grant as appropriate; (c) continue to keep under review the achievements of the key performance indicators for other youth development schemes including compiling the relevant statistics for monitoring purpose and take follow-up actions as appropriate (e.g. providing assistance to NGO operators); and 	<ul style="list-style-type: none"> (a) HYAB has duly issued reminders on overdue reports and returns by NGO operators and revised relevant internal guidelines. (b) HYAB will continue to review external auditor reports and attendance records of funded activities together with particulars of participants submitted by NGO operators, in order to ensure that the grants are claimed and disbursed in accordance with funding agreements. Relevant NGO operator of the Pilot Scheme on Youth Outdoor Adventure Training Activities has already refunded the over-payment of grant to the Government. (c) HYAB and YDC will continue to closely monitor the progress of implementation of FSYATA and FSYPTA, and performance of concerned NGO operators, including provision of suitable guidance to NGO operators, arranging NGOs to report project progress to relevant Action Group under YDC, and participating in funded activities as observers, etc. Up to end January 2025, the first round of FSYATA and FSYPTA have benefitted more than 10 000 and 6 000 attendance respectively with relevant key performance indicators achieved.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) conduct more comprehensive evaluations for individual schemes under YDF to draw experience from them with a view to improving implementation of similar schemes in the future.	<p>(d) HYAB and YDC have reviewed the effectiveness of the first round of FSYATA and FSYPTA and, after updating the relevant Guides to Application, launched a new round (2025-27) of enhanced schemes in December 2024 and January 2025 respectively. It is expected that successful NGOs will progressively roll out related activities in summer 2025 for a period of two years.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 5: Other related issues		
Para. 5.13 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) continue to broaden the membership of the Alliance of Hong Kong Youth Innovation and Entrepreneurial Bases in the Greater Bay Area (the Alliance) for providing more activities that benefit young entrepreneurs;</p>	<p>(a) HYAB will continue to work closely with the other two leading parties of the Alliance, i.e. the Hong Kong and Macao Affairs Office of the People's Government of Guangdong Province and the Human Resources and Social Security Department of Guangdong Province, and consider expanding the membership of the Alliance as appropriate. For example, we will invite the NGO operators of the second round of the Entrepreneurship Scheme to join the Alliance.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(b) keep under review the usage of the “We Venture” thematic website and take measures to attract more views and visitors;</p> <p>(c) consider providing more information (e.g. current status and timeline) related to the YDF schemes on the thematic website; and</p> <p>(d) further strengthen the publicity programmes, including the online publicity campaigns, mobile application and the activities under the Youth Link.</p>	<p>(b) and (c) HYAB plans to upgrade the “We Venture” thematic website progressively in 2025, and will continue to provide more practical and latest information regarding both the Alliance and the entrepreneurial support schemes on the website for enhancing user experience.</p> <p>(d) HYAB will continue to strengthen publicity of various programmes, e.g. regularly post the latest news of various youth development programmes (including the Youth Link, as well as “HKYouth+” youth mobile application) on the social media accounts of HYAB and YDC. As at end of April 2025, the Youth Link has over 18 000 members.</p> <p>As the aforementioned recommendations (a) and (d) have been implemented and will be carried out on an on-going basis, we recommend deleting (a) and (d) from the next progress report.</p>
Para. 5.22 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) promulgate detailed guidelines on administering YDF funded schemes and take measures to ensure their compliance;</p>	<p>(a) HYAB updated and promulgated detailed guidelines to NGO operators for administering new rounds of respective funding schemes under YDF, and clearly explained to all responsible HYAB’s staff and NGO operators on the updated guidelines to ensure their compliance.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
	<p>(b) consult AGYDF about the implementation details and report the progress of the Youth Start-up Internship Programme (YSIP); and</p> <p>(c) report the current and projected financial positions of YDF to YDC regularly for reference.</p>	<p>(b) and (c) HYAB reported the financial position of YDF and the implementation progress of YSIP at the AGYDF meeting held in October 2024, which covered the outcomes of YSIP in 2024 as well as the implementation details and timetable of YSIP in 2025. HYAB will report the current and forecast financial positions of YDF to YDC or its relevant Action Groups regularly.</p> <p>As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 5.28 of the Audit Report	<p>Audit has recommended that the Secretary for Home and Youth Affairs should –</p> <p>(a) continue to, in consultation with YDC, upon reviewing the financial position of YDF, explore measures to ensure the optimal utilisation of YDF; and</p> <p>(b) take into account the audit observations and recommendations in this Audit Report in implementing funding schemes under YDF in future (including the second round of the Entrepreneurship Scheme and the Experiential Scheme).</p>	<p>(a) HYAB reported the financial positions of YDF at the YDC meetings held in November 2024 and March 2025. HYAB will also continue to work closely with YDC for the optimal utilisation of YDF.</p> <p>(b) HYAB has reviewed the comments and recommendations made by Audit and has worked out relevant improvement measures (as detailed in the paras. above) for incorporation in the second round of the Entrepreneurship Scheme and the Experiential Scheme, with a view to facilitating the effective implementation by NGO operators and ensuring the appropriate utilisation of YDF.</p>

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the aforementioned recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
