THE GOVERNMENT MINUTE

in response to the

REPORT OF
THE PUBLIC ACCOUNTS COMMITTEE
No. 84

of July 2025

15 October 2025

THE GOVERNMENT MINUTE IN RESPONSE TO THE PUBLIC ACCOUNTS COMMITTEE REPORT NO. 84 DATED JULY 2025

REPORT ON THE RESULTS OF VALUE FOR MONEY AUDITS (Report No. 84)

Chapter 1 – Dedicated Fund on Branding, Upgrading and Domestic Sales

The Government generally agreed with the recommendations made by the Director of Audit regarding the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in his Report No. 84. The Commerce and Economic Development Bureau (CEDB) and the Trade and Industry Department (TID), with the support of the Hong Kong Productivity Council (HKPC) as the implementation partner and the BUD Fund Secretariat (Secretariat), have been taking appropriate follow-up actions in response to the recommendations. The progress is set out below.

Processing of applications

2. Since January 2025, the Secretariat has been implementing a rationalised arrangement whereby applicants are now allowed up to 14 days to provide clarifications for unclear budget items. This arrangement has since July 2025 been extended to cover all types of clarifications required (apart from those for unclear budget items), such that applications for which the required clarifications could not be provided within the 14-day timeframe will not be processed further. The operational arrangements for handling applications approved with conditions have also been rationalised since November 2024 such that the approval-in-principle will automatically lapse if the applicants cannot fulfil the conditions within the timeframe specified in the result notification letter issued to them.

3. The Secretariat has been undertaking a suite of measures, including organising seminars/webinars and participating in events organised by other industrial and trade organisations, to enhance prospective applicants' understanding of the BUD Fund. In the first half of 2025, the number of participants at these events increased by over 40% as compared to the same period in 2024. With a view to improving their chance of successful application, the Secretariat has, since June 2025, included additional modules at its BUD Fund promotional seminars to explain the expected roles of project coordinators in the assessment process and the common reasons of application rejections.

4. The Secretariat has strengthened its monitoring of the signing of funding agreements to ensure that they are signed within six months from the date of issuance of the result notification letters. When an applicant cannot sign the funding agreement within the six-month timeframe without reasonable justifications, the approval of the application will lapse.

Monitoring of approved projects

5. Since December 2024, TID and the Secretariat have implemented an enhanced project monitoring mechanism for reminding grantees to make timely submission of project reports and for more effective handling of projects with overdue reports. Under the enhanced mechanism, the Secretariat will issue reminder to a grantee for submission of report one month before the completion date of the project, issue chaser and reminder if the report is overdue for one month and five months respectively, and recommend project termination if the report remains overdue for six months.

6. In addition, CEDB and TID have reviewed the arrangements of fund disbursements having regard to the operational experience, including the grant recoupment situation, in the past few years and adjusted the initial payment ratio from 75% to 20% of the approved government funding for applications received since 14 March 2025. Besides, any new application from an applicant with any overdue project report for a completed project will not be processed until the project report and the required supporting documents/clarifications of the completed project have been duly submitted. More detailed guidance and tips for completing project reports have also been provided to grantees, and seminars/webinars will also be held to raise their understanding. These measures will further provide incentives for grantees to submit their final reports promptly in order to obtain the final payments early and to submit any new application.

7. Since May 2025, TID and the Secretariat have strengthened the monitoring of the progress of conducting on-site checks. The Secretariat will ensure that the projects are selected for on-site checks according to the selection criteria as stipulated in the relevant guidelines and the checks are actually conducted within the stipulated timeframe as far as possible. Any deviation and the reasons will be properly recorded and reported to the Programme Management Committee (PMC) for attention. Besides, starting from July 2025, the Secretariat will set specific deadlines to grantees for conducting on-site checks. If a grantee is not cooperative and the check could not be conducted by the specified deadline, the project may be terminated. Furthermore, TID has, in collaboration with the Secretariat, refined the guidelines on the on-site check mechanism to specify, among others, the suspicious elements and circumstances which warrant on-site checks for “Easy BUD” projects as well as the selection criteria for on-site checks for “E-commerce Easy” projects.

8. As regards the Audit Commission (Audit)'s recommendations on grant recoupment, TID and the Secretariat have also enhanced the grant recoupment mechanism since December 2024 so as to handle projects with overdue reports more efficiently and effectively. Under the enhanced mechanism, projects with reports overdue for six months will be recommended for termination, thus expediting the commencement of any necessary grant recoupment process. The Secretariat has also adopted a systematic workflow which sets out the specific actions to be taken for recouping residual funds from the grantees and the target timeframes for doing so, which will enhance the efficiency of handling grant recoupment cases and facilitate the taking of necessary legal actions as soon as possible. Moreover, the adjustment of the initial payment ratio from 75% to 20% should lower the number of projects requiring grant recoupment upon completion, thereby enhancing the overall efficiency of fund disbursements and reducing the administrative burden and financial risks associated with such cases.

Other related issues

9. TID and HKPC will expedite the necessary updating of service agreements in future and take measures to ensure timely submission of the Annual Report, audited accounts and the Annual Implementation Plan of the BUD Fund within the stipulated timeframe. The PMC endorsed in June 2025 the revised timelines for the Secretariat's submission of discussion papers and meeting minutes which have taken into account the actual operational experiences, as well as the surge of applications and the associated workload of the Secretariat in recent years. TID will work closely with the Secretariat to ensure timely submission of the PMC meeting documents.

10. TID and the Secretariat fully recognise the importance of the satisfaction surveys for evaluating the effectiveness of the BUD Fund and have devised various measures with a view to improving their response rates. Compared to the response rates of 47%, 77% and 26% in Customer Satisfaction Surveys, Completion Surveys and Tracking Surveys in 2023-24, the response rates have already improved to 49%, 95% and 28% respectively in 2024-25.

11. On the appointment of PMC members, two new members have been recruited through the Member Self-recommendation Scheme for Youth, and the youth participation rate of the PMC has reached 20%, exceeding the benchmark of 15%. CEDB and TID will continue to identify suitable young people in future appointment exercises. For the PMC member referred to in the Audit report whose attendance rate was 25% in the previous term from July 2022 to June 2024, the attendance rate has risen to 80% since the new term commenced in July 2024. For the first-tier declaration of interests made by the two PMC members newly appointed in May 2025, their declarations have been promptly made before the date of appointment. For those PMC members who were re-appointed in July 2024, all their annual update of first-tier declarations in 2025 have also been made in a timely manner.

12. The project of adopting generative artificial intelligence (AI) in the operation of the BUD Fund is in good progress and the full adoption of AI in vetting applications is being planned. TID will, in collaboration with the Secretariat, continue to closely monitor the progress of the AI adoption and its effectiveness in enhancing vetting productivity.

Progress in implementing recommendations of Audit/PAC

13. CEDB and TID, with the support of the Secretariat, have been reviewing the implementation of the BUD Fund on an on-going basis, with a view to enhancing its operation where appropriate. As at September 2025, actions have been duly taken for implementing all the Audit's recommendations. We recommend deleting this Chapter from the next progress report. The latest progress
Encl. 1 is at Enclosure 1.

Chapter 2 – Hong Kong Council for Accreditation of Academic and Vocational Qualifications

14. The Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) and the Education Bureau (EDB) accepted Audit's recommendations, and have taken follow-up actions accordingly. The progress is set out below.

Provision of services

15. Regarding Qualifications Assessments and the processing time of assessment services, HKCAAVQ has maintained close communication with the relevant organisations and individuals and has carried out the necessary verification work. HKCAAVQ has taken various actions to follow up on Audit's recommendations, including reviewing the planning and management of Qualifications Assessment services, relevant resource allocation, and the use of technology in meeting the targets regarding processing time and clearance of outstanding cases.

16. Furthermore, HKCAAVQ has strengthened collaboration and communication with operators to help them better understand the requirements of accreditation exercises and make preparations accordingly, thereby enhancing the effectiveness and efficiency of the accreditation exercises such that they are completed within the target processing time. Regarding the systems, HKCAAVQ has optimised the alert system to enhance monitoring and reinforced the communication mechanism by, for example, reminding applicants to submit information and informing them of their application status and timetable in a timely manner. HKCAAVQ will continue to review the timeliness indicators to accurately reflect the progress at each stage of the accreditation exercises.

17. Regarding the management of specialists, HKCAAVQ has reviewed and enhanced the control measures by incorporating an alert mechanism to ensure that all forms for declaration of interests are completed and submitted to HKCAAVQ in a timely manner. In order to ensure full compliance with the policy on appointments in recruitment exercises, HKCAAVQ has enhanced administrative control, including documenting the justifications for deviations from such policies and strengthening the monitoring procedures. HKCAAVQ has also updated the information of the specialists register on its website, such that accurate and latest information is available to the public. Besides, HKCAAVQ has explored alternative advertising channels for recruiting independent consultants to more effectively reach the public and target audience.

18. In response to Audit's recommendation on the handling of suspected fraudulent academic qualifications, HKCAAVQ has, upon discussion with the Hong Kong Police Force (HKPF) on streamlining the reporting procedures for such cases, introduced a new mechanism. Under the new mechanism, designated police officers will accept reports from HKCAAVQ via email and assist in handling the relevant cases. HKCAAVQ has also formulated new guidelines. Starting from 2 May 2025, HKCAAVQ will complete the reporting process within 15 working days upon receipt of prima facie evidence of suspected fraudulent academic qualifications from the awarding bodies. During the period from 2 May 2025 to 31 July 2025, HKCAAVQ reported a total of 17 such cases to HKPF. HKCAAVQ will continue to maintain close liaison and collaboration with HKPF and provide all necessary support in combating potential crimes in relation to suspected cases.

Corporate governance and human resource management

19. HKCAAVQ has, in accordance with the committed timeframe, completed its Strategic Plan for 2025-2029. The latest strategic plan will support policies aimed at developing Hong Kong into an international education hub and promoting vocational and professional education and training (including driving the development of universities of applied sciences and applied degrees, etc.). In line with the direction of "going global and attracting foreign investment", HKCAAVQ will strive to contribute to national education development and strengthen areas such as resource utilisation and digital technology application.

20. Furthermore, HKCAAVQ will assist EDB in understanding the attendance of its Council members. EDB attaches great importance to the participation and contributions of members. When considering the re-appointment of members, attendance at meetings is one of the consideration factors. EDB will continue to work closely with HKCAAVQ to obtain relevant records and information for future re-appointment exercises, and will take actions to encourage and assist relevant members to continue contributing to HKCAAVQ, including attending relevant meetings.

21. EDB agrees with Audit's observation and recommendation on ensuring, as far as practicable, compliance with the "Six-board Rule". When considering the appointment and re-appointment of HKCAAVQ members, EDB will continue to be vigilant, while taking into account various factors including, but not limited to, the number of advisory and statutory bodies that the candidates concerned are serving, the need for succession planning, and the nature of the appointment, with a view to ensuring that members would not take on more than they can practically handle. The justifications will also continue to be documented.

22. Regarding the monitoring of staff training, HKCAAVQ has conducted a comprehensive review, which is reflected in the latest 2025-26 staff training plan. Various enhancement measures have been implemented, including oversight of the use of training sponsorships and application requirements, with a view to ensuring full compliance with the requirements on post-training continuous service and other obligations.

23. To cope with the issue of staff turnover, HKCAAVQ has devised measures to step up follow-up measures on and understand the reasons behind staff resignation. Actions including expanding staff development opportunities, improving staff remuneration and benefits, and establishing a staff recognition scheme, etc. have been taken.

Other issues

24. Regarding the safeguarding of national security, HKCAAVQ has provided staff development and training on alertness to and implementation of national security, and has strictly implemented laws on safeguarding national security, particularly in respect of accreditation services, by proactively collecting information and taking follow-up actions, thereby ensuring effective enforcement of the relevant laws. In response to Audit's recommendations, HKCAAVQ has fully implemented the guidance and regulation over matters concerning the safeguarding of national security, including reviewing all contracts/documents/agreements and seeking legal advice. All such documents have now included clauses relating to safeguarding of national security.

25. Regarding the management of tendering procedures, HKCAAVQ has taken relevant immediate measures, including ascertaining the reasons for lukewarm responses from contractors in some tender exercises, formulating guidelines that stipulate the extension of the response period where practicable, and reducing reliance on proprietary systems to proactively enhance competition in tender exercises.

26. Regarding maintenance work related to information technology systems, HKCAAVQ is actively exploring the possibility of introducing an Application Programming Interface to the internal management systems and the Qualifications Register management system, aiming to develop a sub-system that supports HKCAAVQ's increasingly diverse operations and, in the long term, reduce reliance on the system developer for the modification and maintenance of the original systems. The relevant review will be completed within four months and HKCAAVQ will provide recommendations on how to implement these measures in the long term.

Progress in implementing recommendations of Audit/PAC

Encl. 2 27. The latest progress is at Enclosure 2.

Chapter 3 – Lantau Conservation Fund

28. The Civil Engineering and Development Department (CEDD) accepted Audit's recommendations regarding the administration of Lantau Conservation Fund (LCF) and has taken follow-up actions. The progress is set out below.

Conservation and related projects

29. CEDD has updated the internal Procedural Guidelines for Management of Conservation and Related Projects (Procedural Guidelines) to reinforce and strengthen the measures in processing of applications, monitoring of approved projects and disbursement of approved grants.

30. For processing of applications, after consulting the Lantau Conservation Fund Advisory Committee (LCFAC), CEDD has updated the Procedural Guidelines to require the LCF Secretariat (Secretariat) to properly document the approval status and justifications of cases, including applications that receive higher scores from two Subcommittee members during preliminary assessment but are not eventually recommended.

31. Regarding the monitoring of approved projects, CEDD has updated the Procedural Guidelines to strengthen the monitoring of the submitted project deliverables, e.g. by specifying that the Secretariat should issue warning letters to grantees with repeated late submissions of project deliverables, and specifying the scenarios under which the Secretariat needs to report such cases to LCFAC. On approval for project variations, CEDD has updated the Procedural Guidelines on the framework of delegated authorities for approving project variations. The relevant documentation has also been properly maintained.

32. On disbursement of approved grants, CEDD has updated the Procedural Guidelines to set the targeted time for completing the processing of project deliverables submitted by grantees and require the Secretariat to follow up in accordance with the target time. In addition, CEDD has introduced a mechanism requiring grantees to submit a projection of expenditure for the next reporting period, along with the actual expenditure, to facilitate review before the release of interim disbursements.

Minor local improvement works (MLIW) projects

33. Over the last two years, the priority of conservation-related projects has been adjusted by respective government departments in accordance with district development needs, resulting in a decrease in the number of MLIW projects and amount of funds approved. The Project Manager (South and Sustainable Lantau) of CEDD appealed to the relevant government departments to identify suitable MLIW project proposals and submit potential MLIW projects in the email dated 7 May 2025 and at the LCF Minor Works Steering Committee (MWSC) Meeting held on 16 July 2025. CEDD will continue to proactively liaise with and facilitate government departments in proposing suitable projects.

34. CEDD has updated the internal Procedural Guidelines for Management of MLIW to require the relevant government departments to provide sufficient information (including views of relevant statutory and advisory bodies as well as the performance targets) in their MLIW project proposals. At the LCF MWSC Meeting on 16 July 2025, the Secretariat requested the relevant government departments to provide views on the project proposals from relevant statutory and advisory bodies as well as their performance targets.

35. CEDD has updated the Procedural Guidelines for Management of MLIW to require the Secretariat to report the update on the progress and expenditure of MLIW projects (including the reasons for delays in completion of works and variances between actual project expenditure and approved project estimate) at the LCFAC Meeting. The Secretariat reported the relevant items at the LCFAC Meeting held on 21 July 2025.

Governance and other issues

36. CEDD has taken measures to inform the non-official members of the meeting schedule at the beginning of each year so as to facilitate their attendance planning. At the LCFAC meeting held on 21 July 2025, CEDD reminded the members to make every effort to attend LCFAC meetings. Moreover, CEDD has updated the Procedural Guidelines to monitor the attendance rate of non-official members and send reminders to members with low attendance rate. CEDD will properly document the justifications if non-official members of LCFAC with low attendance rate are recommended for re-appointment in future.

37. Records of annual declarations and declaration of interests relating to individual applications made by members have been properly maintained from 2023 onwards. Moreover, at the LCFAC meeting held on 21 July 2025, the Secretariat reminded members of LCFAC (including its Subcommittees) to submit the declarations of interests on time. In addition, CEDD has reminded the Secretariat staff to comply with the relevant requirements as stipulated in the Procedural Guidelines and ensure that the declarations are submitted by members in a timely manner. The Procedural Guidelines have also been updated to require the Secretariat to issue project digests only after receiving the declarations of interests from members.

38. CEDD will conduct evaluation after completion of publicity and promotion programmes in future. For instance, it plans to conduct a participant satisfaction survey at the end of the briefing session to potential applicants scheduled for the fourth quarter of 2025. CEDD has set a timetable for implementing public relations strategy and the associated measures for LCF with a view to encouraging applications under LCF, promoting the overall branding of LCF and raising public awareness of conservation of Lantau.

39. Key performance indicators have been introduced by the grantee for each conservation and related project as well as each MLIW project. The Secretariat will upload the related indicators onto LCF website on an annual basis. CEDD has conducted review in accordance with the Audit's observations and recommendations, and responded and reported the progress in this Government Minute.

Progress in implementing recommendations of Audit/PAC

Encl. 3 40. The latest progress is at Enclosure 3.

Chapter 4 – Management of Mandatory Window Inspection Scheme by the Buildings Department

41. The Government accepts the recommendations made by Audit and PAC on the management of the Mandatory Window Inspection Scheme (MWIS). The Buildings Department (BD) has taken proactive follow-up actions, the progress of which is reported below.

Selection of target buildings for issuance of statutory notices under MWIS

Enhancement of selection mechanisms

42. As regards Selection Mechanism A, BD has incorporated the current practice (i.e. giving priority to buildings that have never been issued with statutory notices under MWIS/the Mandatory Building Inspection Scheme (MBIS)) in its departmental guidelines, making the current practice as one of the official selection criteria. BD also informed the Selection Panel at the meeting in August 2025 of the reasons why the buildings with higher scores than the target buildings in Nomination List A are not selected. For Selection Mechanism B, BD considered that the selection of target buildings should focus on minimising safety risks, and therefore agreed that in future, if a building had been involved in fallen window incidents in the previous year and previous MWIS notices had been served for more than five years[1], the building should be included as a target building as soon as possible for issuance of MWIS notices again, regardless of whether the MWIS notices issued to the whole building earlier had been fully complied with. BD explained the above arrangement in the documents and materials prepared for the Selection Panel, and obtained its agreement at the meeting in August 2025.

43. In addition, to enhance the participation and transparency of the Selection Panel in selecting target buildings, BD clearly explained the general selection criteria and additional factors for consideration in the documents prepared for the Selection Panel at the meeting in August 2025 so as to ensure that they had the full knowledge to make informed decisions. BD has also maintained complete records of meeting discussions.

Review on fallen window incidents in buildings

44. BD completed the analysis on the 445 fallen window incidents in August 2025 and broadly identified five main factors or circumstances leading to such incidents. The follow-up actions corresponding to each factor or circumstance are tabulated below –

Factor or circumstance leading to fallen window incidents	**Follow-up actions**
1. Buildings aged 30 years or above and "three-nil" buildings have a higher risk of falling windows	The existing Selection Mechanism A, which accords higher scores to buildings with higher building age and "three-nil" buildings, effectively identifies buildings with a higher risk for MWIS. As mentioned in paragraph 42 above, BD has also

1 Under the Buildings Ordinance (BO) (Cap. 123), the Building Authority must not serve a fresh MWIS notice in respect of the same window before the expiry of five years after the date of the preceding notice.

Factor or circumstance leading to fallen window incidents	Follow-up actions
	enhanced Selection Mechanism B by including all MWIS-eligible buildings involving fallen window incidents in the selection mechanism. In future, BD will continue to collect data on fallen window incidents for regular analysis, and review the criteria and mechanisms for building selection as necessary. The Government will introduce an amendment bill to the BO into the Legislative Council in the first half of 2026. The proposed amendments will include measures to boost the compliance rate of MWIS notices, such as increasing the fixed penalty and maximum penalty levels for non-compliance with MWIS notices; introducing a new offence of non-compliance with MWIS notices where personal injury or property damage has been caused; and further enhancing deterrence against uncooperative owners for obstructing owners' corporations (OCs) in carrying out inspection, investigation or repair for compliance with MWIS notices.
2. Buildings in a building cluster [2] generally have the same potential risks of falling windows	Under the existing Selection Mechanism A, when BD finds that a building with a relatively higher score is part of a housing estate or forms an integral part of a development, all buildings in the building cluster will also be nominated. This approach not only takes risk considerations into account but also facilitates owners' arrangement for inspection and repair.

[2] A building cluster generally refers to buildings that are located within the same lot or housing estate, or subject to the same Deed of Mutual Covenant of the selected target building.

Factor or circumstance leading to fallen window incidents	Follow-up actions
3. Fallen window incidents are more likely to occur during rainy and typhoon seasons as well as prior to the Lunar New Year, with some cases involving improper use of windows	BD will continue to strengthen its efforts in public education and publicity, particularly during rainy and typhoon seasons as well as prior to the Lunar New Year, so as to enhance owners’ awareness of the proper use, maintenance and cleaning of windows etc. For example, windows should not be used for hanging clothes or as support during cleaning, and should be securely closed during strong winds.
4. In some cases, fallen window incidents occurred despite inspections carried out by qualified persons (QPs)	To enhance the monitoring of the work of QPs responsible for window inspection, BD will raise the target for “successful audit checks” to be completed by BD staff each year from a minimum of 500 cases to 600 cases. Moreover, BD has completed a review on the follow-up actions and procedures taken in respect of the irregularities identified during audit checks, including formulating clear and streamlined procedural guidelines for instigating prosecution or taking disciplinary actions against non-compliant QPs.
5. Rivets and screws used for securing window frames and sashes are corroded, loosened or missing	Through public education and publicity as well as regular briefings for industry practitioners responsible for window inspection and repair, stakeholders including the public, QPs and registered contractors are reminded to use suitable rivets and screws to secure window frames and sashes, and to carry out regular inspection, maintenance and replacement.

Monitoring of consultants' work for issuance of statutory notices

45. In addition to strictly issuing reminders and warning letters to consultants who fail to complete their work as scheduled, BD is exploring ways to enhance the performance assessment mechanism for consultant companies and the review is expected to be completed by the end of 2025. These include making clear the criteria and procedures for performance assessment, linking performance scores to the number of reminders and warning letters issued, and considering the introduction of an incentive and penalty mechanism, such as increasing the percentage of consultants' past performance scores in the analysis of technical proposals for consultancy agreements in future tender exercises, thereby encouraging consultants to maintain good performance for better chances of winning future bids.

46. BD will also continue to streamline procedures and upgrade its information technology systems to facilitate its staff in monitoring the progress of critical activities in consultants' work (including the submission of desk study reports and draft statutory notices) so that they can remind and urge consultants to take measures accordingly in a timely manner, ensuring that the work is completed as scheduled and in compliance with contractual requirements.

Promotion of voluntary window inspection

47. BD will adopt a multi-pronged approach to promote voluntary inspection of buildings and windows by owners. This includes (i) stepping up publicity activities, such as promoting the WIN SAFE mobile application and the chatbot on its website, deploying the Mobile Command Unit to promote WIN SAFE and window inspection, as well as organising briefings to introduce MWIS to the public; (ii) collaborating with the Hong Kong Housing Society in promoting the Voluntary Building Assessment Scheme through introducing incentive measures to encourage owners to participate in the early bird scheme by waiving their building accreditation fees; and (iii) giving recognition to owners who carry out window inspection and repair works voluntarily to further promote voluntary window inspection and repair.

48. In addition, at a meeting held in early September 2025, the multi-partite collaboration platform established by the Development Bureau comprising members from BD, the Urban Renewal Authority and the Home Affairs Department, etc. reviewed the effectiveness of current public education and publicity efforts at the district level. It also revised the publicity focus and content as appropriate and strengthened co-operation with stakeholders, including working with the Property Management Services Authority to assist owners in formulating maintenance manuals and preventive maintenance programmes through licensed property management companies, thereby encouraging owners to voluntarily carry out regular building and window inspections as well as necessary repairs without the issuance of MWIS notices by BD.

Follow-up actions on statutory notices

49. BD will continue to closely monitor the compliance with MWIS statutory notices through a Progress Monitoring Committee (PMC)[3] at three levels, including regularly monitoring the progress of follow-up actions at the Sectional Progress Monitoring Meetings, reminding its staff to follow up on non-compliant cases in a timely manner and promptly escalating complex cases to higher levels for handling. To assist BD staff in enhancing the efficiency in handling cases, BD will launch the "Case Management and Reporting Platform for Statutory Orders/Notices and Warning Letters" by the end of 2025 to help its staff to automatically generate warning letters in a timely manner to owners who fail to comply with statutory notices upon expiry of the due dates of the notices. Moreover, BD will further enhance the functions of the Building Condition Information System, including sending prompt notifications to staff for issuance of warning letters and fixed penalty notices (FPNs) as well as instigation of prosecutions in a timely manner. The system enhancement will be completed by the end of 2025. BD has also selected cases for piloting the enhanced prosecution strategy, requesting the Court to also take into account any outstanding FPNs issued to the owners, so that the Court may consider whether to impose heavier penalties to enhance the deterrent effect.

Monitoring of QPs and other issues

50. To enhance the monitoring of the work of QPs responsible for window inspection, BD will raise the target for "successful audit checks"[4] to be completed by BD staff each year from a minimum of 500 cases to 600 cases. Moreover, to increase the success rate of site audits, BD will provide a QR code in the invitation letters by the end of 2025 so that owners can make direct appointments for site audits online, without the need for them to call BD as in the past, which facilitates the owners' time planning. The Government is also drafting the legislative amendments to BO which will be introduced in the first half of 2026, including strengthening the power of BD staff to enter premises for site audits.

51. BD completed a review on the follow-up actions and procedures taken in respect of irregularities identified during audit checks in August 2025 and will issue warning letters to non-compliant QPs direct. The relevant guidelines have been revised. If repeated irregularities are identified, BD will consider taking disciplinary action. Besides, to ensure timely submissions by QPs, BD will

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3 PMC consists of three levels (comprising directorate officers of BD), with the Director of Buildings chairing the first level, the Assistant Director chairing the second level, and the Chief Building Surveyor/Chief Structural Engineer chairing the third level. The three levels of PMC monitor cases of varying complexity, and meet regularly in accordance with the work targets and timetable.

4 "Successful audit checks" refer to cases in which both document audit and site audit have been completed.

complete the enhancement of the Electronic Forms Submission System by the end of 2025 so as to enable automatic issuance of warning letters directly to all QPs who fail to make MWIS submissions within the statutory time frames, regardless of whether they are selected for audit checks. In addition, BD will consider publishing on its website a list of QPs who have made MWIS submissions on time to enhance transparency and encourage timely submissions by QPs. BD is also enhancing the Building Condition Information System to provide prompt notifications to its staff to complete audit checks in a timely manner, including issuing warning letters to QPs requiring rectification of irregularities identified. The relevant system enhancement will be completed by the end of 2025.

Leveraging technology

52. To step up the use of big data, BD preliminarily piloted the use of a geographical 2D heatmap in July 2025, which visualised data in the form of a map. It showed the building age, building type, enforcement work carried out or in progress, as well as records of fallen window incidents, etc. of all buildings across the territory. By incorporating the criteria of the building selection mechanisms into the relevant system, it facilitates the quick retrieval of useful information from the vast amount of data and assists BD in analysing the trends and anomalies in the large dataset of building conditions and building scores in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MBIS and MWIS.

53. Besides, BD will stay abreast of advanced technology and continue to review the implementation of MWIS, including the selection criteria under the building selection mechanisms and the number of target buildings each year, and to explore the development of an artificial intelligence system with a view to processing relevant forms submitted by QPs under MWIS more efficiently.

Progress in implementing recommendations of Audit/PAC

Encl. 4 54. The latest progress is at Enclosure 4.

Chapter 5 – Maritime and Aviation Training Fund

55. The Transport and Logistics Bureau (TLB) and the Marine Department (MD) accepted the recommendations of Audit regarding the Maritime and Aviation Training Fund (MATF) and have been following up on all of them. The progress made is reported below.

Training Schemes Administered by TLB and MD

56. To improve the efficiency and accuracy in processing applications for the Professional Training and Examination Refund Scheme (ProTERS) under MATF, TLB launched a new electronic application system in March 2025 that facilitates applicants to submit applications and supplementary documents safely and conveniently anytime and anywhere. TLB processes the applications through the electronic system, and makes use of the system's functions, such as automatic calculation function for calculating the reimbursement amounts, and drafting of notification letters, for improving the accuracy in processing the applications. With the introduction of the new electronic system and the aid of information technology, the processing of all applications, whether submitted by post or through the electronic application system, is normally completed in about five to six weeks.

57. Even though the courses/examinations under ProTERS of MATF are not prohibited from inclusion in other government funding schemes, TLB requires course providers/examination authorities to state whether the relevant courses/examinations are also subsidised by other schemes when applying for course/examination inclusion in ProTERS. Moreover, to prevent double-subsidy, applicants for ProTERS are required to sign a declaration on the application form confirming that they have never received any other grant or subsidy for the course or examination they apply for; and to acknowledge that it is an offence to omit information or make misrepresentations in order to obtain monetary benefits by deception.

58. Besides, to prevent overpayment of subsidies under ProTERS, an applicant is required to sign a declaration on his/her application form confirming that TLB reserves the right to review his/her application and adjust his/her entitlement if necessary, and he/she undertakes to refund the Government any overpayment made to him/her upon demand. TLB followed up on the case which involved suspected overpayment identified by Audit, and established a mechanism with MD and the Office of the Continuing Education Fund respectively to cross-check applications for refund of fees for courses/examinations covered by both parties with a view to ensuring that there is no double-subsidy. The cross-checking process will be carried out in parallel with other existing vetting procedures and will not increase the application processing time.

59. TLB noted that the number of applications for some pre-approved courses/examinations under ProTERS was relatively low. The number of applications for individual courses/examinations is affected by multiple factors, such as the latest developments of the industries, relevance of the concerned professional knowledge and skills to the career advancement of course takers, time required to study the course, instead of a single determining factor. Following the comprehensive review of MATF completed in mid-2024, TLB has invited the course organisers/examination authorities to review courses/examinations under

their purview and to remove obsolete courses/examinations. For ProTERS (Maritime), TLB implemented a mechanism in June 2025 to review regularly with the course providers/examination authorities for the low number of applications for particular courses/examinations. All the courses/examinations will be valid for three years under the pre-approved list for regular review to ensure that they meet the latest development of the maritime industry. For ProTERS (Aviation), TLB will refine the review and monitoring mechanism of the Scheme in the first half of 2026, and explore with the course providers/examination authorities the reasons for the low number of applications for individual courses/examinations.

60. To encourage the new generation to join the maritime and aviation industries, TLB extended the eligibility of the internship schemes in the aviation industry and the maritime industry under the Maritime and Aviation Internship Scheme to Secondary 6 school leavers in 2017 and 2023 respectively, in addition to post-secondary graduates. TLB will continue to strengthen the promotion of the internship schemes to Secondary 6 school leavers, with a view to facilitating them to understand the maritime and aviation industries as early as possible.

61. In order to attract more crew members of the local ship industry to obtain the professional qualification as a local Coxswain or Engine Operator Grade 3 certificate, TLB will continue to promote the Local Vessel Trade Training Incentive Scheme (LVTTIS) through various activities, such as education and career expos, to attract people who are interested in joining the industry and participating in LVTTIS. In addition, MD has already issued invitation letters to 112 shipping companies operating local vessels to further promote LVTTIS and remind them of the relevant participation requirement.

Training Schemes Administered by Non-governmental Administrators

62. In the fourth quarter of 2025, TLB will formalise the existing administrative arrangements and enter into contractual agreements or memoranda of understanding with the pertinent administrators of the concerned schemes for improving scheme administration. The contractual agreements or memoranda of understanding will also include a clause reminding these administrators to incorporate/update the clause concerning safeguarding national security in the application form of the respective schemes.

63. The Ship Repair Training Incentive Scheme is administered by the Vocational Training Council (VTC). To address the high dropout rate from the Scheme, VTC will regularly review the list of designated courses, add more relevant courses, and strengthen promotion of the Scheme to students and graduates of these designated courses with a view to ensuring that the courses are pertinent to the need of the ship repair industry, and the students and graduates would be well aware of the objectives of the courses. In order to attract suitable candidates to join the ship repair industry, VTC will also promote the Scheme through different channels. VTC will introduce the ship repairing work and the Scheme with clarity,

by highlighting the career prospects and ladder of the ship repair industry, and the professional skills gained through joining the Scheme, to facilitate public understanding of the Scheme and those who aspire to pursue their career in the ship repair industry to join the Scheme.

64. For the Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme and the Aviation Operations Training Incentive Scheme, the willingness of some trainees to develop their careers in the aviation industry has diminished since the aviation industry in Hong Kong was severely affected by the COVID-19 pandemic. To attract more trainees to join and complete the programmes, TLB will continue to request the relevant institutions to take suitable enhancement measures, such as strengthening the provision of industry-related information and inviting graduates to share their academic life and work experience so that students can have a better understanding of the actual situation. TLB will also invite the industry to step up promotion of the career prospects in the aviation industry. In addition, TLB will keep in view the number of participants of the programmes together with the Tripartite Taskforce on Manpower Training (Aviation) (TTA) and conduct reviews in due course.

Promotional Initiatives under MATF

65. To improve the effective use of the promotion fund, TLB has reminded the organisers to make reference to their previous experience in organising similar events and take into account other factors that might affect the participation rate of the activities, such as weather conditions or having other similar activities within the proximity or around the same time, so as to provide a more accurate estimation of the number of participants and the resources required. In addition, TLB has required the organisers to submit a post-activity review report with feedback and suggestions of the participants, and items such as photos of the activities, to help review the effectiveness of the activities.

Way forward

66. TLB is also considering setting performance indicators for MATF, such as the number of newly added courses/examinations under ProTERS, the number of participants in activities organised under the internship schemes, and the number of beneficiaries of other schemes, to facilitate assessment of the effectiveness in maritime, aviation and logistics manpower development. TLB will review MATF regularly in consultation with the Manpower Development Committee and TTA.

Progress in implementing recommendations of Audit/PAC

Encl. 5 67. The latest progress is at Enclosure 5.

Chapter 6 – Street cleansing services

68. The Food and Environmental Hygiene Department (FEHD) accepted the comments and recommendations of Audit and PAC on street cleansing services. The FEHD has taken proactive follow-up actions. The progress made is reported below.

Monitoring of service delivery

69. To monitor the performance of street cleansing services provided by contractors and the Department more effectively, the FEHD has updated the relevant guidelines and workflows, and has stepped up the monitoring of their execution. Moreover, the FEHD will upgrade the electronic management systems to enable electronic submission, updating and approval of work programmes and reports by duty officers of the contractors and the Department, so as to enhance monitoring efficiency.

70. To ensure that sufficient incentives are in place for contractors to provide quality services, the Department will examine the existing amount of monthly service fees deducted due to contractors' default and the relevant scoring methodology in tendering exercises, including considering the introduction of a progressive system where the score and the monthly fee deductions will increase incrementally based on the number of default notices received by the contractor.

Combat against illegal refuse deposit

71. The FEHD has set up Dedicated Enforcement Teams (DETs) since 2017 to step up the combat against litter offences. The FEHD has improved the practices to keep work records of DETs and updated the operational guidelines in order to strengthen its supervision. The Department is also conducting a review of the deployment of DETs, including the number of teams, their district distribution and establishments, with a view to further enhancing enforcement effectiveness.

72. The Government has substantially raised the fixed penalties for littering and unlawful deposit of waste since October 2023. Comparing the 12 months before and after the adjustment in penalties, the number of fixed penalty notices issued by the FEHD for these two offenses has drastically reduced by 30%, reflecting an improvement in the overall enforcement effectiveness.

73. On the other hand, the FEHD plans to increase the number of IP camera installation points significantly within one year to further expand the surveillance areas and enhance enforcement efficiency. The FEHD will also continue to review the situation of illegal deposit of refuse at these locations and make adjustments having regard to the actual needs.

Other related issues

74. Regarding technological applications, the FEHD has been actively incorporating technologies to improve the quality and efficiency of street cleansing services. Currently, mini-street washing vehicles equipped with pressure washer surface cleaners are widely used. The Department is also testing various equipment, including automated sweeping robots, electrically assisted trolleys and industrial grade robot dogs for transporting heavy items. Apart from enhancing work efficiency, such equipment can also help ease the physical burden on frontline staff and lower the risk of workplace injuries. The Department will continue to promote the application of relevant technologies.

75. In addition, the FEHD is reviewing the verification mechanism for contractor's compliance with contract terms, especially employment-related provisions. The Department will review existing guidelines and explore the feasibility of increasing the number of meetings with non-skilled staff of contractors, so as to ensure compliance with the contract terms by contractors and protection of staff rights. Improvements will be made by FEHD based on the results of the review.

Progress in implementing recommendations of Audit/PAC

Encl. 6 76. The latest progress is at Enclosure 6.

Chapter 7 – The Society for the Aid and Rehabilitation of Drug Abusers

77. The Society for the Aid and Rehabilitation of Drug Abusers (SARDA), the Department of Health (DH) and the Social Welfare Department (SWD) accepted the recommendations made by Audit and have taken follow-up actions. The progress is reported below.

Voluntary residential drug treatment and rehabilitation (T&R) services

Admission to drug treatment and rehabilitation centres (DTRCs)

78. To reduce the re-admission rate of DTRCs, SARDA has adopted measures to devise more personalised rehabilitation plans for the cases, including assessments of co-occurring mental health conditions, family background, relapse risks, to continue improving T&R programmes and strengthen the support services after programme completion. Key measures are set out below –

(a) Introducing private medical services (e.g. dental care, traditional Chinese medicine, clinical psychological counselling, etc.) through effective utilisation of funding by the Government to timely address the physical and mental needs of inpatients;

(b) Creating psychiatric nurse positions dedicated to handling inpatients' emotional and mental health issues, thereby fortifying their resolve to complete the treatment programme;

(c) Enhancing psychosocial interventions by organising diverse activities and adopting a group-based approach to enhance inpatients' motivation to quit drugs;

(d) Strengthening discharge preparation and follow-up support mechanism, including referrals to halfway houses, 12-month aftercare counselling services, and regular progress reviews; and

(e) Establishing criteria for identifying and intervening in re-admission cases and introducing a tracking mechanism, holding inter-disciplinary meetings (involving parties such as healthcare professionals, social workers and rehabilitees working as peer support workers) for the cases, developing a Strengthened Rehabilitation Plan for the cases in view of the underlying causes of their re-admission (such as personal health, emotional/mental issues, financial difficulties, family issues, work, etc.). Through this Plan, SARDA has provided additional counselling sessions by relapse prevention groups and social workers to closely monitor each case in order to timely follow up on their needs, while enhancing the service users' stability during drug rehabilitation and self-management ability, thereby enhancing the overall service effectiveness.

Monitoring of T&R services

79. To motivate more inpatients to complete both the detoxification and rehabilitation programmes under the general T&R programme, apart from the inpatient supporting measures mentioned in Paragraph 78, SARDA has set up a training programme for frontline staff such as social workers and peer support workers to improve their counselling and caretaking skills, so that inpatients will be guided to complete both the detoxification and rehabilitation programmes in phases by more effective means, thereby improving the overall effectiveness of their rehabilitation .

80. SARDA has also set up an internal working group to accelerate the implementation of relevant measures. Led by the Superintendent of Social Service, the working group comprises the heads of DTRCs and Regional Service Administrators. Monthly meetings have been conducted since June 2025 to monitor and review the progress and the effectiveness of the measures. The relevant measures will be implemented in full by the first quarter in 2026.

Occupancy of DTRCs

81. To improve the occupancy rate of DTRCs, SARDA has taken forward the following key initiatives –

(a) Setting standardised objectives, formats, and locations, along with clear guidelines for outreach work. Apart from providing registration services near methadone clinics, the four social service centres will also extend their outreach work to other drug hotspots. Community networks will be actively built to engage with hidden drug users and their families, encouraging them to make use of the services provided by DTRCs under SARDA;

(b) Enhancing the utilisation of instant messaging applications (e.g. WhatsApp, WeChat, etc.) to maintain closer connection with high risk groups for timely intervention;

(c) Strengthening the cooperation with hospitals, Probation and Community Service Orders Offices, Counselling Centres for Psychotropic Substance Abusers (CCPSAs), and District Youth Outreaching Social Work Teams to promote SARDA's services to drug abusers and receive referral cases in need of residential drug treatment;

(d) Speeding up the pre-admission screening and referral procedures to ensure faster and more efficient admission of voluntary patients and cases referred by other service units;

(e) Introducing private medical services (e.g. dental care, traditional Chinese medicine, clinical psychological counselling, etc.) through effective utilisation of funding by the Government to timely address the physical and mental needs of inpatients with a view to encouraging inpatients to finish the treatment and reducing early discharges; and

(f) Setting aside an additional 18 beds in the Shek Kwu Chau Treatment and Rehabilitation Centre for psychotropic substance abusers to grapple with the rising trend in the prevalence of psychotropic substance abuse.

82. Furthermore, SARDA reports the occupancy rate of DTRCs in the monthly unit head meetings for inspections and review as well as making suggestions and taking measures for improvement in a timely manner. SARDA also submits quarterly reports to the Executive Committee (EC), the Management Committee (MC), and DH to explain the latest statistics and the measures that have taken/would soon take place, with a view to further enhancing the occupancy rate of DTRCs.

83. In the second quarter of 2025, the Au Tau Youth Centre and Adult Female Rehabilitation Centre have met the occupancy standard set by DH (i.e. 75%). Compared to the same period last year, the occupancy rates of the Shek Kwu Chau Treatment and Rehabilitation Centre and Sister Aquinas Memorial Women's Treatment Centre have increased by 2.9% and 18.7% respectively. Meanwhile, regarding Audit's recommendation to enhance the reporting of SARDA's performance in DH's Controlling Officer's Report (COR), DH is closely monitoring SARDA's performance covering both existing services and new initiatives upon signing of the new Funding and Service Agreement (FSA) in October 2024 and will review the COR for 2026-27 to incorporate new performance targets and/or indicators in the COR where appropriate.

Way forward

84. In response to the rising trend of psychotropic substance abusers, since March 2025, the Shek Kwu Chau Treatment and Rehabilitation Centre has set aside an additional 18 beds to provide psychotropic substance abusers with treatment. The number of beds dedicated for such purposes has hence increased from the original 60 to 78 currently.

85. Additionally, noting that some drug abusers are unable to participate in long-term residential programmes due to various reasons (e.g. in need of employment income and hence could not afford long absence from work, having to take care of their young children, etc.), SARDA has been offering short-term inpatient programmes ranging from seven to 21 days at its DTRCs, enabling drug abusers to temporarily stay away from real-life difficulties and stress in a drug-free environment. In this way, social workers can engage with hidden drug users more directly so as to progressively draw up longer-term drug T&R plans for them.

86. SARDA will continue to pay close attention to changes in the drug scene, review in due course and continuously improve its T&R services to meet service users' needs.

Aftercare and counselling services

Aftercare services

87. To evaluate the effectiveness of its aftercare services more efficiently, SARDA is taking the follow-up actions set out below for improving the compilation and disclosure of the key performance indicators with reference to the Audit Report's recommendations –

(a) **Re-application rate:** To ensure that the re-application rate will not be understated, SARDA is exploring a more accurate method of calculating the rate, with implementation scheduled for the first quarter of 2026.

(b) **Aftercare completion rate:** Starting from the 2024-2025 annual report (to be published in December 2025), SARDA will include explanatory notes on the calculation of aftercare completion rate.

(c) **Employment rate and criminal rate:** SARDA is proactively reviewing the employment status and criminal records of rehabilitees using its aftercare services.

88. Moreover, to optimise resource utilisation, SARDA has revised its guidelines on the criteria of closing aftercare cases. The new guidelines set out justifications for providing prolonged aftercare services exceeding the 12-month period.

Halfway house service

89. In order to boost the occupancy rate of halfway houses, SARDA has formulated various enhancement measures, including –

(a) Strengthening collaboration with methadone clinics, substance abuse clinics (SACs) under the Hospital Authority (HA), CCPSAs, and other service units that may come into contact with drug abusers with a view to referring suitable cases for admission to halfway houses. Between March and July 2025, SARDA visited two CCPSAs, and met with five Youth Outreaching Social Work Teams and one Community Support Service Scheme Team to exchange views and give them an update of SARDA's DTRCs and halfway house services. Furthermore, SARDA attended the meeting for the New Territories East Cluster of HA to introduce its services to the healthcare staff from three SACs. A joint meeting with methadone clinics has also been scheduled for November 2025 with a view to fostering collaboration and promoting their services;

(b) Arranging personalised and accredited vocational training for residents based on their interests and abilities to enhance their motivation for receiving halfway house service;

(c) Providing subsidies for residents to procure medical/allied health services in the private sector to meet their medical needs;

(d) Enhancing the nursing care and health education services provided by registered nurses; and

(e) Improving the living environment and facilities of halfway houses to make them more appealing. In November 2025, SARDA will carry out minor improvement works at its Kowloon Hostel and Luen Ching Centre (including renovation of the halls, toilets and bathroom facilities) to improve the living environment and hygiene conditions.

90. SARDA has put in place and implemented the above-mentioned measures, and will enhance publicity of services and improve service quality with a view to increasing the occupancy rate of its halfway houses. On the other hand, SWD will continue to monitor the performance of each halfway house in achieving the service output and outcome standards under the existing service performance monitoring mechanism.

91. Regarding the timely progress reviews for residents of halfway houses, SARDA has adopted the recommendations in the Audit Report and revised the guidelines for the "Individual Service Needs Assessment Procedures" for halfway houses in February 2025, stipulating that each resident, irrespective of the length of stay, is required to complete an "Individual Service Needs Assessment and Plan" every six weeks after admission. Social workers will assist in reviewing their service needs and progress towards their goals. The guidelines also clearly define the assessment criteria and approval procedures for requests to extend residence. These criteria encompass the resident's individual needs, their willingness, behavioural performance during residency and the availability of placement. SARDA has also reminded its staff to document the justifications for approving extended residence for review. The revised guidelines were endorsed at the Hostel Management Meeting on 9 May 2025 with immediate effect.

92. In addition, since January 2025, SARDA has ceased to allow short-term stays by rehabilitees in the halfway houses. The guidelines for short-term home leave arrangements were reviewed and revised with a view to assisting residents in gradually strengthening their family relationships and establishing a disciplined lifestyle. The revised guidelines which set out the purpose, eligibility criteria, application procedure and frequency of home leaves, were endorsed at the Hostel Management meeting on 29 August 2025 with immediate effect.

Methadone Treatment Programme (MTP) counselling service

93. To increase the number of participants in group programmes of MTP counselling service, SARDA has established a working group led by the Superintendent of Social Service with members comprising the Superintendent of Methadone Treatment Counselling Programme, Regional Service Administrators, frontline social workers, to review participation of such programmes. Actions taken include collecting feedback from stakeholders and revisiting the themes and content design of group programmes for comprehensive assessment, as well as utilising existing online communication platforms, such as Zoom, WhatsApp, or other social media, to conduct virtual group sessions, making it easier for mobility-impaired patients to join. The first meeting of the working group was held in June 2025, with the pertinent review expected to be completed by the first quarter of 2026.

Corporate governance and administrative issues

94. A subcommittee has been set up to review Audit's recommendations on corporate governance and administrative issues. The subcommittee held meetings in June and August 2025. Relevant proposals put forward by the subcommittee will be submitted to EC for consideration in October 2025.

Governance structure

95. The excess of one EC member from 2019 to 2021 over the Constitution stipulation was rectified in 2021. SARDA has learnt from the experience and has since been fully in compliance with its Constitution.

96. Since the terms of some Officers in EC were longer than normal as stipulated in the Constitution of SARDA, the subcommittee has proposed to explore the option of revising the Constitution to clearly define the terms of office of the Chairman and other office bearers. Relevant amendment proposals will be submitted to EC for consideration in October 2025; subject to the endorsement of EC, the new arrangement will come into effect in 2026.

97. To enhance public accountability, SARDA will include the hyperlink to its audited financial statement in annual reports from 2024-25 onwards for public information.

98. To enhance the monitoring of its strategic management, SARDA has completed the drafting of strategic plan for 2025-26 in June 2025. From 2026-27 onwards, SARDA will have its strategic plan ready by end-September each year for submission to EC for approval in October. EC has confirmed the said schedule at its meeting on 30 June 2025.

Attendance and proceedings of committee meetings

99. To improve the attendance of committee meetings, the subcommittee has proposed an attendance requirement for committee members eligible for re-appointment. Committee members with an attendance rate of less than 60% for two consecutive years will not be re-appointed. The proposal will be submitted to EC for consideration in October 2025; subject to the endorsement of EC, the new arrangement will come into effect in 2026. Besides, to ensure that committee members have sufficient time to consider the papers before the meetings, the secretariat has followed the suggestion of the subcommittee to submit the papers to members of EC, MC and Research Committee (RC) on the weekend before each meeting.

Management of membership

100. As for member recruitment, the subcommittee is exploring measures to expand SARDA's membership. A host of measures will be implemented in December 2025 on a pilot basis to expand the membership base. SARDA is considering certain initiatives (such as inviting keynote speakers to give talks, organising award presentation ceremonies), prior to and after the annual general meetings, as well as changing the meeting time and stepping up the publicity effort, with a view to encouraging members to attend the annual general meetings. In addition, SARDA plans to announce the attendance rate of members internally to bolster transparency and members' engagement. The proposals will be submitted to EC for consideration in October 2025; subject to the endorsement of EC, the new arrangements will come into effect in 2026.

Human resources management

101. To recruit and retain staff members, SARDA has improved the fringe benefits of staff and working environment, such as increasing employers' contribution to Mandatory Provident Fund effective from October 2024, providing outpatient medical benefits to staff effective from April 2025, and launching the Employee Assistance Programme (EAP) effective from 1 July 2025 to provide counselling and support for employees who are dealing with personal or work-related issues through a 24-hour mental and emotional counselling hotline and consultation by appointment. Besides, SARDA has stepped up its staff recruitment effort. As at 31 July 2025, 23 out of 24 nursing grade positions and 51 out of 57 peer support worker positions of SARDA have been filled. SARDA will continue to conduct recruitment exercises to fill the remaining vacancies.

102. As for training, SARDA is developing a structured training programme for its staff in line with Audit's recommendations. A series of training courses will be launched in November 2025 to enhance the professional proficiencies of frontline staff (such as social workers, peer support workers), covering counselling skills, practical work techniques, and knowledge about drugs. SARDA is also drawing up a comprehensive training policy which covers the procedures of granting training subsidies. The policy is expected to be promulgated in October 2025. To enhance the monitoring of staff development, the Administration Unit of SARDA maintains individual training records for each staff member based on Audit's recommendation.

Progress in implementing recommendations of Audit/PAC

Encl. 7 103. The latest progress is at Enclosure 7.

Chapter 8 – Working Family Allowance Scheme

104. The Government accepted the recommendations of Audit on the Working Family Allowance (WFA) Scheme. The Working Family and Student Financial Assistance Agency (WFSFAA) has proactively taken follow-up measures. The progress is reported below.

Processing of applications

105. WFSFAA agreed with Audit's recommendation to further encourage e-submission of WFA applications. WFSFAA has been actively promoting the WFA e-submission service, and has successfully increased the rate of e-submission for WFA applications substantially from 4% in 2019-20 (from September 2019) to 54% in 2024-25 (up to September 2024). To further encourage e-submission, in addition to the existing promotion channels (including distributing flyers, displaying banners, etc.), WFSFAA has implemented new measures since July 2025. These include promoting the e-submission service of WFA applications through electronic promotional banners on the promotion platform of the Information Services Department and website of "iAM Smart". Furthermore, through analysing the profiles of applicants using paper application forms (including their age, occupation, residential district, etc.), WFSFAA has implemented targeted promotional strategies, e.g. conducting outreach promotion activities in districts with more applicants using paper application forms.

106. To ensure consistency in practices adopted by staff in the vetting process, as well as enhance the vetting quality and accuracy, WFSFAA is stepping up staff training. In addition to the existing training courses and experience sharing sessions, WFSFAA will organise annual refresher courses for all vetting staff starting from 2026, covering all updated guidelines in the past year (including the provisions in the Operational Manual (OM)) and practices for processing applications. Vetting staff may also take this opportunity to exchange experience in handling applications. WFSFAA also keeps abreast of the times and continues to introduce appropriate technologies to enhance the Working Family Allowance Management System (WFAMS), including the enhancement of the data validation functions in WFAMS completed in September 2025 to automatically detect potential inconsistencies or contradictions in application information and alert the vetting staff concerned immediately, with a view to further enhancing the quality and accuracy in the vetting process. WFSFAA has also compiled more precise management information to facilitate senior management's monitoring of complicated cases requiring longer processing time and thereby strengthening the supervision of case handling.

107. In accordance with Audit's recommendations, WFSFAA has reviewed the timeframe and frequency for compiling and submitting the Summary Report of Quality Assurance (QA) Checking Result of WFA applications and relevant control functions in WFAMS for assigning QA checking officers and approving officers, and reviewed and updated the content of the Notification of Application Result to provide applicants with more pertinent reasons for rejection of their applications.

Follow-up on processed applications

108. WFSFAA agreed with and followed Audit's recommendations to review the selection methodology of cases for special investigation and revised relevant provisions in OM to specify more clearly the percentage of cases to be randomly selected for in-depth investigation and stipulate a requirement for risk assessment before making internal case referrals. WFSFAA will continue to review the strategy for selecting cases for special investigation based on factors such as risk categories, resource constraints and cost-effectiveness.

109. Based on Audit's recommendations, WFSFAA has introduced a list with breakdown of the types of under-reported items in WFAMS, with a view to assisting investigation officers in recording the different types of under-reported items more systematically and facilitating further analysis. The analysis results will be used to review the risk rules for random selection of cases for in-depth investigation, thereby strengthening risk management.

110. WFSFAA has examined the workflow and staff deployment in the Special Investigation Section, and will continue to explore appropriate measures to shorten the processing time of special investigation cases, streamline the process of special investigation and improve resource allocation.

111. WFSFAA agreed with Audit's recommendation to improve the practice for issuing Notification on Assessment and Verification and consent forms for special investigation. WFSFAA has established clearer guidelines and added alert functions in WFAMS for ensuring consistency in practices adopted by staff in issuing the notifications and consent forms.

Other related issues

112. WFSFAA agreed with Audit's recommendation to devise and publish performance measures for the WFA Scheme. By drawing reference to schemes of similar nature, WFSFAA is considering setting a performance pledge and/or target/indicator and establishing a performance management mechanism for the WFA Scheme, and will publish the details on its website and Controlling Officer's Report in due course.

113. As regards the outreaching activities of the WFA Scheme, WFSFAA adopts a diverse promotional approach, including out-of-home advertisements, online materials, information booths and enquiry counters, etc. In accordance with Audit's recommendations, WFSFAA has reviewed the service hours of information booths and conducted a trial run of setting up information booths in the evening in public housing estates, with a view to reaching out to more target potential applicants.

114. Regarding the higher rejection rates for ethnic minority (EM) applicants, WFSFAA found that this might arise from the EM applicants' failure to submit the required supporting documents in a timely manner. Based on WFSFAA's statistics, there are generally more family members in EM applying households, resulting in more supporting documents of working hours, income and assets required to be submitted; and family members of the applying households may from time to time leave Hong Kong for a relatively long period and hence could not submit the required supporting documents in a timely manner, resulting in rejection of their applications. In this regard, WFSFAA has reached out to the non-governmental organisations and schools offering services to EM to explore more effective measures to assist EM applicants, and collaborate with them to organise more promotional activities to introduce the WFA Scheme to EM persons.

115. The Labour and Welfare Bureau and WFSFAA will continue to closely monitor the operation of the WFA Scheme and, having regard to the observations and recommendations in the Audit Report, keep under review and enhance the WFA Scheme as appropriate and endeavour to support working families in need.

Progress in implementing recommendations of Audit/PAC

Encl. 8 116. The latest progress is at Enclosure 8.

Dedicated Fund on Branding, Upgrading and Domestic Sales
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Processing of applications		
Assessments of applications		
Para. 2.14 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, Hong Kong Productivity Council (HKPC) – (a) ascertain the reasons for the long time taken to receive all necessary information and clarifications for some applications for grant;	 (a) As stated in our response as set out in the Audit report, most of the period surveyed by Audit coincided with the coronavirus disease (COVID-19) epidemic and the operations of many applicants were seriously affected. As the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) Secretariat (Secretariat), HKPC had provided flexibility to those applicants affected by the epidemic in terms of the submission timeframe of the required information and clarifications. Further, the Trade and Industry Department (TID) and the Secretariat have all along been adopting a facilitating approach to applicants' clarification such that the most complete picture may be presented to maximise the chance of success for applications. To better monitor the status of submission of the required supplementary information/clarifications, for applications received since July 2025, the Secretariat will record cases where not all the required information/clarifications

Para. No.	Audit/PAC's Recommendations	Progress to Date
		are available after 180 days from the application receipt date and document the reasons for the information of the Inter-departmental Committee and the Programme Management Committee (PMC) of the BUD Fund.
	(b) take measures to expedite the receipt of all necessary information and clarifications from the applicants for processing applications for grant; and	(b) As endorsed by the PMC, the Secretariat has been implementing a rationalised arrangement since January 2025 whereby applicants are now given a maximum of 14 days to provide the required information or clarifications concerning any unclear budget items in their applications. If the applicants cannot furnish the requested information within the stipulated timeframe, the associated cost item will not be funded. With PMC's further endorsement, the scope of this rationalised arrangement has been extended since July 2025 to cover all types of clarifications required (apart from those for unclear budget items). If the applicants cannot meet this 14-day timeframe, their applications will not be processed further unless valid justifications have been provided. This arrangement has been set out in the Secretariat's Operation Manual. The Secretariat has also enhanced its electronic submission system since July 2025 for implementing this rationalised arrangement.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) identify ways to reduce the number of rejected applications, withdrawn applications or applications which could not be processed further as far as possible, including stepping up measures to further enhance applicants' understanding of the application requirements.	(c) TID and the Secretariat fully appreciate the need to enhance applicants' understanding of the application and funding requirements, thereby reducing the number of rejected or withdrawn applications due to applicants' misconception of the BUD Fund. The Secretariat has been undertaking a suite of measures to enhance prospective applicants' understanding of the BUD Fund, including the eligibility requirements and funding criteria, as well as the application and processing arrangements. These measures include conducting seminars/webinars, offering one-on-one consultations, participating in events organised by other industrial and trade organisations (ITOs), uploading grantees' success stories on the BUD Fund website, etc. In the first half of 2025, the Secretariat organised three seminars/webinars and participated in eight ITO events, reaching out to a total of some 1 070 participants, an increase of over 40% of participants as compared to the same period in 2024. With a view to improving prospective applicants' chance of successful application, the Secretariat has, since June 2025, included additional modules at its BUD Fund promotional seminars to explain the expected roles of project coordinators in the assessment process and the common reasons of application rejections. The Secretariat also

Para. No.	Audit/PAC's Recommendations	Progress to Date
		uploaded additional success stories and frequently asked questions on the BUD Fund website in July 2025 for applicants' reference. The Secretariat has commenced the production of a dedicated video illustrating the key steps of/tips for application preparation/submission, and plans to upload the video on the BUD Fund website in September 2025 for applicants' reference. TID and the Secretariat will continue to uphold the funding requirements such that only meritorious applications are approved to safeguard the prudent use of public money. As the measures for para. 2.14(a) to (c) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Signing of funding agreements		
Para. 2.18 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC, take measures to ensure that the funding agreements are signed within the timeframe specified in BUD Fund Secretariat's Operation Manual (i.e. within six months from the date of issuance of result notification letters).	TID and the Secretariat have taken various measures to strengthen the latter's internal monitoring mechanism so as to ensure that funding agreements are signed within the six-month timeframe from the date of issuance of result notification letters, unless there are justified reasons for the deviation. These measures include – (i) the Secretariat will strictly adhere to its Operation Manual in arranging the signing of the funding agreements within the six-month timeframe. Since May 2025, when an applicant cannot sign the funding

Para. No.	Audit/PAC's Recommendations	Progress to Date
		agreement within the six-month timeframe without reasonable justifications, the approval of the application will be considered lapsed, and the Secretariat will notify the applicant in writing; and (ii) since May 2025, the Secretariat has been maintaining a centralised record of those approved applications for which their funding agreements cannot be signed within six months from the issuance of the result notification letters, and the reasons for the delay. The list of such approved applications is provided to TID on a monthly basis for enhanced monitoring. As at end-July 2025, the number of funding agreements not yet signed for over six months from the date of issuance of the result notification letters (three agreements) decreased significantly by 85% as compared with the corresponding number (20 agreements) as at end-December 2024. The average time of delay (31 days) also decreased by 83% as compared with that (180 days) as at end-December 2024. The delay in signing of the three applications' funding agreements were well-justified as the grantees need to clear outstanding repayment or final reports for previous BUD Fund projects before new funding can be committed, or further verification of the grantees' ability to implement the new project is required due to changes in business circumstances subsequent to approval.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the measures for para. 2.18 are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Handling of applications approved with conditions		
Para. 2.23 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC– (a) take measures to ensure that the applicants fulfil the conditions stipulated in the approvals with conditions within the required timeframes;	(a) and (b) As stated in our response as set out in the Audit report, the operational arrangements for handling applications AWC have been rationalised since November 2024 such that the approval-in-principle will automatically lapse if the applicants cannot fulfil the conditions within the timeframe as specified in the result notification letter issued to them. These requirements have been clearly spelt out in the result notification letter for individual applications and have been stipulated in the latest Guide to Application to ensure that applicants understand the applicable arrangements. Extension of deadline for fulfilment of the conditions will be granted only if valid justifications and supporting documents are provided by the applicants before the original deadline. Following the implementation of the rationalised arrangement, there have been no pending AWC cases which have exceeded the deadline stipulated in the result notification letter.
	(b) enhance guidelines on handling applications approved with conditions (AWC), including – (i) the follow-up actions to be taken on the applicants failing to fulfil the conditions stipulated in the approvals with conditions within the required timeframes; and (ii) setting timeframe for lapsing the approvals-in-principle for the applicants who have not fulfilled the stipulated conditions within the required timeframes; and	

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	(c) take measures to ensure that the required timeframes and actual timeframes for fulfilling conditions stipulated in approvals with conditions by the applicants are recorded in BUD Fund's computer system and compile management information on the timeliness of fulfilling stipulated conditions by the applicants for performance monitoring.	(c) The Secretariat is enhancing its computer system to record the required and actual timeframes for applicants to fulfil the stipulated conditions, and to compile relevant management information for monitoring the status of the AWC cases. The computer system will also be enhanced to facilitate the issuance of reminder letters to applicants on the timely fulfillment of the stipulated conditions. The system enhancement is expected to be completed by December 2025. As the measures for para. 2.23(a) to (c) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Part 3: Monitoring of Approved Projects		
Submission of reports		
Para. 3.11 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC – (a) take measures to ensure the timely submission of final reports and progress reports by the grantees;	(a) and (b) As stated in our response as set out in the Audit report, since December 2024, TID and the Secretariat have implemented an enhanced project monitoring mechanism for reminding grantees to make timely submission of project reports and for more effective handling of projects with overdue reports. Under the enhanced mechanism, the Secretariat will issue reminder to a grantee for submission of report one month before the completion date of the project, issue chaser and
	(b) urge the grantees to submit the overdue final reports and progress reports as early as possible; and	

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		reminder if the report is overdue for one month and five months respectively, and recommend project termination if the report remains overdue for six months. Also, since 14 March 2025, the initial payment ratio for BUD Fund projects has been adjusted from 75% to 20% of the approved government funding. Besides, any new application from an applicant with any overdue project report for a completed project will not be processed until the project report and the required supporting documents/clarifications of the completed project have been duly submitted. These measures will further provide incentives for grantees to submit their final reports promptly in order to obtain the final payments early and to submit any new application.
	(c) enhance measures to expedite the processing of the final reports and progress reports, for example, by taking measures to facilitate grantees in the preparation and submission of the final reports and progress reports.	(c) The Secretariat has been taking various measures to facilitate grantees' submission of progress and final reports, such as briefing the grantees on the important points to note when preparing project reports and the supporting documents required, providing one-on-one consultation sessions to grantees, and providing useful information on the BUD Fund website for grantees' reference. To step up its efforts in assisting grantees in preparing and submitting reports in a timely manner, the Secretariat has, since August 2025, been enclosing a list of essential tips in the reminder letter issued to grantees before the project completion date. The essential tips include, among

Para. No.	Audit/PAC's Recommendations	Progress to Date
		others, the specific types of supporting documents required for different project measures to substantiate grantees' reports in accordance with the applicable funding rules. In addition, the Secretariat will upload samples of completed project reports on the BUD Fund website for grantees' reference within the third quarter of 2025. Starting from the fourth quarter of 2025, the Secretariat will organise seminars/webinars to grantees on a regular basis to brief them on the points to note and useful tips when implementing their projects and preparing the project reports, such as the applicable procurement requirements and the supporting documents that need to be submitted for substantiating the expenditure. Useful tips covered in the seminars/webinars will also be uploaded on the BUD Fund website. As the measures for para. 3.11(a) to (c) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
On-site checks		
Para. 3.31 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC – (a) ascertain the reasons for not conducting the on-site checks as scheduled;	 (a) to (d) As stated in our response as set out in the Audit report, some of the on-site checks were not conducted as

<table>
<tr><th>Para. No.</th><th>Audit/PAC's Recommendations</th><th>Progress to Date</th></tr>
<tr><td rowspan="4"></td><td>(b) take measures to ensure that on-site checks are successfully conducted as scheduled as far as practicable;</td><td rowspan="3">scheduled due to the tightened border control measures and quarantine requirements during the COVID-19 epidemic.

Since May 2025, TID and the Secretariat have strengthened the monitoring of the progress of conducting on-site checks of BUD Fund projects, including those subject to mandatory checks according to the relevant guidelines on on-site check mechanism (guidelines). The Secretariat will ensure that the projects are selected for on-site checks according to the selection criteria as stipulated in the guidelines and the checks are actually conducted within the stipulated timeframe as far as possible. Any deviation and the reasons will be properly recorded and reported to the PMC for attention.

With a view to ensuring that the on-site checks can be conducted within the target timeframes as stipulated in the guidelines, starting from July 2025, the Secretariat will set specific deadlines to grantees for conducting on-site checks. If a grantee is not cooperative and the check could not be conducted by the specified deadline, the project may be terminated.

From April to June 2025, on-site checks were conducted on 17 projects and they were all conducted within the stipulated timeframes as set out in the guidelines.</td></tr>
<tr><td>(c) take measures to ensure that on-site checks are conducted within the target timeframes stipulated in the Enhanced Guidelines on On-site Check Mechanism;</td></tr>
<tr><td>(d) take measures to ensure that projects subject to mandatory on-site checks (e.g. projects involving initial payment and with reports overdue by more than six months without reasonable justification) are selected for on-site checks according to the Enhanced Guidelines on On-site Check Mechanism; and</td></tr>
<tr><td>(e) refine guidelines on on-site checks to include specific guidelines for "Easy BUD" and "E-commerce Easy" projects, including –</td><td>(e) TID has, in collaboration with the Secretariat, refined the guidelines on the on-site check mechanism to specify, among others, the suspicious elements and circumstances which warrant</td></tr>
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Para. No.	Audit/PAC's Recommendations	Progress to Date
	(i) specifying the suspicious elements and the circumstances which warrant the conduct of on-site checks for "Easy BUD" projects; and (ii) specifying the selection criteria and the target number of on-site checks for "E-commerce Easy" projects.	on-site checks for "Easy BUD" projects, as well as the selection criteria for on-site checks for "E-commerce Easy" projects. The refined guidelines were endorsed by the PMC in June 2025 and have been put into effect. The target number of on-site checks to be conducted on projects (including "E-commerce Easy" projects) in 2025-26 has been set out in the Annual Implementation Plan (AIP) of the year as endorsed by the PMC. As a standing practice, TID and the Secretariat will review the number of on-site checks to be conducted on a yearly basis and set out the target number in the AIP for the PMC's endorsement. As the measures for para. 3.31(a) to (e) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Recoupment of residual funds		
Para. 3.43 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC – (a) ascertain the reasons for the significant increase in amount of residual funds to be recouped from grantees of terminated projects and completed projects;	 (a) As stated in our response as set out in the Audit report, due to COVID-19 epidemic from 2020 to 2022, some grantees were unable to implement their projects as originally planned or could only complete part of the approved measures. This resulted in an increase in the number of both terminated projects and completed projects required to return residual funds.

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		In January 2020, in order to assist small and medium enterprises in tiding over the economic downturn at that time, the initial payment ratio of BUD Fund projects was increased from 25% to 75% of the approved government funding. This was believed to be another major reason leading to an increase in both the number of projects requiring repayment of disbursed grants and the repayment amounts involved. The Commerce and Economic Development Bureau (CEDB) and TID have therefore reviewed the disbursement arrangements having regard to the operational experience in the past few years and the current market situation, and adjusted the initial payment ratio to 20% for applications received since 14 March 2025. Following the adjustment, it is expected that the number of projects requiring grant recoupment upon completion will decrease, thereby enhancing the overall efficiency of fund disbursements and reducing the administrative burden and financial risks associated with such cases.
	(b) enhance the monitoring of the amount of residual funds to be recouped from grantees of terminated projects and completed projects;	(b) to (d) TID and the Secretariat have been closely monitoring the amount of residual funds to be recouped from grantees as well as the progress of individual grant recoupment cases, and the related information is reported to the PMC on a quarterly basis. As endorsed by the PMC, TID and the Secretariat have enhanced the grant recoupment mechanism since
	(c) closely monitor the recoupment of residual funds from grantees of terminated and completed projects, in particular, those from the long outstanding cases;	

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) step up measures to recoup residual funds from grantees of terminated and completed projects as soon as possible; and	December 2024 so as to handle projects with overdue reports more efficiently and effectively. Under the enhanced mechanism, projects with reports overdue for six months will be recommended for termination. This, together with a streamlined process for instigating the legal processes for recoupment and a more compressed timeframe for various steps towards recoupment, will expedite the commencement of any necessary recoupment process. Coupled with the aforesaid adjustment to the initial payment ratio, there should be a decrease in the number of projects requiring recoupment. TID and the Secretariat have also strengthened the monitoring of the repayment status of the outstanding grant recoupment cases. Since May 2025, the Secretariat provides monthly updates to TID on the fund recoupment status of all outstanding cases.
	(e) take measures to ensure that the procedures for recoupment of funds stipulated in BUD Fund Secretariat's Operation Manual are complied with.	(e) The Secretariat has strengthened its internal monitoring and will ensure that the procedures for recoupment of funds stipulated in its Operation Manual are complied with. As endorsed by the PMC, the Secretariat has adopted a systematic workflow since December 2024 which sets out the specific actions to be taken for recouping residual funds from the grantees and the target timeframes for doing so, which will enhance the efficiency of handling grant recoupment cases and facilitate the taking of necessary legal actions as soon as possible.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the measures for para. 3.43(a) to (e) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Part 4: Other related issues		
Engagement of Hong Kong Productivity Council as implementation partner and secretariat		
Para. 4.16 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should take measures to – (a) ensure that the service agreements between the Government and BUD Fund Secretariat are updated in a timely manner; and	(a) TID and HKPC will expedite the necessary updating of service agreements in future.
	(b) ensure that AIPs are approved by TID within the stipulated timeframe and such approvals are properly documented; and	(b) TID will ensure that the AIPs are approved within the timeframe as stipulated in the service agreement between the Government and HKPC and such approvals are properly documented. In this connection, the AIP for 2025-26 financial year has been approved within the requisite timeframe. As the measures for para. 4.16(a) and (b) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Para. 4.17 of the Audit Report	Audit has also recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC – (a) take measures to ensure that BUD Fund Secretariat submits the AIPs within the stipulated timeframe;	(a) TID and the Secretariat have reviewed the submission timeline of the AIPs to ensure that it is realistic and reasonable, in light of the significant expansion of the geographical coverage of the BUD

Para. No.	Audit/PAC's Recommendations	Progress to Date
		Fund since its inception and the surge of applications in recent years which has resulted in a longer time required for the Secretariat to suitably reflect the manpower and overall budget requirements in the AIPs based on the latest caseload situation and enhancements to the BUD Fund. Starting from 2026-27 financial year, the Secretariat will submit its first draft AIP to TID for consideration by 31 December of the preceding year and circulate the AIP, with TID's comments incorporated, to the PMC no later than three days prior to the PMC meeting where the AIP will be discussed. This revised timeframe will be reflected in the updated service agreement between TID and HKPC. TID will work closely with the Secretariat to ensure that the revised submission timeline can be met.
	(b) take measures to ensure that Annual Reports and audited accounts of BUD Fund are submitted by BUD Fund Secretariat within the stipulated timeframe;	(b) TID and the Secretariat have reviewed the stipulated timeframe set out in the service agreement between TID and HKPC on the latter's submission of Annual Report and audited accounts to the PMC. Taking into account the actual operational experience and as endorsed by the PMC, the timeframe has been revised to within three months after the end of each financial year, or no later than three days prior to the PMC meeting where the Annual Report and audited accounts will be discussed, whichever is later. This revised timeframe will be reflected in the updated service agreement between TID and HKPC.

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		TID will continue to work closely with the Secretariat to ensure that the revised timeframe can be met in future.
	(c) ascertain the reasons for the decreased response rates of the Customer Satisfaction Surveys in recent years; and	(c) TID and the Secretariat fully recognise the importance of the satisfaction surveys, including Customer Satisfaction Surveys, Completion Surveys and Tracking Surveys, for assessing the service quality of the Secretariat and the effectiveness of the BUD Fund. The response rates of Customer Satisfaction Surveys, Completion Surveys and Tracking Surveys have already improved to 49%, 95% and 28% respectively in 2024-25, compared to 47%, 77% and 26% in 2023-24.
	(d) take measures to improve the response rates of the satisfaction surveys, in particular the Tracking Surveys.	(d) With a view to further improving the response rates of the satisfaction surveys, the Secretariat will implement the following arrangements – For Customer Satisfaction Surveys, the Secretariat is working with its vendor to advance the issuance of the survey such that the applicants can complete it once the applicants have successfully submitted the application, instead of the previous arrangement where applicants are invited to complete the survey when the Secretariat requests supplementary information or clarifications from the applicants after preliminary assessment of the applications. TID and the Secretariat are also refining the survey with a view to reducing the time required for applicants to complete it. In addition, a reminder

Para. No.	Audit/PAC's Recommendations	Progress to Date
		mechanism will be instituted so as to remind applicants to complete the survey after the original deadline. These new measures will be implemented within 2025 upon completion of the relevant system enhancements. For Completion Surveys which have the highest overall response rate among the three types of surveys, apart from the prevailing arrangement of inviting grantees to answer the survey after their projects have been completed, the Secretariat will also inform grantees of such an arrangement in advance when signing the funding agreement with them. This arrangement has been implemented since August 2025. For Tracking Surveys, the Secretariat will specify a deadline for the grantees to complete the survey and institute a reminder mechanism so as to remind grantees to complete the survey after the original deadline. These new measures will be implemented within 2025 upon completion of the relevant system enhancements. TID and the Secretariat will continue to monitor the response rates of the three types of satisfaction surveys and explore additional means to increase the rates as necessary. As the measures for para. 4.17(a) to (d) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Governance issues of Programme Management Committee		
Para. 4.35 of the Audit Report	Audit has recommended that the Secretary for Commerce and Economic Development and the Director-General of Trade and Industry should – (a) step up efforts to appoint more young people to PMC; and	 (a) The PMC has participated in the Member Self-recommendation Scheme for Youth. Two youth members have been so recruited and appointed as PMC members since May 2025, lifting the youth participation rate of the PMC to 20%, exceeding the benchmark of 15%. CEDB and TID will continue to identify more suitable young people in future appointment exercises.
	(b) closely monitor the attendance of members at PMC meetings and take effective measures to encourage members with low attendance to attend meetings as far as possible.	(b) CEDB and TID have been monitoring the attendance rate of members at PMC meetings. For the PMC member referred to in the Audit report whose attendance rate was 25% in the previous term from July 2022 to June 2024, the attendance rate has risen to 80% since the new term commenced in July 2024. To facilitate members to participate in PMC meetings, the Secretariat will continue to adopt hybrid mode for meetings and issue reminder e-mails to all members before the meeting date. CEDB and TID will continue to monitor the attendance rate of members at PMC meetings, encourage members to attend meetings as far as possible and take

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		into account members' attendance rate in future appointment/ re-appointment exercises. As the measures for para. 4.35(a) and (b) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Para. 4.36 of the Audit Report	Audit has also recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC – (a) distribute meeting agendas and discussion papers to PMC members within the specified timeframe as far as possible;	(a) and (b) TID and the Secretariat have reviewed the timeframe on the latter's distribution of meeting agendas, discussion papers and meeting minutes to the PMC, which was set in 2012 when the BUD Fund was established. Taking into account the numerous rounds of enhancements to the BUD Fund and the surge in the number of applications by 320% in the past six years (between 2019 and 2024) which resulted in a substantial increase in the workload of both TID and the Secretariat, the PMC has endorsed the revision of the timeframes for distribution of discussion papers and meeting minutes to no later than three days prior to each PMC meeting and within eight weeks after each meeting respectively as far as possible. The distribution timeframe of meeting agenda will remain the same as no later than one week prior to the PMC meetings as far as possible. TID will continue to work closely with the Secretariat to ensure timely distribution of meeting agendas, discussion papers and meeting minutes to the PMC.
	(b) distribute meeting minutes to PMC members within the specified timeframe; and	

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) take measures to ensure that first-tier declarations of interests are made by PMC members in a timely manner.	(c) For the first-tier declaration of interests made by the two PMC members newly appointed in May 2025, their declarations have been made before the date of appointment. For those PMC members re-appointed in July 2024, all their annual update of first-tier declarations in 2025 have also been made in a timely manner. The Secretariat will continue to ensure that the first-tier declarations of interests are made by members in a timely manner. As the measures for para. 4.36(a) to (c) are being implemented on an on-going basis, we recommend deleting this part from the next progress report.
Use of information technology in enhancing operation		
Para. 4.42 of the Audit Report	Audit has recommended that the Director-General of Trade and Industry should, in collaboration with the Executive Director, HKPC, closely monitor the progress of the project of adopting generative AI in the operation of BUD Fund and ensure that the project is completed in a timely manner.	TID and the Secretariat have been closely monitoring the progress of the project of adopting generative artificial intelligence (AI) in the operation of BUD Fund. Phases 1 and 2 of the project which involve the development of (1) an AI chatbot to address vetting officers' enquiries related to eligibility and vetting yardsticks and (2) a knowledge management tool powered by AI engine to address vetting officers' enquiries on the applicable licensing/regulatory requirements for various target markets, and the market price range for certain common budget items have been completed. As for Phase 3, the final phase, which involves the development of an AI assessment assistant to provide vetting recommendations for the vetting officers, the Secretariat completed the

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		trial run in July 2025 according to schedule. Full adoption of generative AI in vetting applications is being planned. TID and the Secretariat will continue to closely monitor the progress of full adoption of generative AI and its effectiveness on the BUD Fund operations. As the measures for para. 4.42 are being implemented on an on-going basis, we recommend deleting this part from the next progress report.

Enclosure 2

Hong Kong Council for Accreditation of Academic and Vocational Qualifications
Progress in implementing recommendations of Audit/PAC

Para. No.	**Audit/PAC's Recommendations**	**Progress to Date**
Part 2: Provision of services		
Accreditation Services		
Para. 2.16 of the Audit Report	Audit has recommended that the Executive Director, Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) should –	
	(a) take measures to ensure that accreditation reports are issued within the specified timelines;	HKCAAVQ has immediately taken the following measures – (i) recruited four additional staff members dedicated to handling accreditation exercises; and (ii) the Deputy Executive Directors have further strengthened communication and liaison with operators through, among others, organising two Liaison Panel meetings in August and September 2025 and ongoing training activities to help operators understand the requirements of accreditation and enhance the efficiency and effectiveness of accreditation exercises. HKCAAVQ will also complete the review on the planning and management of accreditation exercises in January 2026, with a view to – (i) further streamlining and optimising the accreditation process; (ii) allocating additional resources to ensure that accreditation reports are issued within the specified timeframe; and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		(iii) formulating a long-term plan to promote the digitalisation and automation of accreditation exercises. Currently, HKCAAVQ has not yet taken into account any additional requests that may be raised by operators in determining the specified timelines for issuing accreditation reports. HKCAAVQ will review the appropriateness of the specified timeframe to reflect the potential impact of such additional requests on the time required for issuance of the accreditation reports. HKCAAVQ will also assess the reasonableness of the operators' requests to determine whether to accept them and adjust the issuance timeframe of the accreditation reports as appropriate depending on the situation.
	(b) take measures to ensure that the assessments of the specialists' performance are duly completed and documented;	HKCAAVQ intends to keep the existing "green-yellow-red" mechanism while optimising the specialists' assessment mechanism. Currently, HKCAAVQ has completed the drafting of the relevant guidelines, including the formulation of an observation record form for accreditation panel members to record and document relevant rationale, and ensuring effective implementation of the mechanism across all accreditation exercises. The record form will be submitted to HKCAAVQ's legal consultant for clearance and is expected to be finalised in December 2025. The roles and duties of Case Officers, Deputy Heads, Heads, Deputy Executive Directors and the Executive Director will be clearly set out under the optimised mechanism to ensure appropriate check and balance.
	(c) formulate guidelines on the assessment of specialists' performance in accreditation exercises and the follow-up actions to be taken on specialists whom HKCAAVQ has concerns over engagement in future accreditation exercises;	
	(d) take measures to ensure that the rationale on the assessment of the specialists' performance and the follow-up actions taken are documented;	

Para. No.	Audit/PAC's Recommendations	Progress to Date
		HKCAAVQ will formulate relevant guidelines based on the functions and requirements conferred by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 1150) and the Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 592), and take into account the relevant international standards of the International Network for Quality Assurance Agencies in Higher Education and the European Association for Quality Assurance in Higher Education in order to comply with the requirements for recognition by these two agencies. Meanwhile, HKCAAVQ will make reference to the practices of other organisations recognised by these two agencies to ensure that the latest guidelines are aligned with international standards and practice.
	(e) take measures to ensure that the declarations of interests forms are duly completed by the specialists and submitted to HKCAAVQ in a timely manner; and	HKCAAVQ has taken the following measures to ensure that declaration of interests forms are submitted by specialists before their formal appointment as Accreditation panel members – (i) Accreditation panel members are reminded to submit declaration of interests forms within the timeframe set by HKCAAVQ (generally not more than one week); and (ii) Case Officers have to ensure that declaration of interests forms are submitted by Accreditation panel members on time. Failure to submit the forms within two weeks upon receipt of reminders will be reported

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		by the Case Officers to the Head or Deputy Head for follow-up. Moreover, Accreditation units have to review the implementation of the abovementioned arrangements annually and report to the Executive Director. The first report, covering the implementation status in 2025, will be submitted to the Executive Director in March 2026. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(f) take measures to ensure that the information of the specialists register on HKCAAVQ's website is accurate and up-to-date.	HKCAAVQ has fully implemented the work in relation to the updating of specialists register, and will review and update the register on a monthly basis to ensure the accuracy of information. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Assessment Services		
Para. 2.32 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should – (a) take measures to ensure that qualifications assessments are completed within the target processing time;	 To further enhance service performance, HKCAAVQ will complete reviewing the planning and management of qualifications assessment services in January 2026. Areas of review include –

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) expedite clearance of outstanding cases of qualifications assessments, in particular for the long outstanding cases;	(i) providing additional resources to ensure that qualification assessments are completed within the target processing time; (ii) further streamlining the steps and process of qualifications assessment; and (iii) formulating a long-term digitalisation and automation plan as a long-term solution. In the meantime, HKCAAVQ has taken the following measures – (i) to recruit three additional colleagues to support the qualifications assessment services. Two are in post, and the recruitment for the third one is underway; and (ii) the relevant Deputy Head-in-charge is required to monitor all cases exceeding the pledged target timeframe and take appropriate follow-up actions, such as notifying applicants in a timely manner and pressing for responses from the institutions and applicants concerned. If the time taken for processing the case exceeds the pledged target by four weeks, the Head is required to monitor the progress and take necessary follow-up actions. If the time taken to process the case exceeds by eight weeks, the Deputy Executive Director and the Executive Director will conduct a detailed investigation and follow up further. Under all circumstances, HKCAAVQ will maintain communication with

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<tr><td rowspan="4"></td><td></td><td>applicants and update the progress of applications in a timely manner.</td></tr>
<tr><td>(c) take measures to ensure the accuracy of the number of suspected fraudulent academic qualifications cases reported in HKCAAVQ's Annual Reports;</td><td>Since the main and secondary computer systems were not synchronised before 2022-23, there was a time gap between the two systems in respect of the records of suspected fraudulent academic qualifications cases, resulting in data discrepancies in the Annual Reports.

At present, the data retrieval system has been rectified and HKCAAVQ has introduced an additional verification mechanism. In addition to the system records, the number of reported cases will be subject to confirmatory check by the subject officers and Deputy Heads concerned to ensure the accuracy of information reported in the Annual Reports.

As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</td></tr>
<tr><td>(d) enhance the guidelines on handling of suspected fraudulent academic qualifications (e.g. including specific circumstances which warrant the attention of the handling officers in examination of the cases); and</td><td rowspan="2">HKCAAVQ has introduced a new mechanism upon holding discussions with Hong Kong Police Force (HKPF) on streamlining the reporting procedures for suspected fraudulent academic qualifications cases. Under the new mechanism, designated police officers will accept reports from HKCAAVQ via email and assist in handling the cases. Moreover, HKCAAVQ has formulated new guidelines. Starting from 2 May 2025, the reporting process will be completed within 15 working days upon receipt of prima facie evidence of suspected</td></tr>
<tr><td>(e) take measures to ensure that cases of suspected fraudulent academic qualifications are reported to the Hong Kong Police Force (HKPF) in a timely manner.</td></tr>
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Para. No.	Audit/PAC's Recommendations	Progress to Date
		fraudulent academic qualifications from awarding bodies. During the period from 2 May 2025 to 31 July 2025, HKCAAVQ reported a total of 17 cases to HKPF. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Maintenance of Qualifications Register		
Para. 2.44 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should – (a) consider setting more challenging time targets on completing the vetting of Qualifications Register (QR) entries;	HKCAAVQ will complete reviewing the time targets of vetting QR entries in January 2026. The Head of Qualifications Framework and Qualifications Register will ensure that the time targets on HKCAAVQ's website are accurate and up-to-date.
	(b) take measures to ensure that the time targets of completing the vetting of QR entries published on HKCAAVQ's website are accurate and up to date;	
	(c) enhance the monitoring of non-compliant advertisements relating to Qualifications Framework (QF), for example, by identifying non-compliant advertisements relating to QF from more media sources (e.g. other newspapers and social media platforms);	HKCAAVQ has adopted a search-engine-based surveillance on a pilot basis, generating search results to capture a broader range of advertisements relating to QF to serve as the basis of monitoring. The pilot covers three high-usage search engines (i.e. Google, Yahoo, Bing), expanding the coverage of surveillance beyond existing media, social media and operator websites to enhance monitoring effectiveness. HKCAAVQ will review the effectiveness of search-engine-based surveillance and introduce automation technologies in

Para. No.	Audit/PAC's Recommendations	Progress to Date
		due course to streamline processeses and enhance efficiency and effectiveness. HKCAAVQ will complete the preliminary review in December 2025 and implement the relevant arrangement subsequently.
	(d) take measures to ensure that follow-up actions are taken on non-compliant advertisements relating to QF according to guidelines; and	HKCAAVQ has fully implemented new measures to review monitored cases on a monthly basis and report cases of serious non-compliance to law enforcement agencies in a timely manner. HKCAAVQ has optimised its monitoring and reporting mechanisms for relevant cases, including strengthening the monitoring and documentation of whether operators have rectified non-compliant advertisements in a timely manner. HKCAAVQ reviews its monthly surveillance results each month and considers reporting cases of serious non-compliance to law enforcement agencies based on factors such as frequency of non-compliance by operators, severity of the cases and whether improvements have been made as instructed. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(e) step up measures on operators repeatedly having non-compliant advertisements relating to QF.	In the QR Operators Briefing on 14 March 2025, HKCAAVQ reminded operators to comply with the requirements related to publication of advertisements for qualifications recognised under QF. In July 2025, HKCAAVQ sent emails to all operators, reminding them again, in

Para. No.	Audit/PAC's Recommendations	Progress to Date
		writing, the relevant legal requirements and the latest measures for regulating non-compliant advertisements. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Other issues related to provision of services		
Para. 2.60 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should – (a) take measures to ensure that non-local course assessments are completed within the target processing time;	HKCAAVQ will complete reviewing the planning and management of non-local courses assessments in January 2026, including – (i) allocating additional resources to ensure that assessments are completed within the target processing time; (ii) streamlining and optimising the assessment process; and (iii) promoting digitalisation and automation of assessments as a long-term solution. In the meantime, HKCAAVQ has immediately implemented the following measures – (i) providing training for staff members who are responsible for conducting assessments to enhance work efficiency and effectiveness. HKCAAVQ conducted the first training session in June 2025, which will be carried out on an ongoing basis; and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		(ii) organising seminars to brief operators on the non-local course assessment processes and procedures, so as to enhance communication and liaison with operators. HKCAAVQ conducted the first training session in September 2025, which will be carried out on an ongoing basis.
	(b) formulate guidelines relating to review on fees and charges of HKCAAVQ's services;	HKCAAVQ will conduct a comprehensive review on fees and charges by phase in the following order – (i) accreditation fees (academic and vocational) (ii) qualifications assessment fees (iii) assessment fees (non-local courses and continuing professional development activities for insurance intermediaries) (iv) consultancy fee model. The review on fees and charges is expected to be completed in December 2026.
	(c) take measures to ensure that fees are regularly reviewed and, where necessary, revised, and fresh costing exercises are regularly conducted according to guidelines, with a view to ensuring that the fees are charged on a full-cost recovery basis;	
	(d) consider reporting more performance indicators to Qualifications and Accreditation Committee (QAC) (e.g. target and actual processing times of accreditations, qualifications assessments and non-local course assessments); and	HKCAAVQ will complete the review on key performance indicators (KPIs) relating to accreditations, qualifications assessments and QR within six months. Subject to the approval of the HKCAAVQ Council (Council), HKCAAVQ will report to QAC the implementation of KPIs for monitoring purposes.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(e) keep under review HKCAAVQ's work relating to performing functions outside Hong Kong with a view to facilitating co-operation with the quality assurance agencies outside Hong Kong.	HKCAAVQ will keep under review its work in relation to performing its functions outside Hong Kong and report to the Council annually the strategies in taking forward the related work, the relevant outcomes and review results. The first report which covers the work of 2025 will be submitted to the Council in March 2026. As this recommendation has been implemented and will be carried out on an ongoing basis, we suggest deleting this part from the next progress report.
Part 3: Corporate governance and human resource management		
Corporate governance		
Para. 3.21 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should – (a) closely monitor the attendance rates of members at the Council/Committee meetings and take effective measures to encourage members with low attendance to attend meetings as far as possible;	HKCAAVQ will maintain annual attendance record of Council members and notify them of their attendance rates. The record will be submitted to the Education Bureau (EDB) annually for monitoring purposes. This measure was first implemented in September 2025 and has been regularised. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) issue meeting agendas and discussion papers to Council/Committee members in accordance with the stipulated timeframe;	One of the Deputy Executive Directors will be responsible for the annual monitoring of the issuance and circulation of agendas, discussion papers and draft notes of Council/Committee meetings to ensure that the dissemination of relevant documents is within the stipulated timeframe. The Executive Director will take timely follow-up actions to ensure that the requirement can be met. The first report covering performance on the abovementioned matters in 2025 will be submitted in March 2026. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(c) take measures to ensure that the draft notes of Council/Committee meetings are circulated to Council/Committee members within the stipulated timeframe;	
	(d) make timely requests to Council/Committee members for making the first-tier declarations of interests;	Any Council member who fails to make first-tier declaration of interests in accordance with the guidelines before the deadline will receive a first reminder from the Secretariat, followed by further follow-up reminders every two weeks thereafter. The Secretariat will report cases requiring attention to EDB. This measure will be implemented after the annual appointment of new Council members in October. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(e) strengthen measures to ensure that Council/Committee members make the first-tier declarations of interests in a timely manner;	
	(f) take measures to ensure that the requirements on second-tier declarations of interests are complied with by Council/Committee members;	All Committee Secretaries are required to remind the Council/Committee chairmen to observe the requirements on second-tier declaration of interests in presiding over a meeting, and

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(g) when a Council/Committee member discloses the interest in a matter to be considered in a meeting, take measures to ensure that proper documentation is made on whether – (i) the member concerned has temporarily been excused from the meeting; and (ii) the meeting Chairman has put to vote whether the member concerned may be present at that part of the meeting, and may speak or vote on the matter; and	relevant discussions and decisions should be recorded in the notes of meeting. The above has been implemented since the Council/Committee meetings on 19 and 20 May 2025. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(h) take measures to expedite the issue of the updated Strategic Plan and the updated progress report on the implementation of the Strategic Plan.	HKCAAVQ completed its Strategic Plan for 2025-2029 in August 2025, which was published on the HKCAAVQ's website in September 2025. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Para. 3.22 of the Audit Report	Audit has also recommended that the Secretary for Education should – (a) take measures to ensure that the "Six-board Rule" is complied with as far as practicable; and	 EDB will observe the general rule and standard requirement of the "Six-board Rule" as far as practicable in appointment exercises, aiming to ensure that candidates serving on advisory and statutory bodies do not take on more than they can practically handle and provide opportunities for more candidates to serve the community.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(b) take into account the attendance of members at Council/Committee meetings in considering their re-appointments.	EDB will continue to be vigilant when considering the appointment and re-appointment of members of HKCAAVQ, taking into account their participation and contributions, including but not limited to attendance rate at meetings. EDB will continue to work closely with HKCAAVQ to obtain relevant records and information for future re-appointment exercises, and will take actions to encourage and assist members concerned to continue to contribute to HKCAAVQ, including attending relevant meetings. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Staff turnover and staff recruitment		
Para. 3.34 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should take measures to – (a) reduce the staff turnover by taking into account the major reasons for leaving HKCAAVQ as indicated by staff members during exit interviews;	 HKCAAVQ has enhanced the follow-up work on exit questionnaires/interviews, including carefully examining the top three reasons for resignation as indicated by staff members. Relevant details will be recorded in exit questionnaires by the Human Resources (HR) unit.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		HKCAAVQ has made reference to the analysis of records of exit questionnaires/interviews and implemented the following measures to reduce staff turnover – (i) exploring more opportunities for staff development (a review on staff development has been completed and the new plan for 2025-26 has been approved); (ii) enhancing staff remuneration and benefits in a timely manner where practicable (a remuneration review was completed in May 2025, and its outcomes have been implemented); and (iii) establishing a staff recognition scheme. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(b) expedite the recruitment process with a view to filling the vacant posts in a timely manner; and	HKCAAVQ has explored alternative channels to facilitate application for the relevant posts through appropriate social networking service platforms (e.g. LinkedIn) with a view to filling the vacant posts in a timely manner. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) ensure compliance with HKCAAVQ's policy on appointments in recruitment exercises, and document the justifications for any deviation from the policy.	HKCAAVQ will conduct annual review on recruitment matters to ensure compliance with relevant requirements and procedures, including declaration of any potential conflict of interests by all interview panel members before conducting the interviews. The HR unit has issued guidelines to staff members involved in the appointment procedure, reminding them to observe the requirements. HKCAAVQ has also ensured that the justifications for any deviation from the policy are documented. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Engagement of individual consultants		
Para. 3.43 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should – (a) submit a report on engagement of individual consultants to the Personnel and Administration Committee for information annually;	The Secretariat will submit annual reports on engagement of individual consultants to Personnel and Administration Committee for information and comment. The upcoming 2025 report will be submitted for Personnel and Administration Committee's consideration in March 2026. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) take measures to invite more potential candidates for individual consultants; and	The HR unit has explored alternative advertising channels, including two public advertising platforms, for recruiting individual consultants. HKCAAVQ will also leverage social networking services platforms (e.g. LinkedIn) to identify suitable candidates. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(c) take measures to ensure that performance evaluations are conducted for individual consultants.	All individual consultants are required to complete a performance evaluation upon completion of their service contracts, and records should be properly kept. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Training for staff		
Para. 3.63 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should – (a) take measures to ensure that the requirements on post-training continuous service for management development programmes and professional development programmes are complied with;	The Secretariat will implement the requirements on post-training continuous service with effect from January 2026 to ensure that all staff members who have received financial sponsorship of $10,000 or above per programme in staff development activities will continue their service at HKCAAVQ after training.
	(b) require post-training continuous service for staff members who have received financial sponsorship of $10,000 or above per programme for individual staff development activities;	

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(c) take measures to ensure that the sponsorship approved for each staff member is within the annual per capita training budget for individual staff development activities and provide justifications in approving financial sponsorship above the per capita training budget;	The HR unit will monitor the sponsorship budget and the justifications for exceeding the budget annually. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(d) take measures to ensure that the commencement dates of the activities of the sponsorship applications for individual staff development activities are properly recorded for performance monitoring;	The HR unit will properly record the commencement dates of the activities of the sponsorship applications, as well as relevant receipts, screen captures, staff declarations, etc. The above has been fully implemented. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(e) take measures to ensure that sponsorship applications for individual staff development activities are submitted within the specified timeframe and justifications for granting retrospective approvals are documented;	The HR unit will conduct annual monitoring to ensure proper handling and documentation of training sponsorship applications, including the timeframe for submitting and granting approvals for applications, application timeline and justifications for granting retrospective approvals. The first performance monitoring for 2025 will be completed and reported in March 2026. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(f) take measures to ensure that original receipts and documentary proofs for satisfactory completion of the activities are provided for reimbursement of individual staff development activities;	The Finance unit will conduct annual monitoring to ensure the provision of documentary proofs by staff members upon satisfactory completion of the activities, and undergo verification checks on reimbursement claims. The first performance monitoring for 2025 will be completed and reported in March 2026. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(g) take measures to ensure that reports on the outcome and benefits of the activities are submitted by staff members undertaking the sponsored external development activities; and	The Secretariat has designed and adopted a template for staff members to report the outcomes and benefits of sponsored training activities. Annual monitoring will be conducted to ensure proper submission and keeping of all relevant reports. The first performance monitoring will be completed and reported in March 2026. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(h) ascertain the reasons why the actual expenses were less than the budgeted expenses for staff training, and take appropriate follow-up actions with a view to enhancing staff development.	The HR unit will conduct a staff development survey in November each year to consolidate individual performance appraisals in order to reflect staff needs. This serves to form the basis for formulating staff development plan. Moreover, the unit will conduct annual monitoring to evaluate the performance in respect of, among others, training expenses. The first performance monitoring for 2025 will be completed and reported in March 2026.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		The HR unit will also regularly submit to the Directorate a (quarterly) progress report for monitoring and enhancing the planning of training budget. Upon review, the training budget for 2025-2026 has been revised from HK$1,000,000 to HK$600,000, with a view to fostering staff and institutional growth and enhancing competitiveness while ensuring financial stability. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Part 4: Other issues		
Safeguarding national security		
Para. 4.6 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should take measures to strengthen guidance and regulation over matters concerning the safeguarding of national security (e.g. incorporating clauses in agreements/contracts to strengthen regulation over matters concerning the safeguarding of national security).	HKCAAVQ has sought legal advice and implemented relevant measures. All agreements/contracts/documents are required to include clauses relating to the safeguarding of national security, with a view to strengthening regulation over matters concerning the safeguarding of national security. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Procurement of services		
Para. 4.13 of the Audit Report	Audit has recommended that the Executive Director, HKCAAVQ should – (a) ascertain the reasons why the responses from contractors were lukewarm in some tender exercises and take appropriate follow-up actions; and	HKCAAVQ has comprehensively reviewed the tendering procedures and its operation, and will submit the suggestions for improvement and implementation in December 2025. HKCAAVQ has also promptly taken the following measures to improve the tendering process for procurement of services –

Para. No.	**Audit/PAC's Recommendations**	**Progress to Date**
	(b) take measures to enhance competition in tender exercises.	(i) ascertained the reasons for lukewarm responses from contractors in some tender exercises, and took appropriate follow-up actions; (ii) formulated guidelines to extend the response period for tenderers where practicable (for at least two weeks); and (iii) reduced reliance on proprietary systems to proactively enhance competition in tender exercises. As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Other administrative issues		
Para. 4.37 of the Audit Report	Audit has recommended that Executive Director, HKCAAVQ should – (a) take measures to ensure that stocktaking exercises are conducted in accordance with its asset control procedures;	HKCAAVQ has fully implemented fixed asset management procedures to ensure that stocktaking exercises are conducted in accordance with its asset control procedures and that the records on disposal of fixed asset items are properly kept. A routine check has been conducted in September 2025. HKCAAVQ will also make necessary adjustments in the financial statements to account for the disposal of fixed assets. The net book values of the assets will remain unchanged.
	(b) take measures to ensure that the records on disposal of fixed asset items are properly kept;	
	(c) properly account for the disposed fixed asset items and the fixed asset items with no records in the fixed asset register, and make necessary adjustments in the financial statements;	

<table>
<tr><th>Para. No.</th><th>Audit/PAC’s Recommendations</th><th>Progress to Date</th></tr>
<tr><td rowspan="4"></td><td>(d) take measures to improve the control and recording of fixed assets;</td><td>As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</td></tr>
<tr><td>(e) expedite the review on the Code of Conduct for Council Members;</td><td>The Secretariat has completed the revision and review of the Code of Conduct for Council Members in September 2025 as a follow-up to the engaged consultant’s recommendations relating to the handling of declarations of interests for investment decisions.

As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</td></tr>
<tr><td>(f) take measures to ensure that extra costs incurred for non-local specialists’ requests for modification of hotel accommodation arrangements are borne by non-local specialists;</td><td rowspan="2">The Accreditation units have assigned designated officers to ensure that –

(i) extra costs incurred for non-local specialists’ requests for modification of hotel accommodation arrangements are borne by the specialists themselves; and

(ii) the difference of air passage costs between the itineraries requested by non-local specialists and the planned itineraries are properly documented.

Annual monitoring will be conducted by the Finance unit to ensure proper implementation of the abovementioned measures. The first monitoring exercise for 2025 will be completed by March 2026.</td></tr>
<tr><td>(g) take measures to ensure that comparison of air passage costs between the itineraries requested by non-local specialists and the planned itineraries is conducted and documented;</td></tr>
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Para. No.	Audit/PAC's Recommendations	Progress to Date
		As this recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(h) take measures to ensure that post-duty activity reports for official duty activities are submitted by staff members within the specified timeframe;	The Secretariat has reminded staff members to submit post-duty activity reports for official duty activities. The HR unit will, through annual monitoring exercises, ensure that post-duty activity reports are submitted by staff members within the specified timeframe. The first monitoring exercise for 2025 will be completed by March 2026. Since 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) set a timeframe for resolving a complaint case;	HKCAAVQ has established the following mechanism for handling complaints – (i) HKCAAVQ will acknowledge all complaints by email within five working days upon receipt of complaints; (ii) for relatively complex cases that may require a longer processing time, staff members who conduct the preliminary investigation will report such cases to the responsible Deputy Executive Director. The Deputy Executive Director will provide instructions to the units concerned to facilitate further investigations;
	(j) take measures to expedite the processing of complaint cases and resolve the complaint cases within the specified timeframe;	
	(k) consider setting a timeframe for the acknowledgement of receipt of a complaint case; and	
	(l) take measures to acknowledge complaint cases within the specified timeframe.	

Para. No.	Audit/PAC's Recommendations	Progress to Date
		(iii) the Executive Director will regularly review complaint cases with processing time exceeding eight weeks and give appropriate instructions to the relevant Deputy Executive Directors and units concerned; (iv) all complaint cases with processing time exceeding eight weeks will be reported to the Council on a regular basis for monitoring purposes; and (v) for complaint cases with processing time exceeding eight weeks, HKCAAVQ will update the complainants on the latest status every two weeks. Since the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.

Enclosure 3

Lantau Conservation Fund
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Conservation and related projects		
Processing of applications		
Para. 2.23 of the Audit Report	Audit has recommended that, in processing applications for conservation and related projects, the Director of Civil Engineering and Development should – (a) take measures to ensure that the applicants are notified of the application results in accordance with the stipulated timeframe;	The Civil Engineering and Development Department (CEDD) has updated the internal Procedural Guidelines for Management of Conservation and Related Projects (Procedural Guidelines) to require the Lantau Conservation Fund (LCF) Secretariat (Secretariat) to notify the applicants of the application results in accordance with the timeframe as stipulated in the Procedural Guidelines.
	(b) take measures to ensure that the reasons for rejection are stated in the notification letters to the unsuccessful applicants as stipulated in the Sustainable Lantau Office (SLO) guidelines and consider providing more assistance to the applicants to furnish their applications;	CEDD has required the Secretariat to state the reasons for rejection in the notification letters to unsuccessful applicants as stipulated in the Procedural Guidelines. Besides, CEDD has updated the Procedural Guidelines to require the Secretariat to provide appropriate follow-up support to applicants who require further assistance in preparing submissions for the next round of applications.
	(c) update SLO guidelines in a timely manner to ensure that they properly reflect the assessment procedures for applications as agreed by the Lantau Conservation Fund Advisory Committee (LCFAC);	CEDD has updated the Procedural Guidelines to spell out the assessment procedures for applications as agreed by LCFAC.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) take measures to ensure that justifications of not recommending the applications for Research (RE) as well as Education and Engagement (EE) projects with higher marks for approval are properly documented;	After consulting LCFAC, CEDD has updated the Procedural Guidelines to require the Secretariat to properly document the approval status and justifications of cases, including applications that receive higher scores from two Subcommittee members during preliminary assessment but are eventually not recommended.
	(e) step up efforts in encouraging applicants to submit applications with income and/or sponsorships from other sources to fund part of the projects, and state in the assessment criteria that such commitment would be taken into account when assessing application; and	The Guide to Application for Conservation and Related Projects of the Lantau Conservation Fund (Guide to Application) encourages applicants to generate income and/or seek sponsorship from other sources to fund part of the project. Para. 9.11(a) of the Guide to Application (version of May 2025) also states that an applicant's commitment to generate income from the project and secure sponsorship will be taken into account in the assessment. Besides, CEDD will particularly remind applicants to, based on actual circumstances, submit applications with potential income and/or sponsorship from other sources to fund the projects in future briefing sessions. To step up efforts, CEDD has updated the Procedural Guidelines to enhance the assessment criteria for budget quality in the comment forms for bureaux/departments and scoresheets for LCFAC members so as to remind them of the aforementioned matters.
	(f) strengthen measures to ensure that applications are approved with budgets only including necessary expenditure in accordance with the related guidelines and justifications are properly documented when expenditure for exemptible items is considered necessary.	CEDD has updated the Procedural Guidelines to require the Secretariat to strengthen the vetting on the information submitted by applicants to avoid recurrence of similar incidents. The Secretariat should also properly document such cases.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the recommendations from (a) to (f) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.
Monitoring of approved projects		
Para. 2.45 of the Audit Report	Audit has recommended that, in monitoring of approved conservation and related projects, the Director of Civil Engineering and Development should – (a) strengthen measures to ensure that – (i) the grantees submit project deliverables in a timely manner and reminders are timely issued to the grantees; (ii) follow-up actions are taken on repeated late submissions of project deliverables by the grantees as appropriate and these cases are reported to LCFAC in accordance with SLO guidelines; and	CEDD has updated the Procedural Guidelines to strengthen the monitoring of the submitted project deliverables, e.g. by specifying that the Secretariat should issue warning letters to grantees with repeated late submissions of project deliverables, and specifying the scenarios under which the Secretariat needs to report such cases to LCFAC.
	(iii) the required interval of inspections on approved projects is met and justifications are properly documented if the inspections are not conducted according to the required interval, and inspection reports are timely prepared in accordance with SLO guidelines.	CEDD has updated the Procedural Guidelines to introduce more flexible inspection requirements, i.e. from "one inspection every year" to "at least two inspections within project duration", to enhance the effectiveness of the inspections. Besides, the monitoring team is required to document any non-compliance of the inspection requirements with justifications, obtain supervisor's approval for such non-compliance, and prepare the inspection reports in a timely manner.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) determine the treatment of project assets in completed projects and require the grantees to dispose of them accordingly as soon as practicable;	CEDD has updated the Procedural Guidelines on the handling of project assets by requiring grantees to return project assets of completed projects for re-use or disposal in accordance with relevant rules and regulations.
	(c) take measures to ensure that project variations are approved in accordance with the framework of delegated authorities and maintain proper documentation on the regular reporting items provided to LCFAC; and	CEDD has updated the Procedural Guidelines on the framework of delegated authorities for approving project variations. The relevant documentation has been properly maintained.
	(d) set a time target for the preparation of summaries for completed projects by SLO staff and take measures to ensure that the summaries are timely circulated for deliberation by LCFAC.	CEDD has updated the Procedural Guidelines to set the targeted time for the Secretariat to prepare summaries for completion reports to ensure circulation for deliberation by LCFAC in a timely manner. As the recommendations from (a) to (d) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.
Disbursement of approved grants		
Para. 2.56 of the Audit Report	Audit has recommended that, in disbursements of grants to approved conservation and related projects, the Director of Civil Engineering and Development should – (a) consider providing more assistance to the grantees in preparing for project commencement with a view to enabling release of first disbursements as soon as practicable;	 CEDD has updated the Procedural Guidelines to require the Secretariat to communicate with the grantees and provide assistance as far as possible, in order to release the first disbursement to the grantees within one month upon execution of agreement.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(b) consider setting a time target for completing the processing of project deliverables submitted by the grantees and take measures to complete the processing in a timely manner;	CEDD has updated the Procedural Guidelines to set the targeted time for completing the processing of project deliverables submitted by grantees and require the Secretariat to follow up in accordance with the time target.
	(c) set a time target to request the grantees for returning the unspent grants upon completion of projects and ensure timely issuance of requests; and	CEDD has updated the Procedural Guidelines to set the time target for grantees to return unspent grants upon acceptance of all project deliverables, and require the Secretariat to follow up with the grantees to ensure return of the relevant grants within the time target.
	(d) take into account the amount of unspent grants held by the grantees before releasing interim disbursements in accordance with SLO guidelines.	CEDD has updated the Procedural Guidelines to introduce a mechanism requiring grantees to submit a projection of expenditure for the next reporting period, along with the actual expenditure, to facilitate review before the release of interim disbursements. As the recommendations from (a) to (d) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.
Part 3: Minor local improvement works projects		
Identification of minor local improvement works projects		
Para. 3.10 of the Audit Report	Audit has recommended that the Director of Civil Engineering and Development should – (a) ascertain the reasons for the decrease in the number of Minor Local Improvement Works (MLIW) projects and amount of funds approved and take measures to address the matter;	 Over the past two years, the priority of conservation-related projects has been adjusted by respective government departments in accordance with district development needs, resulting in a decrease in the number of MLIW projects and amount of funds approved. The Project Manager (South and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		Sustainable Lantau) of CEDD appealed to the relevant government departments to identify suitable MLIW project proposals and submit potential MLIW projects in the email dated 7 May 2025 and at the LCF Minor Works Steering Committee (MWSC) Meeting held on 16 July 2025. CEDD will continue to proactively liaise with government departments and facilitate them in proposing suitable projects.
	(b) expedite the review of SLO guidelines regarding the scope of MLIW projects;	CEDD has reviewed and updated the internal Procedural Guidelines for Management of MLIW regarding the scope and priority of MLIW projects.
	(c) remind the responsible government departments to provide sufficient information in their MLIW project proposals, in particular all necessary project information (e.g. project objectives and targets) and views on the project proposals from relevant statutory and advisory bodies as far as practicable; and	CEDD has updated the Procedural Guidelines for Management of MLIW to require the relevant government departments to provide sufficient information (including views of relevant statutory and advisory bodies as well as the performance targets) in their MLIW project proposals. At the LCF MWSC Meeting on 16 July 2025, the Secretariat requested the relevant government departments to provide views on the project proposals from relevant statutory and advisory bodies as well as their performance targets.
	(d) consider requiring the responsible government departments to include performance targets as far as practicable in their MLIW project proposals.	As the recommendations from (a) to (d) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Monitoring of minor local improvement works projects		
Para. 3.20 of the Audit Report	Audit has recommended that the Director of Civil Engineering and Development should – (a) issue requests for return on the progress and expenditure of MLIW projects to the responsible government departments in accordance with the frequency as stipulated in relevant guidelines (i.e. quarterly);	CEDD has issued requests for return on the progress and expenditure of MLIW projects on a quarterly basis in accordance with the Procedural Guidelines for Management of MLIW; and has updated the Procedural Guidelines for Management of MLIW to require the Secretariat to take measures (e.g. by issuing reminders) to ensure that the relevant returns are submitted by the relevant government departments in a timely manner, and the submitted returns are properly maintained.
	(b) take measures to ensure that the returns on the progress and expenditure of MLIW projects are submitted by the responsible government departments in a timely manner and the submitted returns are properly maintained;	
	(c) keep under review the progress of MLIW projects, in particular those projects with delays in target completion of works, with a view to implementing measures on time throughout the project cycle of MLIW projects;	CEDD has updated the Procedural Guidelines for Management of MLIW to require the relevant government departments to report the progress of projects to the Secretariat. For projects with delay from the target completion dates, the relevant government departments should report to the Secretariat on the reasons for the delay so as to facilitate the Secretariat to monitor the progress and remind the relevant departments to implement measures in a timely manner. As the recommendations from (a) to (c) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) take measures to enhance the monitoring of expenditure of MLIW projects, including –	
	(i) ascertaining with the responsible government departments the reasons for the variance between the actual project expenditure and the approved project estimate for each project;	CEDD has updated the Procedural Guidelines for Management of MLIW to require the relevant government departments to report the variance and ascertain the reasons. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(ii) setting a time target for the responsible government departments to notify SLO on the completion of MLIW projects, finalisation of project accounts and expenditure; and	CEDD has updated the Procedural Guidelines for Management of MLIW to set the time target for submitting the aforementioned information. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(iii) ascertaining whether the project accounts of the 7 completed MLIW projects had been finalised with a view to returning the unspent balance of their approved project estimates to the earmarked funding for MLIW projects under LCF as soon as practicable; and	CEDD required the relevant government departments at the LCF MWSC Meeting on 16 July 2025 to finalise the project accounts of completed projects as soon as possible. As at September 2025, the project accounts of five out of the seven completed projects have been finalised and the unspent balance has been returned to the LCF. The project accounts of the remaining two completed projects are targeted to be finalised by the end of this year.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(e) take measures to ensure that all required information related to the update on the progress and expenditure of MLIW projects (including the reasons for the delays in completion of works and variances between the actual project expenditure and the approved project estimate) is reported at LCFAC meetings.	CEDD has updated the Procedural Guidelines for Management of MLIW to require the Secretariat to report the aforementioned items at the LCFAC Meeting. The Secretariat reported the relevant items at the LCFAC Meeting held on 21 July 2025. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Performance evaluation of minor local improvement works projects and other issues		
Para. 3.27 of the Audit Report	Audit has recommended that the Director of Civil Engineering and Development should – (a) take measures to ensure that up-to-date project information for completed MLIW projects is provided in the brief information;	CEDD has updated the Procedural Guidelines for Management of MLIW to require the Secretariat to update the project information of the completed MLIW projects in the brief information upon receiving relevant information from the responsible government departments, and upload the up-to-date project information to the LCF website.
	(b) consider requiring the responsible government departments of completed MLIW projects to provide self-evaluation of the effectiveness of individual MLIW projects; and	CEDD has updated the Procedural Guidelines for Management of MLIW to require the responsible government departments of completed MLIW projects to provide self-evaluation of the effectiveness of their projects.
	(c) take measures to ensure that the Procedural Guidelines for Management of MLIW is timely updated to incorporate the latest procedures.	CEDD has updated the Procedural Guidelines for Management of MLIW to remind the Secretariat to update the guidelines in a timely manner to incorporate the latest procedures.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the recommendations from (a) to (c) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.
Part 4: Governance and Other Issues		
Governance issues		
Para. 4.11 of the Audit Report	Audit has recommended that the Director of Civil Engineering and Development should – (a) monitor the attendance at LCFAC meetings and take measures to improve the attendance of the non-official members of LCFAC (e.g. ascertaining the reasons for low attendance and issuing reminders to members with low attendance to draw their attention to the importance of attending meetings);	CEDD has taken measures to inform the non-official members of the meeting schedule at the beginning of each year so as to facilitate their attendance planning. At the LCFAC Meeting held on 21 July 2025, CEDD reminded the members to make every effort to attend LCFAC meetings. Moreover, CEDD has updated the Procedural Guidelines to monitor the attendance rate of non-official members and send reminders to members with low attendance rate.
	(b) properly document the justifications for recommending non-official members of LCFAC with low attendance records to the approving authority for re-appointments;	CEDD will properly document the justifications if non-official members of LCFAC with low attendance rate are recommended to the approving authority for re-appointments in future.
	(c) consider setting a time target for preparing and issuing meeting materials (such as meeting agenda and meeting minutes) to the relevant members for the meetings of LCFAC, LCFAC Subcommittees and MWSC;	CEDD has updated the Procedural Guidelines and Procedural Guidelines for Management of MLIW to set the time target for the Secretariat to issue meeting materials to the relevant members.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(d) document the declarations of interests made by the members of LCFAC Subcommittees during the meetings and the conclusion of deliberation of RE and EE applications discussed at the meetings in the gist of discussions prepared for LCFAC Subcommittee meetings;	CEDD has updated the Procedural Guidelines that the declarations of interests made by members of the Subcommittees and the conclusion of deliberation of the relevant applications discussed at the meetings should be documented in the gist of discussions for the Subcommittee meetings.
	(e) take measures to ensure that the declarations of interests made by the members of LCFAC (including its Subcommittees) are properly maintained;	CEDD has acknowledged that records of annual declarations and declaration of interests relating to individual applications made by members have been properly maintained from 2023 onwards. Besides, CEDD has reminded the Secretariat staff to comply with the relevant requirements as stipulated in the Procedural Guidelines.
	(f) make timely requests to the members of LCFAC (including its Subcommittees) for making declaration of interests and take measures to ensure that the declarations are submitted by the members in a timely manner; and	At the LCFAC Meeting held on 21 July 2025, the Secretariat reminded members of LCFAC (including its Subcommittees) to submit the declarations of interests on time. In addition, CEDD has reminded the Secretariat staff to comply with the relevant requirements as stipulated in the Procedural Guidelines and ensure that the declarations are submitted by members in a timely manner.
	(g) take measures to ensure that the declarations of interests with applications are received from the members of LCFAC (including its Subcommittees) prior to the issuance of project digests.	CEDD has updated the Procedural Guidelines to require the Secretariat to issue the project digests only after receiving the declarations of interests from members.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the recommendations from (a) to (g) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.
Publicity and promotion programmes		
Para. 4.15 of the Audit Report	Audit has recommended that the Director of Civil Engineering and Development should – (a) conduct evaluation (e.g. participant satisfaction surveys) to ascertain whether the publicity and promotion programmes have achieved their intended objectives; and	 CEDD will conduct evaluation after completion of publicity and promotion programmes in future. For instance, a participant satisfaction survey will be conducted at the end of the briefing session with potential applicants scheduled for the fourth quarter of 2025.
	(b) set a timetable for implementing the proposed public relations strategy and the associated measures for LCF with a view to encouraging applications under LCF, promoting the overall branding of LCF and raising the public awareness of the conservation of Lantau.	CEDD has set the timetables for short-term, medium-term and long-term objectives. In the short term, LCF will publish the 5th anniversary newsletter in 2025, and the frequency of issuance will depend on the amount of available information. Concurrently, annual briefings cum sharing sessions will be arranged to enable knowledge and experience sharing, thereby encouraging potential applicants to submit applications. To further encourage applications, LCF will engage paid media partnership for advertisement placement as well as online and offline advertorial before each briefing session and opening of application. For medium-term planning, LCF will gradually collect data and information from grantees for creating an online platform as a database for successful applicants. With more resources

Para. No.	Audit/PAC's Recommendations	Progress to Date
		available, LCF will also host webinars and online sharing sessions for enhancing knowledge exchange. LCF will explore public engagement initiatives in partnership with projects in the long run, such as guided tours and exhibitions for the public, with a view to allowing the public to experience and contribute to the conservation of Lantau.
Other administrative issues		
Para. 4.25 of the Audit Report	Audit has recommended that the Director of Civil Engineering and Development should – (a) strengthen measures to ensure that the information provided on LCF website is comprehensive, accurate and up-to-date;	 CEDD has updated the Procedural Guidelines to require the Secretariat to review and update the information on LCF website on a quarterly basis as necessary.
	(b) consider specifying in SLO guidelines the type of information of MLIW projects to be uploaded onto LCF website;	CEDD has updated the Procedural Guidelines for Management of MLIW to specify the type of information of MLIW projects to be uploaded onto LCF website.
	(c) consider setting performance measures (e.g. key performance indicators) in relation to LCF and providing them on LCF website; and	Key performance indicators have been introduced by the grantee for each conservation and related project as well as each MLIW project. The Secretariat will upload the related indicators onto LCF website on an annual basis.
	(d) conduct a review on the implementation of LCF, taking into account the audit observations and recommendations in this Audit Report.	CEDD has conducted review in accordance with the Audit's observations and recommendations, and responded and reported the progress in this Government Minute.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the recommendations from (a) to (d) above have been implemented and will be carried out on an ongoing basis, we recommend deleting these parts from the next progress report.

Enclosure 4

Management of Mandatory Window Inspection Scheme by the Buildings Department Progress in implementing recommendations of Audit/PAC

Para. No.	**Audit/PAC's Recommendations**	**Progress to Date**
Part 2: Selection of target buildings for issuance of statutory notices		
Para. 2.20 of the Audit Report	Audit has recommended that the Director of Buildings (DB) should –	
	(a) incorporate all selection factors of target buildings under Selection Mechanism B for issuance of the Mandatory Window Inspection Scheme (MWIS) statutory notices in the Buildings Department (BD) guidelines;	(a) BD incorporated all selection factors of target buildings under Selection Mechanism B in departmental guidelines in May 2025.
	(b) inform the Selection Panel all the selection factors (including the additional factors) considered by BD under Selection Mechanism B when seeking endorsement of Nomination List B for issuance of statutory notices under MWIS;	(b) BD informed the Selection Panel all the selection factors (including the additional factors for consideration) under Selection Mechanism B at its physical meeting in August 2025.
	(c) document the justifications and inform the Selection Panel for its consideration and endorsement of buildings with records of fallen window incidents but not selected under Selection Mechanism B for issuance of statutory notices under MWIS because MWIS statutory notices had been served in the past;	(c) BD considered that the selection of target buildings should focus on minimising safety risks, and agreed that in future, if a building had been involved in fallen window incidents in the previous year and previous MWIS notices had been served for more than five years, the building should be included as a target building as soon as possible for issuance of MWIS notices again, regardless of whether the MWIS notices issued earlier had been fully complied with. BD explained the above arrangement in the documents and materials prepared for the Selection Panel, and obtained its agreement at the meeting in August 2025.

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	(d) incorporate the current practice in compiling Nomination List A under Selection Mechanism A for the Selection Panel's endorsement for issuance of statutory notices under MWIS (i.e. giving priority to buildings that had never been inspected/repaired under the scope of MWIS/Mandatory Building Inspection Scheme (MBIS)) in BD guidelines;	(d) BD incorporated the current practice in compiling Nomination List A under Selection Mechanism A for the Selection Panel's endorsement for issuance of statutory notices under MWIS (i.e. giving priority to buildings that had never been issued with statutory notices under MWIS/MBIS) in departmental guidelines in May 2025, making the current practice as one of the official selection criteria.
	(e) document the justifications and inform the Selection Panel for its consideration and endorsement for buildings with higher scores not selected under Selection Mechanism A for issuance of statutory notices under MWIS;	(e) BD documented the justifications for buildings with higher scores under Selection Mechanism A but not being selected for issuance of statutory notices under MWIS and informed the Selection Panel at its physical meeting in August 2025 for its consideration and endorsement.
Para. (a) and (b) on page 65 of the PAC Report	PAC has recommended BD that–	
	(a) the current practice of BD in selecting target buildings for issuance of MWIS statutory notices may rely heavily on the personal experience and expertise of its staff, leading to discrepancies or human errors. BD should regularly review the non-guideline practices, and standardise and regularise them for incorporation into departmental guidelines to ensure consistency; and	(a) Please refer to the progress of para. 2.20(a) to (e) of the Audit Report above.

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	(b) to enhance the participation and transparency of the Selection Panel in selecting target buildings, the Administration should consider reviewing the Selection Panel's terms of reference so that its powers and responsibilities align with its functions, and ensure that the Selection Panel is well informed through information papers prior to discussions in order to make informed decisions. Besides, BD should maintain complete records of the Selection Panel's discussions to ensure that the decision-making process can be traced in future.	(b) Having reviewed by BD, it was considered that the current terms of reference of the Selection Panel adequately covered all aspects of MBIS and MWIS. This includes the recommendation and screening of target buildings, as well as proposing any changes deemed appropriate to the established selection criteria and scoring methodology. BD will also adopt the views and recommendations reached by the Selection Panel after thorough discussion. To enhance the participation and transparency of the Selection Panel in selecting target buildings, BD clearly explained the general selection criteria and additional factors for consideration in the documents prepared for the Selection Panel at the meeting in August 2025 to ensure that they had the full knowledge to make informed decisions. BD has also maintained complete records of meeting discussions. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Para. 2.20 of the Audit Report	Audit has recommended that DB should – (f) conduct analyses on the statistics on the fallen window incidents with a view to making further improvement to BD's building selection mechanisms for issuance of statutory notices under MWIS.	BD completed the analysis on the 445 fallen window incidents in August 2025 and broadly identified five main factors or circumstances leading to such incidents. The results indicate that (1) buildings aged 30 years or above and "three nil" buildings have a higher risk of falling windows; (2) buildings in a building cluster generally have the same potential risks

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		of falling windows; (3) fallen window incidents are more likely to occur during rainy and typhoon seasons as well as prior to the Lunar New Year, with some cases involving improper use of windows; (4) in some cases, fallen window incidents occurred despite inspections carried out by qualified persons (QPs); and (5) rivets and screws used for securing window frames and sashes are corroded, loosened or missing. The follow-up actions corresponding to the above five factors or circumstances are as follows – (1) The existing Selection Mechanism A, which accords higher scores to buildings with higher building age and "three-nil" buildings, effectively identifies buildings with a higher risk for MWIS. BD has enhanced Selection Mechanism B by including all MWIS-eligible buildings involving fallen window incidents in the selection mechanism. In future, BD will continue to collect data on fallen window incidents for regular analysis, and review the criteria and mechanisms for building selection as necessary. The Government will introduce an amendment bill to the Buildings Ordinance (BO) (Cap. 123) into the Legislative Council in the first half of 2026. The proposed amendments will include measures to boost the compliance rate of MWIS notices, such as increasing the fixed penalty and maximum penalty levels for non-compliance

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		with MWIS notices; introducing a new offence of non-compliance with MWIS notices where personal injury or property damage has been caused; and further enhancing deterrence against uncooperative owners for obstructing owners' corporations (OCs) in carrying out inspection, investigation or repair for compliance with MWIS notices. (2) Under the existing Selection Mechanism A, when BD finds that a building with a relatively higher score is part of a housing estate or forms an integral part of a development, all buildings in the building cluster will also be nominated. This approach not only takes risk considerations into account but also facilitates owners' arrangement for inspection and repair. (3) BD will continue to strengthen its efforts in public education and publicity, particularly during rainy and typhoon seasons as well as prior to the Lunar New Year, so as to enhance owners' awareness of the proper use, maintenance and cleaning of windows. For example, windows should not be used for hanging clothes or as support during cleaning, and should be securely closed during strong winds. (4) To enhance the monitoring of the work of QPs responsible for window inspection, BD will raise the target for "successful audit checks" to be completed by BD staff each year from a minimum of

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		500 cases to 600 cases. Moreover, BD completed a review on the follow-up actions and procedures taken in respect of the irregularities identified during audit checks in August 2025, including formulating clear and streamlined procedural guidelines for instigating prosecution or taking disciplinary actions against non-compliant QPs. (5) Through public education and publicity as well as regular briefings for industry practitioners responsible for window inspection and repair, stakeholders including the public, QPs and registered contractors are reminded to use suitable rivets and screws to secure window frames and sashes, and to carry out regular inspection, maintenance and replacement.
Page 73 of the PAC Report	PAC has demanded BD to report to the Committee the outcomes and follow-up actions upon completion of the analysis on the 295 cases of fallen window incidents.	Please refer to the progress of para. 2.20(f) of the Audit Report above, in which the said 445 fallen window incidents have already included those 295 cases. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Para. (a) and (b) on pages 73 to 74 of the PAC Report	PAC has recommended BD that – (a) according to data from BD, the number of fallen window incidents in Hong Kong showed a decreasing trend between 2017 and 2024, indicating that MWIS is effective to a certain extent. However, what causes concern	 (a) BD has been adopting a risk-based approach in selecting target buildings for issuance of MWIS statutory notices. Upon review, the existing Selection Mechanism A identifies buildings with a higher risk for MWIS. BD has enhanced

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	is that a significant proportion of the buildings involved in fallen window incidents during the same period had not been selected as target buildings for issuance of MWIS statutory notices, while a certain number of buildings that had been issued MWIS statutory notices had not complied with the notices at the time when the incidents occurred, worse still, fallen window incidents occurred even though the buildings had complied with the statutory notices. These situations reflect room for improvement in BD's selection mechanisms, administration of MWIS statutory notices and monitoring of QPs. In addition to comprehensively reviewing the management of all aspects of MWIS, the Administration should introduce legislative amendments expeditiously to enhance deterrence and enforcement efficiency; and	Selection Mechanism B by including all MWIS-eligible buildings involving fallen window incidents in the selection mechanism. To enhance the monitoring of the work of QPs responsible for window inspection, BD will raise the target for "successful audit checks" to be completed by BD staff each year from a minimum of 500 cases to 600 cases, and will continue to collect data on fallen window incidents for regular analysis, and review the criteria and mechanisms for building selection as necessary. Besides, the Government will introduce an amendment bill to BO into the Legislative Council in the first half of 2026. The proposed amendments will include measures to boost the compliance rate of MWIS notices, such as increasing the fixed penalty and maximum penalty levels for non-compliance with MWIS notices; introducing a new offence of non-compliance with MWIS notices where personal injury or property damage has been caused; and further enhancing deterrence against uncooperative owners for obstructing OCs in carrying out inspection, investigation or repair for compliance with MWIS notices.
	(b) in addition to strengthening enforcement, to achieve better enforcement outcomes and promote social harmony, the Administration should use non-compulsory means such as incentive, education, advice, and warnings to promote among members of the public the	(b) BD will continue to strengthen its efforts in public education and publicity, particularly during rainy and typhoon seasons as well as prior to the Lunar New Year, to enhance owners' awareness of proper use, maintenance and cleaning of windows etc. For example, windows should not be

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	proper use of windows (such as avoiding using windows for hanging clothes or as support when doing cleaning, and refraining from opening windows during strong winds), to prevent fallen window incidents;	used for hanging clothes or as support during cleaning, and should be securely closed during strong winds. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Para. 2.20 of the Audit Report	Audit has recommended that DB should – (g) strengthen the monitoring of the performance of consultants engaged for issuance of statutory notices under MWIS and take measures to ensure the timely completion of assignments and achievement of objectives of the consultancy agreements.	BD has taken the following measures to strengthen the management and monitoring of consultants' work – (i) BD incorporated the criteria for issuing reminders and warning letters in its departmental guidelines in May 2025, and further enhanced the relevant guidelines in July, which includes issuing reminders to consultants failing to submit reports and documents in a timely manner at the monthly progress meeting so as to remind consultants of the outstanding reports and documents and revising the submission schedule as appropriate for further monitoring. If consultants still fail to complete the work by the revised schedule, warning letters will be issued to them and an interview will be arranged with their senior management, requiring the submission of specific measures to improve performance and expedite the follow-up actions on outstanding items; (ii) BD will further enhance the consultant monitoring system, including the enhancement of the Building Condition Information

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		System (BCIS) to record the target completion date for each target building and send reminder emails of to-do items to consultants through the system in a timely manner. The relevant system enhancement will be completed by the end of 2025; (iii) BD is exploring ways to enhance the performance assessment mechanism for consultant companies and the review is expected to be completed by the end of 2025. These include further making clear the criteria and procedures for performance assessment, linking performance scores to the number of reminders and warning letters issued, and considering the introduction of an incentive and penalty mechanism, such as increasing the percentage of consultants' past performance scores in the analysis of technical proposals for consultancy agreements in future tender exercises, thereby encouraging consultants to maintain good performance for better chances of winning future bids; and (iv) BD will also continue to streamline procedures and upgrade its information technology systems to facilitate its staff in monitoring the progress of critical activities in consultants' work (including the submission of desk study reports and draft statutory notices) so that they can remind and urge consultants to take measures accordingly in a timely manner, ensuring that the work is

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		completed as scheduled and in compliance with contractual requirements.
Page 79 of the PAC Report	PAC has recommended that BD should consider reviewing the administrative work outsourced to consultants, simplifying and standardising the work, and gradually reducing outsourcing of such work through upgrading departmental information technology systems, or even absorbing the work with the existing manpower, so as to enhance cost-effectiveness and reduce reliance on outsourcing.	Please refer to the progress of para. 2.20(g) of the Audit Report above.
Para. 2.25 of the Audit Report	Audit has recommended that DB should step up efforts in promoting voluntary window inspection and encouraging owners to carry out timely and necessary window repair on their own initiative.	BD will adopt a multi-pronged approach to promote voluntary inspection of buildings and windows by owners. This includes (i) stepping up publicity activities, such as promoting the WIN SAFE mobile application and the chatbot on its website, deploying the Mobile Command Unit to promote WIN SAFE and window inspection, as well as organising briefings to introduce MWIS to the public; (ii) collaborating with the Hong Kong Housing Society in promoting the Voluntary Building Assessment Scheme through introducing incentive measures to encourage owners to participate in the early bird scheme by waiving their building accreditation fees; and (iii) giving recognition to owners who carry out window inspection and repair works voluntarily to further promote voluntary window inspection and repair. In addition, at a meeting held in early September 2025, the multi-partite collaboration platform established by the Development Bureau (DEVB)

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		comprising members from BD, the Urban Renewal Authority (URA) and the Home Affairs Department (HAD), etc. reviewed the effectiveness of current public education and publicity efforts at the district level. It also revised the publicity focus and content as appropriate and strengthened co-operation with stakeholders, including working with the Property Management Services Authority to assist owners in formulating maintenance manuals and preventive maintenance programmes through licensed property management companies, thereby encouraging owners to voluntarily carry out regular building and window inspections as well as necessary repairs without the issuance of MWIS notices by BD. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Part 3: Follow-up actions on statutory notices		
Para. 3.11 of the Audit Report	Audit has recommended that DB should – (a) closely monitor the compliance of statutory notices under MWIS and take appropriate follow-up actions on non-compliant cases (in particular for the cases with fallen window incidents occurred);	 (a) BD is developing a "Case Management and Reporting Platform for Statutory Orders/Notices and Warning Letters" (CMRP), the functions of which include automatic generation of warning letters requiring owners or responsible persons to handle unauthorised building works or follow up on MBIS/MWIS statutory notices. CMRP has been put under test in the third quarter of 2025 and will be launched by the end of 2025.

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	(b) in view of the relatively higher non-compliance rate of MWIS statutory notices for windows in common parts of the buildings, explore measures to facilitate OCs or owners of the buildings concerned to carry out the prescribed inspection and/or the prescribed repair;	(b) DEVB established a multi-partite collaboration platform in the third quarter of 2023. Members include BD, URA and HAD, etc., to co-ordinate appropriate support measures, including forming OCs through HAD to assist owners in complying with MWIS notices. BD further enriched the content related to MWIS of the briefings provided under the "Central Platform on Building Management" regularly organised by HAD in September 2025, including the provision of more information about the WIN SAFE mobile application, the chatbot on BD's website, cost information for window inspection and common repair items. Through the briefings, BD will continue to explain to the members of the public the details of MWIS and assist OCs or building owners in carrying out prescribed inspections and/or prescribed repairs. Meanwhile, BD will also deploy its in-house social services teams to provide the owners/occupants concerned with appropriate assistance in cases of need. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
	(c) issue warning letters and fixed penalty notices (FPNs) for non-compliant MWIS statutory notices in a timely manner in accordance with the time targets as stipulated in BD guidelines; and	(c) BD will continue to closely monitor the compliance with MWIS statutory notices through a Progress Monitoring Committee at three levels, including regularly monitoring the progress of follow-up actions at the Sectional Progress Monitoring Meetings,

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		reminding its staff to follow up on non-compliant cases in a timely manner and promptly escalating complex cases to higher levels. Moreover, BD will further enhance the functions of BCIS, including sending prompt notifications to staff for issuance of warning letters and FPNs as well as instigating prosecutions in a timely manner. The relevant system enhancement will be completed by the end of 2025.
	(d) refer warranted unpaid FPNs to the Court in accordance with BD guidelines where appropriate.	(d) The issuance of FPNs was indeed effective in increasing the compliance rate of statutory notices. However, referring cases of outstanding FPNs to the Court solely for recovery of the penalties (i.e. recovery of the fixed penalty of \$1,500 and an additional statutory penalty of \$300 from owners concerned) might not further enhance compliance with statutory notices. Therefore, on the premise of optimising the use of resources and streamlining procedures, BD selected cases for piloting the enhanced prosecution strategy in July 2025, requesting the Court to also take into account any outstanding FPNs issued to owners, so that the Court might consider whether to impose heavier penalties so as to enhance the deterrent effect. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.

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Para. 3.19 of the Audit Report	Audit has recommended that DB should – (a) step up referral of non-compliant statutory notices under MWIS to the Fast Track Prosecution Teams (FPT) for instigating prosecution actions and remind BD staff to follow the related guidelines; and (b) closely monitor the compliance status of statutory notices for convicted non-compliant cases and instigate further prosecution actions for warranted continuous non-compliant statutory notices under MWIS.	(a) BD formulated guidelines in May 2025. For cases where there is no positive response after the FPN has been served and the statutory notice has not been complied with, a warning letter will be issued to the owners concerned within one month from the deadline of the FPN. If there remains no positive response from the owners, BD will refer the cases to FPT for follow-up actions three months after the issuance of warning letters. (b) BD formulated guidelines in May 2025 on follow-up measures with regard to the abovementioned convicted cases and the time limit for the second prosecution cases. For convicted cases, BD will issue a warning letter to the owners upon the issuance of the prosecution result. If no positive response is received from the owners after three months, the cases will be referred to FPT for second prosecution (except for cases with positive response). As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 4: Monitoring of Qualified Persons and other issues		
Para. 4.20 of the Audit Report	Audit has recommended that DB should – (a) timely conduct the review on the feasibility to revise the legal requirement of submitting the notification of appointment of QP to BD within seven days after the date of appointment with a view to aligning with the current practice agreed with the trade;	(a) BD will propose amending the relevant regulations during the amendment exercise of BO in the first half of 2026 to bring the legislation in line with the current practice.
	(b) strengthen monitoring of QPs' MWIS submissions and take measures to ensure that QPs comply with the statutory submission time limit (e.g. issuing reminder letters or warning letters to non-compliant QPs);	(b) To ensure timely submissions by QPs, BD will complete the enhancement of the Electronic Forms Submission System (EFSS) by the end of 2025 so as to enable automatic issuance of warning letters directly to all QPs who fail to make MWIS submissions within the statutory time frames, regardless of whether they are selected for audit checks. In addition, BD will consider publishing on its website a list of QPs who have made MWIS submissions on time to enhance transparency and encourage timely submissions by QPs.
	(c) keep under review the success rate in conducting audit checks on MWIS submissions by QPs and explore measures to improve the success rate;	(c) To enhance the monitoring of the work of QPs responsible for window inspection, BD will raise the target for "successful audit checks" to be completed by BD staff each year from a minimum of 500 cases to 600 cases. Moreover, to increase the success rate of site audits, BD revised the relevant invitation letter in March 2025 with an aim to let owners understand that site audits conducted by BD staff will not only ensure their window safety, but also safeguard

Para. No.	Audit/PAC's Recommendations	Progress to Date
		their interests as consumers since BD will require their appointed QPs to carry out rectification when the inspection and repair works fail to comply with the requirements of MWIS. Besides, BD will provide a QR code in invitation letters by the end of 2025 so that owners can make direct appointments for site audits online, without the need for them to call BD as in the past, which facilitates the owners' time planning. The Government is also drafting the legislative amendments to BO which will be introduced in the first half of 2026, including strengthening the power of BD staff to enter premises for site audits.
	(d) consider revising the time target for completion of audit checks in order to reflect BD's current practice in monitoring the completion of audit checks (i.e. taking into account the time taken from the receipt of QPs' submissions to the completion of audit checks);	(d) BD revised the guidelines regarding the time target for completion of audit checks in May 2025 to reflect BD's current practice in monitoring the completion of audit checks. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
	(e) take measures to complete BD's audit checks on MWIS submissions in a timely manner in accordance with BD guidelines;	(e) BD provided guidelines to its staff in July 2025 and reminded them at regular sectional meetings to complete audit checks in a timely manner. BD is enhancing BCIS to provide prompt notifications to its staff to complete audit checks in a timely manner, including issuing warning letters to QPs when irregularities are identified. The relevant system enhancement will be completed by the end of 2025.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(f) take timely follow-up actions on irregularities identified during BD's audit checks on MWIS submissions (including issuing reminder letters and warning letters to the QPs concerned) in accordance with BD guidelines;	(f) BD completed a review in August 2025 on the follow-up actions and procedures taken in respect of the irregularities identified during audit checks and would issue warning letters to non-compliant QPs direct. The relevant guidelines have been revised. If repeated irregularities are identified, BD will consider taking disciplinary actions. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
	(g) endeavour to ascertain the details of fallen window incidents (e.g. the exact premises involved in the fallen window incidents and the compliance status of the statutory notices under MWIS) as far as practicable with a view to enabling necessary follow-up actions (e.g. conducting full investigations on the QPs concerned); (h) maintain full records of follow-up actions on QPs for fallen window cases with complied MWIS statutory notices (including the justifications if full investigations are not conducted on the QPs concerned); and	(g) and (h) BD and the Hong Kong Police Force (the Police) agreed to further strengthen their communication mechanism. Starting from May 2025, the Police has been reporting all fallen window incidents to BD through BD's 24-hour hotline. In addition, BD will conduct daily searches of media reports to collect information on fallen window incidents, and take the initiative to collect information and step up follow-up actions on fallen window incidents, including promptly contacting the relevant parties such as OCs and property management companies to understand the situation. In June 2025, BD also formulated the procedures for following up on fallen window incidents and drew up a standard template for incident reporting, which had been incorporated into BD's departmental guidelines. BD staff are required to upload the investigation results to BD's BCIS to maintain full records, so as to further

Para. No.	Audit/PAC's Recommendations	Progress to Date
		assist in analysing fallen window incidents in future. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
	(i) take measures to further promote MWIS submissions by electronic means.	(i) To promote the use of e-submission by the public, BD has developed a series of quick guides (including system requirements, major features of e-forms, instructions on how to attach files to e-forms, etc.), which are provided side-by-side to the e-forms on BD's website to facilitate users. E-forms are in the fillable file format that facilitates online/offline form filling and record purposes. Users can complete the online submissions by filling in e-forms and attaching the supporting documents, where applicable, via their computers. Users may also use the mobile versions of e-forms. To further encourage QPs to use EFSS for MWIS submissions, apart from providing detailed guides on the use of e-forms on its website, BD held a briefing for QPs in June 2025 to introduce and encourage the use of EFSS by QPs for MWIS submissions. Meanwhile, BD will seek to understand QPs' usage of and reasons for not using EFSS by way of questionnaires so that appropriate system enhancement can be made in future to increase the usage rate. The briefing will continue on an on-going basis.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Para. 4.36 of the Audit Report	Audit has recommended that DB should – (a) strengthen the record keeping for data relating to MWIS in BCIS with a view to ensuring that the records are accurate, complete and up-to-date; (b) take measures to ensure that BD's audit check results on MWIS submissions are accurately recorded in BCIS;	(a) and (b) BD will strengthen training for its staff on the use of BCIS and conducted a new round of training in September 2025 to ensure timely and accurate recording of data in the system. BD will also continue to review BCIS so as to ensure essential records related to MWIS submissions are correctly and promptly entered in the system. The training will continue on an on going basis. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
	(c) consider enhancing BCIS and compiling management information to facilitate BD's work in implementing MWIS;	(c) The enhancement of BCIS will be completed by the end of 2025.
	(d) keep under review the target number of buildings to be selected for issuance of statutory notices under MWIS and formulate a long-term strategy for MWIS (e.g. further developing and leveraging on "new quality productive forces", such as adoption of artificial intelligence (AI), in implementing MWIS);	(d) BD will stay abreast of advanced technology and continue to review the implementation of MWIS, including the selection criteria under the building selection mechanisms and the number of target buildings each year, and to explore the development of an AI system with a view to processing relevant forms submitted by QPs under MWIS more efficiently. BD will also continue to step up

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		publicity activities to promote the WIN SAFE mobile application and the chatbot on its website through different means (e.g. roadshows, announcements of public interest and advertisements, etc.) and keep the systems under review in light of user feedback. To step up the use of big data, BD preliminarily piloted the use of a geographical 2D heatmap in July 2025, which visualised data in the form of a map. It showed the building age, building type, enforcement work carried out or in progress, as well as records of fallen window incidents, etc. of all buildings across the territory. By incorporating the criteria of the building selection mechanisms into the relevant system, it facilitates the quick retrieval of useful information from the vast amount of data and assists BD in analysing the trends and anomalies in the large datasets of building conditions and building scores in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MBIS and MWIS. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
	(e) step up promotional and publicity activities to encourage more users to download and use the WIN SAFE mobile application; and	(e) and (f) BD has stepped up promotional and publicity activities. In September 2025, BD further enriched the content related to MWIS of the briefings provided under the "Central Platform on

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(f) keep under review the user feedback received from the WIN SAFE mobile application and the chatbot on BD's website (i.e. Ah Build) with a view to enhancing the online tools to better meet user needs.	Building Management" regularly organised by HAD, including the provision of more information about the WIN SAFE mobile application and the chatbot on BD's website to encourage more users to download and use the application. BD will also continue to review and update the mobile application, such as considering updating the WIN SAFE mobile application as an online service so as to encourage greater public usage. As the follow-up actions have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.

Enclosure 5

Maritime and Aviation Training Fund
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Training schemes administered by Transport and Logistics Bureau and Marine Department		
Para 2.13 of the Audit Report	Audit has recommended that the Secretary for Transport and Logistics should – (a) expedite the processing of applications, and step up Transport and Logistics Bureau (TLB)'s promotion work of the Professional Training and Examination Refund Scheme (ProTERS) with a view to enhancing the awareness of the applicants of the scheme requirements;	TLB launched a new electronic application system in March 2025 to enhance the efficiency and accuracy in processing ProTERS applications. Since the introduction of the system, the processing of all applications has normally been completed in about five to six weeks. TLB will continue to monitor the effectiveness of the electronic platform on a regular basis. In addition, TLB has refined the application form and listed out the detailed requirements of the Scheme, and promoted the relevant requirements through the course providers/examination authorities. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(b) investigate the case mentioned in para. 2.6(a) and take enhancement measures accordingly;	TLB has completed the investigation of the case as mentioned in para. 2.6(a). The applicant refunded the overpayment of $3,640 to the Government on 25 July 2025 upon the written request of TLB. TLB and the Marine Department (MD) have established a mechanism to cross-check applications for refund of fees for courses/examinations covered by both parties with a view to ensuring that there would be no double-subsidy.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(c) take prompt follow-up actions to check with the Office of the Continuing Education Fund (CEF) for courses/examinations covered by both CEF and ProTERS (Aviation);	TLB has established a mechanism with the Office of CEF to verify the applications for the courses covered by both CEF and ProTERS (Aviation) and confirmed that there is no double subsidy. This cross-checking mechanism will apply to all relevant applications. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(d) ascertain the reasons for the low number of applications received for some pre-approved courses/examinations under ProTERS;	TLB noted that the number of applications for some pre-approved courses/examinations under ProTERS was relatively low. The number of applications for individual courses/examinations may be affected by multiple factors, such as the latest developments of the industries, relevance of the concerned professional knowledge and skills to the career advancement of course takers, time required to study the course, instead of a single determining factor. For ProTERS (Maritime), TLB implemented a mechanism in June 2025 to review regularly with the coure providers/examination authorities for the low number of applications for particular courses/examinations. All the courses/examinations will be valid for three years under the pre-approved list for regular review to ensure that they

Para. No.	Audit/PAC's Recommendations	Progress to Date
		meet the latest development of the maritime industry. For ProTERS (Aviation), TLB will refine the review and monitoring mechanism of the Scheme in the first half of 2026, and explore with the course providers/examination authorities the reasons for the low number of applications for individual courses/examinations.
	(e) expedite the implementation of the review mechanism with a view to keeping track of the quality of the pre-approved courses/examinations under ProTERS, focusing on the aviation courses/examinations approved since June 2022 the validity periods of which will soon expire; and	TLB will refine the review mechanism and control measures for ProTERS(Aviation), and seek endorsement from the Tripartite Taskforce on Manpower Training (Aviation) (TTA) at the meeting to be held in the first quarter of 2026. The refined review mechanism and enhanced control measures will be incorporated into the processing guidelines of ProTERS (Aviation) and implemented starting from the second quarter of 2026.
	(f) formulate an implementation plan for the enhanced control measures and incorporate them into the processing guidelines of ProTERS (Aviation).	
Para. 2.23 of the Audit Report	Audit has recommended that the Secretary for Transport and Logistics should – (a) consider refining the presentation of the list of internship places so as to indicate the available internship positions with a view to facilitating students in applying for internship under the Maritime and Aviation Internship Scheme (MAIS);	A more user-friendly interface for available internship positions presented in Excel format has been adopted with effect from the second quarter of 2025. 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.

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	(b) enhance the participation of secondary 6 school leavers in MAIS with a view to giving them early exposure to the maritime and the aviation sectors;	Starting from the first quarter of 2026, TLB will strengthen the promotion of MAIS to Secondary 6 school leavers such as arranging school talks. TLB will invite the Airport Authority Hong Kong to introduce MAIS to students during its school promotional activities.
	(c) closely monitor the implementation of the new employment arrangement that each intern will only be sponsored once under MAIS for working in the same participating company, and evaluate its effectiveness; and	The arrangement recommended by Audit is already in place. TLB will continue to monitor the concerned arrangement by matching the interns' HKID card numbers in databases before reimbursement of subsidy to the participating company to ensure that each intern will only be sponsored once for working in the same participating company. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(d) ensure that the results of evaluation forms are collected objectively, keep in view the number and percentage of adverse comments from the interns under MAIS, investigate the reasons for the adverse comments and take follow-up actions where necessary.	TLB will explore ways to collect the evaluation in an objective manner and closely monitor the number and percentage of adverse comments from the interns starting from the first quarter of 2026.
Para. 2.30 of the Audit Report	Audit has recommended that, the Secretary for Transport and Logistics, in collaboration with the Director of Marine, should – (a) set out circumstances and related procedures that MD staff can exercise discretion in approving late applications of the seafaring training schemes;	 MD has revised the procedures to include the handling of special applications under the Sea-going Training Incentive Scheme (SGTIS). The revision outlines the specific

Para. No.	Audit/PAC's Recommendations	Progress to Date
		circumstances under which subject staff may exercise discretion in processing such applications. The revised procedures have been incorporated into the International Organization for Standardization (ISO) Procedural Manual. MD has also completed the review of the procedures for handling the Local Vessel Trade Training Incentive Scheme (LVTTIS) and the Local Vessel Competency Enhancement Scheme (LVCES). As the existing procedures are adequate for handling all scenarios, no further amendment is considered necessary. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(b) consider imposing supervisory check in the data input process with a view to ensuring data accuracy of the seafaring training schemes;	MD has revised its procedures to cover additional data verification in the applications for LVTTIS, LVCES, and SGTIS. These revised procedures have been incorporated in the ISO Procedural Manual. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(c) update the application form and MD's website regarding the lifting of the job-hopping restrictions under LVTTIS; and	MD updated the application form (MD 699) and the webpage of LVTTIS by deleting the job-hopping restrictions in April 2025.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(d) take measures to improve the participation in further phases of SGTIS and LVTTIS.	MD will strengthen the promotion of SGTIS to students of approved training institutes/universities, such as through arranging career talks as well as education and careers expos. MD has already invited major local vessel companies to encourage their newly employed crew to join LVTTIS. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Part 3: Training schemes administered by non-governmental administrators		
Para. 3.9 of the Audit Report	Audit has recommended that the Secretary for Transport and Logistics should formalise the existing administrative arrangements and consider entering into contractual agreements with the pertinent administrators of the six training schemes, taking into account the findings mentioned in para. 3.7.	TLB will formalise the existing administrative arrangements and enter into contractual agreements or memoranda of understanding with the pertinent administrators of the concerned schemes for improving scheme administration in the fourth quarter of 2025.
Para. 3.14 of the Audit Report	Audit has recommended that the Secretary for Transport and Logistics should consider incorporating/updating clauses concerning safeguarding of national security in contractual agreements or memoranda of understanding with pertinent administrators.	TLB will incorporate a clause into the memoranda of understanding or contractual agreements to be signed with pertinent administrators in the fourth quarter of 2025, and to remind these administrators to incorporate/update the clause concerning safeguarding national security in the application form of the respective schemes.

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Para. 3.21 of the Audit Report	Audit has recommended that the Secretary for Transport and Logistics should – (a) in consultation with the relevant administrators, take measures to enhance the participation in the Ship Repair Training Incentive Scheme, the Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme, the Overseas Exchange Sponsorship Scheme and the Aviation Operations Training Incentive Scheme (AOTIS) and ensure that the beneficiaries meet the employment requirement in AOTIS;	TLB has requested the relevant institutions to promote the Schemes and strengthen the provision of industry-related information through various channels to facilitate public understanding of the Schemes and the interested persons to join the Schemes. TLB will continue to keep in view the participation and request relevant administrators to take measures to enhance the participation rate when necessary, such as highlighting the career prospects and ladder in the ship repair industry, and the professional skills gained through joining the Scheme. TLB will also work with the respective administrator of AOTIS to ensure that the beneficiaries would meet the employment requirement. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(b) for maritime scholarship schemes, enhance TLB's monitoring of the employment details of the scholarship recipients and follow up with the administrators on the proposed remedial measures for checking employment requirements;	TLB will work with the respective administrators to monitor and follow-up on the employment situations of the scholarship recipients and will step up monitoring measures and incorporate such measures into the memoranda of understanding to be signed with the administrators in the fourth quarter of 2025.

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	(c) for the aviation scholarship scheme, ensure that undertakings from scholarship recipients are collected before approval of disbursement to the administrators, and require the administrators to provide employment details of all recipients to ensure that the requirements of the scholarships have been fulfilled;	Starting from the first quarter of 2026, TLB will collect the undertakings from all scholarship recipients before approval of disbursement and ask the administrators to provide employment details for all recipients to ensure the requirements of the scholarships have been fulfilled.
	(d) review the requirement for income and expenditure account in the pertinent contractual agreements of the four maritime scholarship schemes; and	TLB will review the need for an income and expenditure account for the four maritime scholarship schemes and consider incorporating the requirement into the memoranda of understanding or contractual agreements to be signed in the fourth quarter of 2025.
	(e) ensure timely submission of information on income and expenditure by the respective administrator of the Professional Training on Smart and Green Logistics Scheme (PTSGLS) in accordance with the relevant contract provisions.	TLB will closely follow up on the relevant contract provisions to ensure the respective administrator of PTSGLS submits the information on income and expenditure on a timely basis.
Part 4: Promotion initiatives under the Maritime and Aviation Training Fund		
Para. 4.12 of the Audit Report	Audit has recommended that the Secretary for Transport and Logistics should – (i) consider setting a target processing time for vetting applications for the Maritime Promotion Project Funding; (ii) consider promulgating guidelines for the organisers listing all the common funding requirements;	A Guide to Application covering more details on the funding requirements, ceilings set for each category of projects and selected individual items, as well as the deliverables (including but not limited to evaluation reports, display of MATF logo on publicity materials, number of participants and feedback of the participants to facilitate evaluation of the effectiveness of the activity) has been provided on the MATF website since June 2025.

Para. No.	Audit/PAC's Recommendations	Progress to Date
	(iii) take measures to ensure timely submission of evaluation reports by the organisers for completed projects;	To facilitate the applicants to follow and comply with the requirements, a template for recording quotations and reporting evaluations for the projects has been provided on the MATF website. TLB has updated its internal guidelines and set the target to complete application processing within two months. It has also formulated more specific guidelines for the vetting work (including the financial control for the promotion proposal, the scope and effectiveness of the proposal, etc.), and reminded its staff to observe the relevant guidelines. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
	(iv) tighten the financial control and vetting of expenditure incurred in promotion projects;	
	(v) ensure that all essential elements are reported by organisers in the evaluation reports, and reasons have been provided should the actual number of participants fall short of the expected number of participants;	
	(vi) ensure that the logo of the Maritime and Aviation Training Fund (MATF) is displayed on all publicity materials of all projects as far as practicable; and	
	(vii) review the scope and effectiveness of projects when approving applications with a view to reaching out to more youngsters through targeted promotion strategies.	
Part 5: Way forward		
Para. 5.7 of the Audit Report	Audit recommended that the Secretary for Transport and Logistics should consider including in the Controlling Officer's Report (COR) performance indicators (e.g. number of beneficiaries) quantifying the benefits brought to the manpower development for the maritime, aviation and logistics industries.	TLB is considering setting performance indicators for MATF in the 2026-27 COR, such as the number of newly added courses/examinations under ProTERS, the number of participants in activities organised under the internship schemes, and the number of beneficiaries of other schemes, to facilitate assessment of the effectiveness in maritime, aviation and logistics manpower development.

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Para. 5.11 of the Audit Report	Audit recommended that the Secretary for Transport and Logistics should expedite the implementation of the disbursement information system and explore the feasibility of extending the system to cover other schemes under MATF.	The electronic disbursement information system was launched on 20 March 2025, covering ProTERS. TLB will continue to examine the feasibility of extending the system to other schemes under MATF As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.
Para.5.17 of the Audit Report	Audit recommended that the Secretary for Transport and Logistics should regularly review the usage of MATF and fine-tune the implementation details, taking into account the practical experience gained and the audit observations in this Audit Report.	TLB will review MATF regularly in consultation with the Manpower Development Committee and TTA, and take into consideration Audit's recommendations as well as practical experience gained from administering the Fund when conducting reviews in future. As the follow-up action for this item has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.

Enclosure 6

Street cleansing services
Progress in implementing recommendations of Audit/PAC

Para. No.	**Audit/PAC's Recommendations**	**Progress to Date**
Part 2: Monitoring of service delivery		
Para. 2.20(a) of the Audit Report and Para. (a) on Page 126 of the PAC Report	Audit has recommended that the Director of Food and Environmental Hygiene (DFEH) should enhance checking on daily attendance records submitted by contractors and take follow-up actions against the contractors for submitting inaccurate records. PAC has urged the Food and Environmental Hygiene Department (FEHD) to explore possible measures to encourage contractors to adopt electronic attendance management systems that can accurately record workers' attendance and facilitate FEHD's verification.	FEHD has reviewed and updated the relevant guidelines and workflows, and will monitor the compliance and execution of relevant guidelines by the contractors. If any contractor is found to have submitted inaccurate information, FEHD will take follow-up actions including the issue of verbal warning, written warning and default notice, as well as deduction of monthly service fees. FEHD is exploring ways to enhance the application of information technology (IT) systems to improve service efficiency and monitoring, and plans to implement electronic submission of attendance records within one year. The new systems will feature an automatic checking function to verify the accuracy of the daily attendance records so as to enhance management efficiency.
Para. 2.20(b) of the Audit Report	Audit has recommended that DFEH should take measures to enhance compliances with the requirements on conducting self-discipline quality inspections for outsourced street cleansing services and document the reasons for non-compliances.	FEHD has reviewed and updated the relevant guidelines and workflows, including explicitly requiring frontline staff to submit self-discipline quality inspection reports to supervisors for review, and will monitor their compliance and execution, in order to monitor the service performance of street cleansing contractors more effectively. FEHD is exploring ways to enhance the application of IT systems to improve service efficiency and monitoring, and plans to implement electronic submission of the inspection reports

Para. No.	Audit/PAC's Recommendations	Progress to Date
		concerned within one year so as to facilitate the submission, storage and checking of relevant records. The new systems will issue timely reminders to frontline staff to arrange for self-discipline quality inspection, and will send messages to the supervisors in case of non-compliances.
Para. 2.20(c) of the Audit Report and Page 126, paras. (b) and (c) on Pages 126-127, Page 127 and para. (a) on Page 130 of the PAC Report	Audit has recommended that DFEH should strengthen measures to monitor the compliance with the frequencies and coverage stipulated in FEHD guidelines for monitoring inspections, and the submission and review requirements on the monitoring inspection reports stipulated in FEHD guidelines for outsourced street cleansing services (e.g. making use of the IT system to facilitate the compliance with the relevant requirements by FEHD's officers and monitoring work). PAC has urged FEHD to – - make good use of IT systems to monitor inspection work, expand the application of IP cameras, and proactively introduce other technological devices to help monitor street hygiene conditions, so as to facilitate staff compliance with the relevant inspection requirements in the department's guidelines and mitigate the impact of inspection staff shortages on monitoring work; - foster the electronic submission of work programmes and reports by contractors, and the use of IT by the District Environmental	FEHD has reviewed and updated the relevant guidelines and workflows, and will monitor their compliance and execution, in order to monitor the service performance of street cleansing contractors more effectively. FEHD has already put in place a mechanism to monitor the frequencies and coverage of inspections under the Contract Management System, and will automatically send monthly management reports to the management staff by email to facilitate their early intervention and follow-up. In addition, FEHD plans to significantly increase the number of locations for installation of IP cameras from 500-odd at present to over 1 500 within one year. The Department is also exploring the feasibility of using IP cameras to facilitate the review of contractors' performance by the inspection officers. With the policy support from EEB, FEHD plans to complete the upgrading of IT systems within one year for full implementation of electronic submission of work programmes and various inspection reports, so as to facilitate the submission, storage and checking of relevant records. Moreover, the new systems will remind supervisors to arrange for inspections

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	Hygiene Offices (DEHOs) in handling documents for the monitoring of outsourced and in-house street cleansing services; - take measures to ensure that its staff comply with the requirements and stipulations for the inspection, monitoring and reporting of outsourced street cleansing services; and - report to the Committee its progress in taking forward the aforementioned information and projects. PAC has urged the Environment and Ecology Bureau (EEB) to provide policy support to step up FEHD's promotion of digitalization to enhance the department's work efficiency and the quality of service monitoring.	of various natures and will send reminders to the supervisors in case of non-compliances.
Paras. 2.20(d) and (e) of the Audit Report	Audit has recommended that DFEH should – - take measures to improve the timeliness in issuing warning letters and default notices to contractors; and - review FEHD guidelines on the timeframe for issuing warning letters and default notices to contractors to better monitor the timeliness in issuing the relevant documents.	FEHD has reviewed and updated the relevant guidelines and workflows, and will continue to monitor their execution. The new guidelines specify that warning letters or default notices should be issued within seven working days except for complicated cases, the timeline of which will be separately specified to ensure sufficient time for frontline staff to complete the investigation and record work. In addition, on the day of making the decision to issue a warning letter or default notice, the responsible Health Inspector shall inform the contractor by phone and make a record of it to urge the contractor to take remedial measures as soon as possible and avoid recurrence of similar incidents. FEHD will also improve the existing Contract

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		Management System to record the dates on which warning letters or default notices are issued. 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.
Para. 2.20(f) of the Audit Report and Paras. (a) and (b) on Page 124 and Page 125 of the PAC Report	Audit has recommended that DFEH should review the effect of FEHD's measures regarding the past performance of contractors on future tender assessment exercises and take follow-up actions as appropriate. PAC has urged FEHD to – - study whether there is room for adjustment in the technical scores allocated to contractors' above-mentioned demerit point records and past service performance records, as well as the weightings of price and technical scores under the tender assessment mechanism for street cleansing service contracts; - review whether issuing default notices and deducting monthly service fees can effectively deter contractors' misconduct, and explore further measures to enhance the monitoring of contractors' service performance; and - report to the Committee the result of the aforesaid review on the mechanism for assessing contractor performance.	FEHD is reviewing the existing tender assessment mechanism, including considering raising the weighting of past performance under the Standard Marking Scheme Framework, as well as exploring the introduction of a progressive calculation system for default notices to increase the impact of repeated non-compliances on future tendering results. FEHD expects to complete the review in the fourth quarter of this year. As for the weightings of price and technical scores, under the existing system, the price and technical scores each account for 50% of the final score. If the weighting of the technical score is further raised, the price score will be reduced accordingly, which may lead to an increase in the contract price. FEHD will further consider if adjustments should be made to the respective weightings to strike a balance.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Paras. 2.38(a) and (b) of the Audit Report	Audit has recommended that DFEH should – - strengthen measures to monitor the compliance with the planned frequencies for in-house street sweeping services and maintain documentation of the work carried out for beat when workman is absent; and - strengthen measures to monitor the compliance with approved work programmes for in-house street washing services.	FEHD has reviewed and updated the relevant guidelines and workflows, including, where any ad hoc change of work arrangement is necessary, requiring frontline supervisory staff to obtain permission from their superiors and make proper records. The Department will continue to monitor the execution of the relevant guidelines and workflows. 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.
Para. 2.38(c) of the Audit Report and Para. (a) on Page 130 of the PAC Report	Audit has recommended that DFEH should strengthen measures to monitor the compliance with the frequencies and coverage stipulated in FEHD guidelines for monitoring inspections, and the submission and review requirements on the monitoring inspection reports stipulated in FEHD guidelines, and enhance the preparation and review process of formal inspection reports for in-house street cleansing services (e.g. making use of the IT system to facilitate the compliance with the relevant requirements by FEHD's officers, report preparation and monitoring work). PAC has urged FEHD to take measures to ensure that its staff comply with the requirements and stipulations for the inspection, monitoring and reporting of in-house street cleansing services.	FEHD has reviewed and updated the relevant guidelines and workflows as well as improved the E-Management System (EMS) for In-house Cleansing Services and Pest Control Services, and will monitor their compliance and execution, in order to monitor staff performance in providing street cleansing services more effectively. In addition, FEHD plans to significantly increase the number of locations for installation of IP cameras from approximately 500 at present to over 1 500 within one year. It is also exploring the feasibility of using IP cameras to facilitate the review by the inspection officers of street cleansing service performance. FEHD is exploring ways to enhance the application of IT systems to improve service efficiency and monitoring, and plans to complete the upgrading of IT systems within one year for full implementation of electronic submission of work programmes and various inspection reports, thereby

Para. No.	Audit/PAC's Recommendations	Progress to Date
		facilitating the submission, storage and checking of relevant records. Moreover, the new systems will issue timely reminders to frontline staff to conduct inspections, and will send notifications to the supervisors in case of non-compliances.
Para 2.38(d) of the Audit Report	Audit has recommended that DFEH should regularly review the frequency of Overseers' daily inspections for in-house street cleansing services.	FEHD has reviewed and updated the relevant guidelines and workflows, and will continue to monitor their implementation. FEHD has also established a standard for the frequency of Overseers' daily inspections for in-house street cleansing services. 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.
Para 2.38(e) of the Audit Report	Audit has recommended that DFEH should take measures to enhance the maintenance of records of daily inspections for in-house street cleansing services in EMS.	FEHD will update the system so that the staff concerned will receive email reminders if daily inspection records are reviewed behind schedule.
Para 2.38(f) of the Audit Report	Audit has recommended that DFEH should consider setting a timeframe for reviewing Overseers' daily inspection reports for in-house street cleansing services.	FEHD has reviewed and updated the relevant guidelines and workflows, and will continue to monitor their execution. FEHD is exploring ways to enhance the application of IT systems to improve service efficiency and monitoring, and plans to complete the upgrading of IT systems within one year for full implementation of electronic submission of work programmes and various inspection reports, thereby facilitating the submission, storage and checking of relevant records. Moreover, the new systems will issue timely reminders to frontline staff to

Para. No.	Audit/PAC's Recommendations	Progress to Date
		submit or review reports, and will send notifications to the supervisors in case of non-compliances.
Para 2.38(g) of the Audit Report and Para (b) on Page 130 of the PAC Report	Audit has recommended that DFEH should keep under review the provision of in-house street cleansing services, taking into account the staff recruitment situation, and take follow-up actions as appropriate. PAC has urged FEHD to take measures to expedite the recruitment of in-house staff and attract more people to join the street cleansing service industry.	In order to attract suitable applicants to join the Workman grade of FEHD, FEHD has been stepping up its recruitment efforts in recent years through the following measures – • setting up a thematic corner on the FEHD website to promote employment opportunities; • displaying recruitment posters at all prominent positions in departmental venues to strengthen publicity efforts; • reviewing the entry requirement for the relevant work experience to expand the scope of eligible applicants; • making use of the recruitment services of the Civil Service Bureau, the Labour Department (LD) and NGOs; and • actively participating in suitable job fairs. 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.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 3: Combat against illegal refuse deposit		
Para 3.23(a) of the Audit Report	Audit has recommended that DFEH should specify the information to be included in work programmes of Dedicated Enforcement Teams (DETs) in FEHD guidelines.	FEHD has issued new guidelines to standardise the content of the work programmes of DETs. 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.
Paras. (a) and (b) on Page 134 of the PAC Report	PAC demanded EEB to – - discuss with other relevant bureaux and take measures to strengthen collaboration among government departments in handling environmental hygiene issues; and - explore with FEHD measures to facilitate recycling activities without compromising the environmental hygiene conditions of public places.	The Task Force on District Governance, chaired by the Deputy Chief Secretary for Administration, has been steering and coordinating relevant departments to address various district matters. FEHD has also been actively participating in inter-departmental operations coordinated by the Home Affairs Department and other government departments to handle district environmental hygiene and street management issues. EEB will also engage in discussion with other policy bureaux on relevant collaboration matters as necessary. Regarding recycling activities, EEB has instructed the Environmental Protection Department and FEHD to explore feasible measures to facilitate recycling activities while maintaining environmental hygiene. 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.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Para 3.23(b) of the Audit Report and Para (a) on Page 134 of the PAC Report	Audit has recommended that DFEH should enhance documentation of the work performed by DETs for monitoring compliance with the work programmes. PAC has urged FEHD to regularly review the operation of DETs, formulate clear and practical operational guidelines and codes of practice, and set work targets for them so as to monitor the effectiveness of law enforcement.	FEHD has enhanced the records of DETs. It has issued new guidelines requiring team supervisors to keep proper records of the inspection time and the outcomes of the law enforcement actions, such as the number of Fixed Penalty Notices (FPNs) issued. To facilitate the comparison of the compliance with the work programmes, the above daily work programmes and work reports are to be submitted in the same report form, a space is dedicated for the team supervisors to fill in the record of work outside the arranged programme according to the actual circumstances of the day, such as details of unforeseen incidents and the corresponding temporary deployment arrangements. Relevant staff can make reference to the guidelines, default options and samples provided in the report form, so that the management personnel can summarise the results for regular data analysis to help evaluate the working conditions of the teams and their effectiveness. 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.
Para 3.23(c) of the Audit Report	Audit has recommended that DFEH should specify the requirements (e.g. frequency) for supervisory inspections on DETs' work in FEHD guidelines and maintain documentation of the inspections conducted.	FEHD has formulated guidelines on the supervisory inspections on DETs. Under the new guidelines, the immediate superiors of the DETs of each district are required to conduct inspection on the teams under their management based on the daily work programmes at least once per week. If there is more than one team under their

Para. No.	Audit/PAC's Recommendations	Progress to Date
		management, the supervisory staff should inspect such teams by rotation. After the inspection, the supervisory staff shall, using the prescribed format, report the relevant results to their superiors on a monthly basis, including the compliance with the work programme, details of irregularities and results and/or suggestions of the follow-up actions. 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.
Para 3.23(d) of the Audit Report	Audit has recommended that DFEH should review the inspections and enforcement actions needed for locations with frequent littering activities and long outstanding cases in situation reports, and properly record the locations in situation reports for monitoring by DETs.	FEHD will continue to review the locations with frequent littering activities and long outstanding cases in situation reports, and consider if DETs should be deployed to handle the issues. The Department is also reviewing the staff deployment of DETs. The Department will examine the formulation of criteria to assist various districts in identifying target enforcement locations and preparing action reports. The Department will also study the possibility of striking a better balance between maintaining consistency across various districts and allowing the districts to deploy staff according to actual circumstances, so that DETs can achieve maximum effectiveness.
Para. 3.23(e) of the Audit Report	Audit has recommended that DFEH should conduct a review on the operations of DETs and take follow-up actions as appropriate.	FEHD is reviewing the operational arrangements of DETs, and the review will be conducted in three aspects – • The Department will examine the formulation of criteria to assist various districts in identifying target enforcement locations and

Para. No.	Audit/PAC's Recommendations	Progress to Date
		preparing action reports. The Department will also study the possibility of striking a better balance between maintaining consistency across various districts and allowing the districts to deploy staff according to actual circumstances, so that DETs can achieve maximum effectiveness; • The Department will review the composition of DETs across the territory, including the number of teams, their distribution and the staffing of team members, and adjust the number of DETs based on factors such as the number of complaints received in each district, the number of locations with littering activities and the circumstances of individual districts; and • Regarding the staffing arrangements for DETs, the Department will explore the employment of retirees for continued service.
Para. 3.23(f) of the Audit Report and Para. (c) on Page 134 of the PAC Report	Audit has recommended that DFEH should take measures to require DEHOs to periodically review the deployment (including installation, dismantlement and relocation) of IP cameras in accordance with FEHD guidelines. PAC has urged FEHD to regularly review whether the outsourced services for the installation and operation of IP cameras are cost-effective, and ask various DEHOs to step up efforts in reviewing the deployment of IP cameras for effective monitoring.	The Department plans to significantly increase the number of locations for installation of IP cameras from 500-odd at present to over 1 500 within one year, and will re-examine the locations of existing cameras. The Department will also formulate guidelines to enable various districts to continue to assess the locations and effectiveness of IP cameras, and document the relevant considerations and outcomes.

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Paras. 3.23(g) and (h) of the Audit Report	Audit has recommended that DFEH should – - review the current measures of improving street cleanliness of locations with persistent hygiene problems in public places; and - for cases involving obstruction to street cleansing operations and relating to broader street management issues, keep under review the street cleanliness of the locations and take appropriate follow-up actions.	FEHD has reviewed the effectiveness of its measures to deal with public places with persistent hygiene problems. In particular, for some locations which have been occupied for temporary storage of recyclables as mentioned by Audit, the Department will give advice to recycling practitioners based on actual circumstances, and will strengthen scavenging services. Where necessary, the Department will issue statutory notices, requiring relevant parties to remove the articles concerned. The Public Health and Municipal Services (Amendment) Ordinance 2025 came into effect on 17 August, among which the time for removal of articles as specified on the "Notice to Remove Obstructions" will be shortened from four hours to a period of not less than 30 minutes, so as to expedite scavenging operations. This will facilitate the Department to handle relevant issues. 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.
Para. 3.32(a) of the Audit Report and Para. (b) on Page 134 of the PAC Report	Audit has recommended that DFEH should review FEHD guidelines on enforcement actions against repeated offenders of public cleanliness offences. PAC has urged FEHD to, for repeated offenders of public cleanliness offences, examine whether the relevant enforcement and evidence collection procedures are practical, and review the deterrent effect of FPNs and	FEHD is reviewing the guidelines on the relevant law enforcement actions.

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	summonses on repeated offenders to enhance enforcement effectiveness.	
Para. 3.32(b) of the Audit Report	Audit has recommended that DFEH should timely update and promulgate FEHD guidelines on public cleanliness offences for the supervisory checks on FPNs issued after confirming the elimination of the relevant requirement.	FEHD has revised the guidelines on FPN inspections to reduce unnecessary and repeated random checking. 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.
Para. 3.32(c) of the Audit Report	Audit has recommended that DFEH should explore the use of IT to facilitate enforcement officers in issuing FPNs to the offenders on the spot.	FEHD is putting on trial the use of IT to facilitate enforcement actions, including printing out FPNs on the spot by using mobile printing devices. The Department will review the effectiveness of the measures and consider expanding their scope of application. 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.
Paras. 3.37(a) and (b) of the Audit Report	Audit has recommended that DFEH should – - continue to strengthen the work in promoting street cleanliness; and - take measures to enhance the display of posters, warning banners and notices against street cleanliness offences at suitable locations, including displaying up-to-date ones and removing outdated ones.	FEHD will continue to strengthen the publicity through various channels, promoting the importance of street cleanliness and anti-littering. District staff will review existing arrangements and display warning notices more prominently at suitable locations. Outdated or damaged materials will be promptly arranged for removal and replacement. As the follow-up actions for this item have been implemented and will continue on an on-going basis, we recommend deleting this part from the next report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 4: Other related issues		
Paras. 4.9(a) and (b) of the Audit Report and Para. (a) on Page 135 of the PAC Report	Audit has recommended that DFEH should – - enhance the Environmental Hygiene Statistical Information System (EHSIS) to monitor the completeness of information in the returns for performance measures; and - enhance the reporting mechanism of the performance measures on street cleansing services. PAC has demanded FEHD to enhance the reporting mechanism of the performance measures on street cleansing services to ensure the submission of complete information and accurate reflection of achievement.	FEHD has enhanced the EHSIS and updated the relevant operational guidelines to enable comprehensive reporting of performance information. The new guidelines require each district to compile a list of streets to be "washed on a need basis, at least once a week in busy areas, and at least two times weekly in problematic areas/black spots" and to review the list quarterly. The new guidelines provide clear instructions that upon detection of any under-performance of the washing services due to special circumstances, frontline officers have to complete a separate record and inform their superiors to facilitate the recording of such information on the EHSIS. 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.
Para. 4.9(c) of the Audit Report and Para. (b) on Page 135 of the PAC Report	Audit has recommended that DFEH should lay down the requirement for completing first round street sweeping services on main roads before 9:00 a.m. for in-house street cleansing services in FEHD guidelines. PAC has demanded FEHD to adopt a proactive management approach to prevent environmental hygiene problems at an early stage by reporting and analysis even in the absence of irregularities and non-compliance.	FEHD has optimised the EHSIS to prevent data omissions. It has also updated the relevant operational guidelines by laying down the requirement for completing first round street sweeping services on main roads before 9:00 a.m., and enhanced the keeping of work records. Besides, FEHD will ensure that the inspection officers will inspect street sweeping conditions before 9 a.m. in accordance with a standard checklist and that they will document the relevant incidents when the sweeping services are not completed on time due to special circumstances. Designated

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		officers will be required to report inspection findings to the relevant computer system. 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.
Para. 4.9(d) of the Audit Report	Audit has recommended that DFEH should review the design of the return to facilitate the reporting of achievement of performance measure on street washing services.	FEHD has optimised the design of the EHSIS to facilitate the evaluation of street washing services based on service performance indicators, as well as the reporting of performance compliance. 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.
Para. 4.9(e) of the Audit Report	Audit has recommended that DFEH should take measures to check the consistencies between the number of streets in the returns of performance measure on street washing services and those in the lists of busy areas maintained by individual DEHOs.	FEHD has required various districts to verify their lists of streets in busy areas and will conduct quarterly reviews. 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.
Para. 4.13 of the Audit Report	Audit has recommended that DFEH should regularly compile management information for monitoring delivery of street cleansing services for all DEHOs and the enforcement figures against public cleanliness offences.	FEHD is exploring the use of an IT system to enhance the efficiency of public cleansing services delivery and strengthen the monitoring of services.

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Para. 4.21(a) of the Audit Report and Page 126, para. (d) on Page 127 and Page 127 of the PAC Report	Audit has recommended that DFEH should explore the wider use of technologies in delivering street cleansing services (including the deployment of mini-street washing vehicles to outsourced areas and in-house areas as appropriate). PAC has urged EEB to provide policy support to step up FEHD's promotion of the use of innovative technologies to enhance the department's work efficiency and the quality of service monitoring. PAC has demanded FEHD to – - report to the Committee its progress in taking forward innovative technology projects; and - continue to explore the wider application of new technologies and equipment in street cleansing services, provide incentives to encourage contractors to put forward proposals on the use of new technologies that can promote automated cleansing services, with a view to enhancing the efficiency of street cleansing services in terms of human resources and costs.	With the policy support from EEB, FEHD has been actively introducing technologies to improve work efficiency and/or ease the physical burden of frontline staff. For example – • since January 2025, the scope of application of mini-street washing vehicles has been extended, with the number of service locations increasing from approximately 1 800 to about 3 600 across the territory, covering both in-house areas and outsourced areas; • plans to significantly increase the number of locations for installation of IP cameras from 500-odd at present to over 1 500 within one year to further expand the surveillance areas of illegal deposit of refuse. To address the issue of drivers or passengers littering from vehicles, FEHD has installed IP cameras on the central dividers of multiple traffic roads to enhance enforcement effectiveness and reduce the burden on cleansing workers who have to collect litter from the center of the road; • since January 2025, FEHD has been testing the use of electrically assisted trolleys. These trolleys feature a foldable design for mobility and are equipped with a range of safety features to ensure the safety of workers during operation and ease the physical burden of frontline cleansing workers when transporting refuse;

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		• since April 2025, FEHD has been testing the use of industrial grade robot dogs for the transportation of refuse. Each robot dog is capable of transporting over 30 kilograms of refuse, can navigate slopes, and has a battery life of up to six hours; and • since June 2025, FEHD has been testing the use of automated sweeping robots for street cleansing. These robots integrate functions such as automatic sweeping, automatic waste disposal, automatic charging, and intelligent obstacle avoidance. Supervisors can preset the robot's working schedule, routes, and tasks through a remote information management platform, and monitor real-time data including cleansing status, area covered, and duration of operation. FEHD will continue to explore the wider application of new technologies in street cleansing services. Under the current tender scoring system, bidders who put forward feasible innovative proposals will be given additional marks to encourage innovation. 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.
Para. 4.21(b) of the Audit Report	Audit has recommended that DFEH should explore the use of technologies in monitoring street cleansing services.	FEHD is exploring the use of an IT system to enhance the monitoring and efficiency of public cleansing services delivery.

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		In addition, FEHD will significantly increase the number of locations for installation of IP cameras from 500-odd at present to over 1 500 within one year. It is also exploring the feasibility of using IP cameras to facilitate the review by inspection officers of street cleansing service performance.
Para. 4.21(c) of the Audit Report	Audit has recommended that DFEH should consider enhancing EMS to capture key data (e.g. beat number) to enhance efficiency and to facilitate monitoring of daily inspections.	FEHD has reviewed and updated the relevant guidelines and workflows, as well as upgraded the EMS for In-house Cleansing Services and Pest Control Services, and will monitor their compliance and execution, in order to more effectively monitor staff performance in providing street cleansing services. A new function has been added to the system, allowing supervisors to input the information of beat numbers into the daily inspection reports. The system will generate a management report every month to analyse whether the inspection work of each beat has been completed according to the guidelines, helping the management personnel formulate policies and offer timely assistance to frontline staff where necessary. 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.
Para. 4.29(a) of the Audit Report	Audit has recommended that DFEH should take measures to ensure that audit inspections relating to non-skilled workers are conducted in accordance with the frequency stipulated in FEHD guidelines.	To ensure that audit inspections on all contracts are conducted in accordance with the stipulated frequency, the Central Investigation Team has enhanced the current e-report form, such as adding an automatic reminder function to facilitate checking of

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		audit deadlines for better monitoring of the audit frequency and the related work. 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.
Para. 4.29(b) of the Audit Report and Page 136 of the PAC Report	Audit has recommended that DFEH should conduct more employment-related inspections as far as practicable with a view to obtaining timely feedback from contractors' employees. PAC has demanded FEHD to – - strengthen its regular communication with contractors' workmen to ensure that the requests and concerns raised by workers can be conveyed to FEHD; and - report to the Committee the outcome of the review and improvement recommendations regarding protection of non-skilled workers.	The Central Investigation Team has embarked on a comprehensive review of the mechanism of audit inspections and employment-related inspections for service contracts in order to conduct more employment-related inspections. This includes conducting risk assessment for the contracts and reviewing existing guidelines to determine how to increase the number of meetings with non-skilled staff of street cleansing service contractors as far as practicable. Depending on the results of the review, the Central Investigation Team will implement the corresponding and effective improvement measures.
Para. (a) on Page 123 of the PAC Report	PAC has demanded FEHD to maintain detailed breakdowns of expenditure on street cleansing services, regularly compare the costs and quality of in-house and outsourced street cleansing services based on the relevant data for the analysis of their cost-effectiveness, and strengthen cost monitoring and control by keeping a close watch on the upward trend in expenditure on street cleansing service contracts.	Due to technical constraints, there are technical difficulties in precisely separating the costs of outsourced and in-house street cleansing services. For instance, some supervisory staff of FEHD are responsible for overseeing the services provided by both outsourced contractors and in-house staff, thus making it difficult to clearly separate the relevant manpower costs. Nonetheless, FEHD will review from time to time the outsourcing of services to ensure that public services are

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		provided in the most appropriate manner based on operational needs, service nature and effectiveness. For monitoring of costs and control of contractual expenditures, FEHD adopts a series of financial management measures to control expenditure growth, which include – (1) providing departmental managers with monthly expenditure reports which include information on actual expenses of contracted services and professional fees for their monitoring and control of expenditures; (2) holding regular meetings for financial reporting to review the latest financial position, and adopting follow-up measures in a timely manner; and (3) reviewing the budgets for new contracts prior to the tendering of service contracts, and assessing the cost-effectiveness of contracts. 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.
Paras. (b) and (c) on Page 123 of the PAC Report	PAC has demanded FEHD to regularly review the allocation ratio between in-house and outsourced street cleansing services, and make timely adjustments in accordance with operational conditions and needs; and consider conducting a holistic study and review of the policy and way forward of outsourced street cleansing services.	FEHD has kept in view the overall ratio of outsourced street cleansing services. Currently, about 80% of the street cleansing services are undertaken by outsourced contractors while the remaining around 20% are handled by in-house staff. Such arrangement enables the Department to mobilise its staff to provide services for affected areas in the event of contingencies

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		(such as sudden closure of individual outsourced contractors' companies), so as to buy time to engage other contractors in filling the gap. On the whole, the Department considers the current ratios of manpower allocated to outsourced and in-house street cleansing services appropriate. The Department will review from time to time the arrangements for outsourcing services in accordance with government policies to ensure that public services are provided in the most appropriate manner based on operational needs, service nature and effectiveness. 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.

The Society for the Aid and Rehabilitation of Drug Abusers
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Voluntary residential drug treatment and rehabilitation services		
Admission to drug treatment and rehabilitation centres		
Para. 2.9 of the Audit Report	Audit has recommended that the Society for the Aid and Rehabilitation of Drug Abusers (SARDA) should draw on the experience gained from high-frequency re-admission cases, and make continuous improvement in enhancing treatment and rehabilitation (T&R) programmes and strengthening support services after programme completion.	To reduce the re-admission rates of drug treatment and rehabilitation centres (DTRCs), SARDA has adopted measures to devise more personalised rehabilitation plans for the cases. Key measures are set out below – (a) Enhancing medical support through effective utilisation of funding by the Government to timely address the physical and mental needs of inpatients; (b) Creating psychiatric nurse positions dedicated to handling inpatients' emotional and mental health issues; (c) Enhancing psychosocial interventions to enhance inpatients' motivation to quit drugs; (d) Strengthening discharge preparation and follow-up support mechanism; and (e) Establishing criteria for identifying and intervening in re-admission cases and introducing a tracking mechanism, holding inter-disciplinary meetings for the cases, developing a Strengthened Rehabilitation Plan for the cases by providing additional counselling sessions by relapse prevention groups and social workers to closely monitor the cases.

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		SARDA has put in place items (a) and (b) above and is progressively taking forward the remainder. All measures are expected to be implemented in full by the first quarter of 2026.
Monitoring of treatment and rehabilitation services		
Para. 2.15 of the Audit Report	Audit has recommended that SARDA should take measures to motivate the admitted patients to complete both detoxification and rehabilitation programmes under the general T&R programme.	To motivate more inpatients to complete both the detoxification and rehabilitation programmes under the general T&R programme, apart from the inpatient supporting measures mentioned in items (a) to (e) of the progress on para. 2.9 of the Audit Report mentioned above, SARDA has set up a training programme for frontline staff such as social workers and peer support workers to improve their counselling and caretaking skills, so that inpatients will be guided to complete both the detoxification and rehabilitation programmes in phases by more effective means, thereby improving the overall effectiveness of their rehabilitation . SARDA has set up an internal working group to accelerate the implementation of relevant measures. All measures are expected to be implemented in full by the first quarter of 2026.
Occupancy of drug treatment and rehabilitation centres		
Para. 2.28 of the Audit Report	Audit has recommended that SARDA should – (a) in consultation with the Department of Health (DH), take measures to improve the occupancy rates of its DTRCs; and	To improve the occupancy rate of DTRCs, SARDA has taken forward the following key initiatives – (a) Setting standards along with clear guidelines for outreach work and extending the scope of outreach work to other drug hotspots. Community networks will be actively built to engage with hidden

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	(b) promulgate guidelines on outreach registration and intake services and make improvements to address the inadequacies identified in para. 2.23 of the Audit Report.	drug users and their families, encouraging them to make use of the services provided by the DTRCs; (b) Enhancing the utilisation of instant messaging applications (e.g. WhatsApp, WeChat, etc.) to maintain closer connection with high risk groups for timely intervention; (c) Strengthening the cooperation with service units from different sectors to promote SARDA's services to drug abusers and receive referral cases; (d) Speeding up the admission screening and referral procedures; (e) Introducing private medical services (e.g. dental care, traditional Chinese medicine, clinical psychological counselling, etc.) through effective utilisation of funding by the Government with a view to timely addressing the physical and mental needs of inpatients, encouraging inpatients to finish the treatment and reducing early discharges; and (f) Setting aside an additional 18 beds in Shek Kwu Chau Treatment and Rehabilitation Centre specifically for psychotropic substance abusers to grapple with the rising trend in the prevalence of psychotropic substance abuse. SARDA also submits reports to the Executive Committee (EC), the Management Committee (MC), and DH on a regular basis for timely

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		inspections and review as well as making suggestions and taking measures for improvement with a view to further enhancing the occupancy rate of DTRCs. In the second quarter of 2025, the Au Tau Youth Centre and Adult Female Rehabilitation Centre have met the occupancy standard set by DH (i.e. 75%). Compared to the same period last year, the occupancy rates of the Shek Kwu Chau Treatment and Rehabilitation Centre and Sister Aquinas Memorial Women's Treatment Centre have increased by 2.9% and 18.7% respectively. As the recommendations have already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Para. 2.29 of the Audit Report	Audit has also recommended that the Director of Health should – (a) enhance the reporting of SARDA's performance in DH's COR, for example incorporating the occupancy rate of DTRCs as one of the performance targets in DH's COR; and (b) keep in view SARDA's performance on the new initiatives and consider incorporating the new performance indicators in DH's COR where appropriate.	DH is closely monitoring SARDA's performance covering both existing services and new initiatives upon signing of the new Funding and Service Agreement (FSA) in October 2024 and will review DH's COR for 2026-2027 to incorporate new performance targets and/or indicators in the COR where appropriate.

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Way forward		
Para. 2.35 of the Audit Report	Audit has recommended that SARDA should regularly review the provision of T&R services under its purview for continuous improvement taking into account the changing drug scene.	In response to the rising number of psychotropic substance abusers, since March 2025, SARDA has set aside an additional 18 beds at the Shek Kwu Chau Treatment and Rehabilitation Centre to provide psychotropic substance abusers with treatment. The number of beds dedicated for such purposes has hence increased from the original 60 to 78 currently. Additionally, to meet different needs of drug abusers, apart from the existing longer-term residential programmes varying from several months to a year, SARDA's DTRCs also offer short-term inpatient programmes ranging from seven to 21 days for some drug abusers. In this way, social workers can engage with hidden drug users more directly and progressively draw up longer-term drug T&R plans for them. SARDA will continue to pay close attention to changes in the drug scene, review in due course and continuously improve its T&R services to meet service users' needs. As the 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.
Part 3: Aftercare and counselling services		
Aftercare services		
Para. 3.11 of the Audit Report	Audit has recommended that SARDA should: (a) review the number of aftercare cases adopted in the calculation of the re-application rate in its	To evaluate the effectiveness of its aftercare services more efficiently, SARDA is taking the follow-up actions set out below for improving the compilation and disclosure of the key performance indicators –

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	annual report and ascertain whether the rate had been understated; (b) state the basis on the compilation of aftercare completion rate in its annual report; (c) make greater efforts in ascertaining the employment status and the criminal records of rehabilitees having successfully completed the aftercare services; and (d) promulgate guidelines on the criteria of closing the aftercare cases and document the justifications of providing prolonged aftercare services exceeding the 12-month period.	(a) **Re-application rate:** SARDA is exploring a more accurate method of calculating the re-application rate, with implementation scheduled for the first quarter of 2026. (b) **Aftercare completion rate:** Starting from the 2024-2025 annual report, SARDA will include explanatory notes on the calculation of aftercare completion rate. (c) **Employment rate and criminal rate:** SARDA is proactively reviewing the employment status and criminal records of rehabilitees using its aftercare services. Moreover, to optimise resource utilisation, SARDA has revised its guidelines on the criteria of closing aftercare cases. The new guidelines set out justifications for providing prolonged aftercare services exceeding the 12-month period. As the recommendations have already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Halfway house service		
Para. 3.23 of the Audit Report	Audit has recommended that SARDA should – (a) sustain efforts in meeting the agreed level of rate of placement occupancy in each halfway house as required by FSA signed with Social Welfare Department (SWD);	(a) In order to boost the occupancy rate of halfway houses, SARDA has formulated various enhancement measures and will enhance publicity of services and improve service quality. Relevant measures include –

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		(i) Strengthening collaboration with methadone clinics, substance abuse clinics (SACs) at the Hospital Authority (HA), Counselling Centres for Psychotropic Substance Abusers (CCPSAs) and other service units that may come into contact with drug abusers with a view to referring suitable cases for admission to halfway houses. Between March and July 2025, SARDA visited two CCPSAs, and met with five Youth Outreaching Social Work Teams and one Community Support Service Scheme Team to exchange views and give them an update of SARDA's DTRCs and halfway house services. Furthermore, SARDA attended the meeting for the New Territories East Cluster of HA to introduce its services to the healthcare staff from three SACs. A joint meeting with methadone clinics has also been scheduled for November 2025 with a view to fostering collaboration and promoting their services. (ii) Arranging personalised and accredited vocational training for residents based on their interests and abilities;

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		(iii) Providing subsidies for residents to procure medical/allied health services in the private sector to meet their medical needs; (iv) Enhancing the nursing care and health education services provided by registered nurses; and (v) Improving the living environment and facilities of halfway houses to make them more appealing. In November 2025, SARDA will carry out minor improvement works at its Kowloon Hostel and Luen Ching Centre (including renovation of the halls, toilets and bathroom facilities) to improve the living environment and hygiene conditions. The above measures have been put in place and implemented. On the other hand, SWD will continue to monitor the performance in terms of service volume and efficacy.
	(b) conduct progress review for residents of halfway houses according to its guidelines in a timely manner and document full justifications for the extension of residence in halfway houses for each case; and	(b) SARDA revised the guidelines for the "Individual Service Needs Assessment Procedures" for halfway houses in February 2025, stipulating that an "Individual Service Needs Assessment and Plan" has to be completed for each resident every six weeks after admission, irrespective of their length of stay. Social workers will assist in reviewing their service needs and progress towards their goals.

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		In respect of processing requests to extend residence, the revised guidelines clearly define the assessment criteria encompassing the resident's individual needs, their willingness, behavioural performance during residency and the availability of placement. SARDA has also reminded its staff to document the justifications for approving extended residence for review. The revised guidelines were endorsed at the Hostel Management meeting on 9 May 2025 with immediate effect.
	(c) consider ceasing the practice of allowing rehabilitees to reside in the halfway houses for only few nights.	(c) Since January 2025, SARDA has ceased to allow short-term stays by rehabilitees in the halfway houses. The guidelines for short-term home leave arrangements were reviewed and revised with a view to assisting residents in gradually strengthening their family relationships and establishing a disciplined lifestyle. The revised guidelines, which set out the purpose, eligibility criteria, procedure and frequency of home leaves, were endorsed at the Hostel Management meeting on 29 August 2025 with immediate effect. As the recommendations above have already been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Methadone Treatment Programme counselling service		
Para. 3.28 of the Audit Report	Audit has recommended that SARDA should ascertain the reasons for the decrease in the number of participants in group programmes of Methadone Treatment Programme (MTP) counselling service and take appropriate follow-up actions.	To increase the number of participants in group programmes of MTP counselling service, SARDA has established a working group to review participation of such programmes. Actions taken include – (a) Collecting feedback from stakeholders; (b) Revisiting the themes and content of group programmes; and (c) Utilising online communication platforms to conduct virtual group sessions, making it easier for participants to join. The first meeting of the working group was held in June 2025, with the pertinent review expected to be completed by the first quarter of 2026.
Part 4: Corporate governance and administrative issues		
Governance structure		
Para. 4.10 of the Audit Report	Audit has recommended that SARDA should – (a) take measures to ensure that –	 (a) A subcommittee has been set up to review Audit's recommendations on corporate governance and administrative issues. The subcommittee held meetings in June and August 2025. Relevant proposals put forward by the subcommittee will be submitted to EC for consideration in October 2025.

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	(i) the composition of its EC is in compliance with the requirement as stipulated in its Constitution; and	(i) Since 2021, the composition of SARDA's EC has been fully in compliance with the requirement as stipulated in its Constitution. As the 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.
	(ii) a succession mechanism is drawn up for its EC, especially for the Chairman and key posts (such as the Honorary Secretary, the Honorary Treasurer, etc.), where there are no such restrictions in its Constitution, including the maximum terms of office and number of consecutive terms;	(ii) Since the terms of some Officers in EC were longer than normal as stipulated in the Constitution of SARDA, the subcommittee has proposed to explore the option of revising the Constitution to define the terms of office of the Chairman and other office bearers. Relevant amendment proposals will be submitted to EC for consideration in October 2025; subject to the endorsement of EC, the new arrangement will come into effect in 2026.
	(b) consider publishing the audited annual accounts and/or annual financial statements of SARDA on its website or displaying the hyperlink to them in its annual report for enhancing public accountability; and	(b) SARDA will include the hyperlink to its audited financial statement in the 2024-25 annual report for public information.
	(c) submit its strategic plan and other related records on the regular review, updating and evaluation of the plan to its EC for approval.	(c) To enhance the monitoring of its strategic management, SARDA has completed the drafting of strategic plan for 2025 in June 2025. From 2026 onwards, SARDA will have its strategic plan ready by

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		end-September each year for submission to EC for approval in October. EC has confirmed the said schedule at its meeting on 30 June 2025. 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.
Attendance and proceedings of committee meetings		
Para. 4.19 of the Audit Report	Audit has recommended that SARDA should – (a) take measures to improve the attendance of committee members with low attendance rates; (b) critically review the attendance records of individual committee members before re-appointment; and	(a) and (b) To improve the attendance of committee meetings, the subcommittee has proposed that committee members with an attendance rate of less than 60% for two consecutive years will not be re-appointed normally. Relevant proposals will be submitted to EC for consideration in October 2025; subject to the endorsement of EC, the new arrangement will come into effect in 2026.
	(c) consider setting requirement on the issuance of papers for the Research Committee (RC) meetings with a view to providing committee members with sufficient time to consider the papers before the meetings.	(c) To ensure that committee members have sufficient time to consider the papers before the meetings, the secretariat has followed the suggestion of the subcommittee to submit the papers to members of EC, MC and RC on the weekend before each meeting. 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.

Para. No.	Audit/PAC's Recommendations	Progress to Date
Management of membership		
Para. 4.25 of the Audit Report	Audit has recommended that SARDA should – (a) step up efforts in recruiting new members; and (b) take measures to address the low attendance rates at the annual general meetings.	 (a) The subcommittee is exploring new measures to expand SARDA's membership. A host of measures will be implemented in December 2025. (b) SARDA is considering certain initiatives (such as inviting keynote speakers to give talks, organising award presentation ceremonies), prior to and after the annual general meetings, as well as changing the meeting time and stepping up the publicity effort, with a view to encouraging members to attend the annual general meetings. In addition, SARDA plans to announce the attendance rate of members internally to bolster transparency and members' engagement. The proposals will be submitted to EC for consideration in October 2025; subject to the endorsement of EC, the new arrangement will come into effect in 2026.
Human resources management		
Para. 4.36 of the Audit Report	Audit has recommended that SARDA should – (a) step up efforts in recruiting and retaining staff, especially the nursing grade staff and peer support workers;	 (a) SARDA has improved the fringe benefits of staff and working environment, such as increasing employers' contribution to Mandatory Provident Fund effective from October 2024, providing outpatient medical benefits to staff effective from April 2025, and launching

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		Employee Assistance Programme effective from July 2025 to provide counselling and support for employees who are dealing with personal or work-related issues through a 24-hour mental and emotional counselling hotline and consultation by appointment. Besides, SARDA has stepped up its staff recruitment effort. As at 31 July 2025, 23 out of 24 nursing grade positions and 51 out of 57 peer support worker positions of SARDA have been filled. SARDA will continue to conduct recruitment exercises to fill the remaining vacancies.
	(b) develop a structured training programme to frontline anti-drug workers (e.g. peer support workers and social workers) when appropriate;	(b) SARDA is developing a structured training programme for its staff in line with Audit's recommendations. A series of training courses will be launched in November 2025 to enhance the proficiencies of frontline staff (such as social workers, peer support workers), covering counselling skills, practical work techniques, and knowledge about drugs.
	(c) promulgate a training policy, including the policy and procedures of granting training subsidies; and	(c) SARDA is drawing up a comprehensive training policy which covers the procedures of granting training subsidies. The policy will be promulgated in October 2025.
	(d) maintain a training record by individual staff for staff development and monitoring purposes.	(d) To enhance the monitoring of staff development, the Administration Unit of SARDA maintains individual training records for each staff members based on Audit's recommendation.

Para. No.	Audit/PAC's Recommendations	Progress to Date
		As the above recommendations (a) and (d) have already been implemented and will be carried out on an on-going basis, we recommend deleting relevant parts from the next progress report.

Enclosure 8

Working Family Allowance Scheme
Progress in implementing recommendations of Audit/PAC

Para. No.	Audit/PAC's Recommendations	Progress to Date
Part 2: Processing of applications		
Receipt of applications		
Para. 2.9 of Audit Report	Audit has recommended that the Head, Working Family and Student Financial Assistance Agency (WFSFAA) should continue to explore measures to further enhance the process on receipt of the Working Family Allowance (WFA) applications, including exploring feasibility of making better use of technology and encouraging e-submission of applications (e.g. enhancing cooperation with other bureaux/departments and Non-governmental Organisations (NGOs) to further promote e-submission).	Over the years, WFSFAA has implemented tech-enabled measures to enhance efficiency in the registration of applications and promoted the e-submission service to applicants. To further encourage e-submission of applications, WFSFAA has implemented new promotional measures starting from July 2025. These include promoting the e-submission of WFA applications through electronic promotional banners on the promotion platform of the Information Services Department and website of "iAM Smart". Furthermore, through analysing the profiles of applicants using paper application forms (including their age, occupation, residential district, etc.) in August 2025, WFSFAA has implemented targeted promotional strategies, e.g. conducting outreach promotional activities in districts with more applicants using paper application forms. WFSFAA will also continue to promote the use of e-submission service through various existing channels, including distributing flyers, displaying banners, promoting the service in application materials, letters to applicants, paper pre-filled forms and application drop-in boxes.

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		As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
Vetting and assessment of applications		
Para. 2.22 of Audit Report	Audit has recommended that the Head, WFSFAA should – (a) take measures to expedite the processing of WFA applications as far as practicable (e.g. exploring ways to enhance the Working Family Allowance Management System (WFAMS)); (b) take measures to ensure that staff collect and/or clarify necessary information for processing WFA applications in a timely manner, and record all contacts with applicants;	(a) and (b) To enhance the efficiency in processing application, WFSFAA will review the functions of WFAMS from time to time to improve and update the system having regard to the modus operandi and vetting procedures of the WFA Scheme, and continues to explore introducing new technologies to enhance WFAMS. After completing a review in June 2025, WFSFAA has improved and updated the alert functions of WFAMS, covering the enhancement of the built-in notification function and user-interface for the progress of application processing, so as to facilitate vetting staff in overseeing and managing the progress of each application in a more effective manner, arranging and monitoring work priorities; the enhancement of the existing progress reporting function to provide data and statistics on overall operation, recording the reasons for longer processing time required for special cases, thus facilitating the management to consider appropriate follow-up actions; and the addition of suitable record fields in the user-interface, in conjunction with an alert function, with a view to assisting vetting staff in recording their

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		communications with applicants and their household members for future follow-up and monitoring purposes. Although the processing time for individual applications varies depending on the complexity of the case, completeness of supporting documents, whether the applications are involved in other investigations, etc., WFSFAA envisages that the above measures will help identify and prioritise the processing of applications with complete information, and ensure that all relevant contacts with applicants are properly recorded. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(c) consider compiling more management information to facilitate monitoring of processing of WFA applications;	(c) Starting from April 2025, WFSFAA has compiled more precise management information (such as including relevant information in the papers for the regular meetings of the senior management) to facilitate senior management to closely monitor complicated cases requiring longer processing time. As the follow-up work on this recommendation has 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
	(d) take measures to ensure that consistent practices are adopted by staff in the vetting process, including regularly reviewing the list of items to be counted as household assets and providing more staff training; and (e) enhance the list of items counted/not counted as household assets in the Guidance Notes for Applications under WFA Scheme by including more common examples (e.g. electronic-wallet balances).	(d) and (e) WFSFAA has implemented the following specific measures to ensure consistency in practices adopted by staff in the vetting process – (1) in order to review the list of items counted as household assets more systematically, starting from 2025 WFSFAA would conduct annual comprehensive review of the list of relevant items and take follow-up actions as appropriate, including updating the Operational Manual (OM) and Guidance Notes for Applications and providing more common examples of household assets. In case new types of asset emerge, WFSFAA will consider whether such items should be taken into account in the means test in a timely manner. Apart from the asset items, WFSFAA will also review the list of household income items annually to ensure consistency in the practices in vetting applications; and (2) WFSFAA has all along been providing induction courses for newly joined vetting staff, with detailed explanation of the vetting practices and standards; and briefings for serving staff on updates of vetting practices and standards. WFSFAA organised various additional trainings in July and August 2025, including experience sharing sessions on Audit's recommendations, induction courses with updated content for newly joined vetting staff, training courses on handling special cases etc. Furthermore, starting from 2026, WFSFAA will

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		organise annual refresher courses for all vetting staff, covering all updated guidelines in the past year (including the provisions in OM) and practices for processing applications (including the updated list of household income and asset items etc.). Vetting staff may also take this opportunity to exchange experience in handling applications. Relevant training materials are uploaded to the shared folder of WFSFAA to facilitate referencing by vetting staff at their convenience. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
Quality assurance checks		
Para. 2.29 of Audit Report	Audit has recommended that the Head, WFSFAA should – (a) further strengthen efforts to enhance the quality and accuracy of vetting of WFA applications (e.g. exploring the feasibility of making better use of technology and providing more training to Vetting Officers);	(a) WFSFAA has all along been committed to enhancing the quality and accuracy of vetting of WFA applications. Apart from updating OM and Guidance Notes for Applications in a timely manner, and reminding vetting staff to pay special attention when handling supporting documents, we are also providing training to better equip vetting staff to ensure that they are kept abreast of the latest practices and standards. Details of the training courses are set out in the response to para. 2.22(d) above.

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		WFSFAA explores the introduction of appropriate technologies to continuously enhance WFAMS from time to time, including an enhancement completed in September 2025 to automatically detect potential inconsistencies or contradictions in application information and alert the vetting staff concerned immediately, with a view to further enhancing the quality and accuracy in the vetting process. As this recommendation has been carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(b) review the timeframe and frequency for compiling and submitting the Summary of Quality Assurance (QA) Checking Result of WFA Applications; and	(b) In May 2025, WFSFAA completed the review on the timeframe and frequency for compiling and submitting the Summary Report of QA Checking Result (QA Summary) of WFA applications. Upon review, WFSFAA has clearly set out and put into practice a timeframe for completion of the QA Summary, i.e., to compile the QA Summary for the preceding year within the first quarter every year, and additionally compile a mid-year summary report for review by the senior management, with a view to enhancing the continuous monitoring over the QA practice. In July 2025, WFSFAA compiled the first mid-year summary report for senior management's perusal. Staff training has also been strengthened corresponding to the QA checking results. This practice will be continued thereafter.

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		As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(c) take measures (e.g. establishing controls in WFAMS) to ensure that QA checks are conducted by officers of the rank stipulated in OM.	(c) In May 2025, WFSFAA completed the review on relevant control functions in WFAMS to ensure that the System will assign the checking officers and approving officers according to their functional posts, with a view to avoiding assigning an officer at the same or lower rank than the approving officer to conduct the QA checks. Besides, WFSFAA updated the relevant provisions in OM in June 2025 to set out clearly the assignment criteria for ensuring compliance. As the follow-up work on this recommendation has been completed, we recommend deleting this item from the next progress report.
Handling of rejected applications		
Para. 2.36 of Audit Report	Audit has recommended that the Head, WFSFAA should – (a) provide more pertinent reasons for rejection of applications and make continued efforts to facilitate WFA applicants' understanding of the eligibility criteria; and	 (a) In September 2025, WFSFAA completed a review and updated the Notification of Application Result to provide the applicants with more pertinent reasons for rejection of their applications, e.g. applicant's income has exceeded the household income limits, or he/she has failed to provide relevant documentary proof of household assets. WFSFAA will also continue to

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		provide assistance to applicants to facilitate their understanding on the eligibility criteria and the required documentary proof. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(b) remind Vetting Officers to exercise due care in calculating household assets according to the requirements stipulated in OM.	(b) WFSFAA will continue to provide vetting staff with sufficient training to keep them up to date with the latest practices and standards, and will remind them of issues requiring special attention during the vetting process. Details of the training courses are set out in the response to para. 2.22(d) above. As this recommendation has been carried out on an on-going basis, we recommend deleting this item from the next progress report.
Part 3: Follow-up on processed applications		
Special investigation		
Para. 3.27 of Audit Report	Audit has recommended that the Head, WFSFAA should – (a) review the selection of cases for special investigations and take follow-up actions as appropriate;	 (a) In June 2025, WFSFAA completed a review and revised the relevant provisions in OM to specify more clearly the percentage of cases to be randomly selected for in-depth investigation, and made appropriate adjustment having regard to the risk levels and manpower resources; and stipulated the requirement for risk assessment before making internal case referrals. WFSFAA will continue to review the strategy for selecting cases for special

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		investigation based on factors such as risk categories, resource constraints and cost-effectiveness. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(b) conduct further analyses on special investigation results (e.g. further breakdown of the types of under-reported items and ineligible claim periods for applicants concerned), and make use of such information in reviewing the risk rules;	(b) WFSFAA introduced in August 2025 a list with breakdown of types of under-reported items in WFAMS, with a view to assisting investigation officers in recording and analysing the different types of under-reported items more systematically. The analysis results will be used to review the risk rules for random selection of cases for in-depth investigation, with a view to further enhancing relevant mechanism and risk management. As the follow-up work on this recommendation has been completed, we recommend deleting this item from the next progress report.
	(c) upon reviewing the special investigation results, formulate measures as appropriate (e.g. providing more staff training) to improve the Working Family Allowance Office (WFAO)'s risk management and application vetting process;	(c) The Special Investigation Section of WFSFAA conducted case sharing sessions in July 2025 to share with staff of the Operation Teams the new findings, common problems and relevant experience in the process of special investigation. WFSFAA will continue to organise more staff training and case sharing sessions to further enhance the overall quality of vetting and risk management.

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		As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(d) explore measures to shorten the processing time of special investigation cases as appropriate;	(d) In August 2025, WFSFAA completed a review on the workflow and staff deployment of the Special Investigation Section and has put in place enhancement measures with a view to shortening the overall processing time of special investigation cases. For instance, to save time in seeking information from individual Mandatory Provident Fund (MPF) trustees one by one, WFSFAA has streamlined the workflow by requesting the required MPF information from the eMPF platform in one go, thus effectively simplifying the information search procedures. WFSFAA will closely monitor the progress of processing special investigation cases and continue to improve resource allocation and explore appropriate ways to streamline the process of special investigation, so as to ensure timely completion of investigation. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.

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	(e) review and monitor the practice of issuing Notification on Assessment and Verification and the consent forms to applicants and household members in WFAO's guidelines, including setting a reference timeframe for issuing the relevant documents, and consider adding an alert function in WFAMS to help ensure compliance with the timeframe;	(e) Taking into account Audit's recommendations and the practical operational requirements, WFSFAA completed a review and updated the internal guidelines in September 2025 on the practice of issuing Notification on Assessment and Verification and consent forms to the applicants and household members, including requiring the investigation officer to send such notifications and consent forms only when there is a practical need to do so; and set an internal reference timeframe for issuing the relevant documents. WFSFAA will continue to monitor the implementation of the measure. In parallel, WFSFAA has enhanced WFAMS by adding alert functions to remind investigation officers to issue the relevant documents at appropriate juncture for ensuring consistency in practices. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(f) take measures to ensure that prior endorsement by approving officers are obtained before issuing the Notification on Assessment and Verification and consent forms; and	(f) In September 2025, WFSFAA provided clearer guidelines on the issuance of Notification on Assessment and Verification and consent forms, and reminded investigation officers to follow relevant provisions in OM for ensuring compliance. As the follow-up work on this recommendation has been completed, we recommend deleting this item from the next progress report.

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	(g) formalise the practice of issuing Notification of Special Investigation Result upon completion of investigation in WFAO's guidelines and adding an alert function in WFAMS to help ensure compliance.	(g) In June 2025, WFSFAA revised OM by introducing a provision on the issuance of Notification of Special Investigation Result, and added a related alert function in WFAMS. As the follow-up work on this recommendation has been completed, we recommend deleting this item from the next progress report.
Review and appeal on processed applications		
Para. 3.37 of Audit Report	Audit has recommended that the Head, WFSFAA should – (a) enhance OM by specifying more clearly the timeframe for issuing the Acknowledgement of Receipt of Application for Review/Appeal, and take measures to ensure that review and appeal cases are handled in a timely manner, including complying with the timeframes of issuing acknowledgements/notifications as stipulated in OM; and	(a) In August 2025, WFSFAA updated OM to specify more clearly the timeframe for issuing the Acknowledgement of Receipt of Application for Review/Appeal. To ensure timely handling of review and appeal cases, WFSFAA has also enhanced WFAMS in the same month by adding a pre-alert notification function to step up the monitoring of case progress. Besides, WFSFAA organised case sharing sessions on 23 and 25 July 2025 to remind staff need to take appropriate actions within the prescribed timeframes for processing review and appeal cases. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.

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	(b) take measures to ensure that proper documentation is maintained for processing review and appeal cases and in handling withdrawal requests, such as stipulating requirements in OM to record contacts with applicants and the assessment made on withdrawal requests.	(b) In August 2025, WFSFAA enhanced WFAMS to ensure proper documentation on the processing of review and appeal cases, contacts with applicants and handling of withdrawal requests. WFSFAA has also updated relevant provisions in OM in the same month to stipulate the requirements on documentation. As the follow-up work on this recommendation has been completed, we recommend deleting this item from the next progress report.
Recovery of overpaid allowance		
Para. 3.44 of Audit Report	Audit has recommended that the Head, WFSFAA should take measures to expedite the recovery of overpaid allowance, including continuing to – (a) expedite follow-up actions on cases under Special Investigation Section's considerations;	 (a) In September 2025, WFSFAA reviewed and streamlined the procedure on the recovery of overpaid allowance, and updated relevant provisions in OM. WFSFAA will continue to closely monitor the recovery actions on cases under the Special Investigation Section and ensure that follow-up actions are taken in a timely manner. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.

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	(b) monitor the progress of cases that the applicants concerned entered bankruptcy and were under WFAO's monthly instalment arrangements; and	(b) WFSFAA will continue to monitor the progress of cases involving bankrupt applicants and take timely follow-up action in accordance with the established procedure, including the submission of Proof of Debt to the Official Receiver's Office/Trustee, and will contact the Official Receiver's Office/Trustee again upon the discharge of applicant's bankruptcy order to safeguard the Government's interests in recovering the overpaid allowance. With regard to applicants under monthly instalment arrangements, WFSFAA will continue to issue General Demand Notes and/or reminder letters to them as appropriate and closely monitor their repayment progress. In case default is detected, WFSFAA will take appropriate follow-up actions in accordance with OM. As this recommendation has been carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(c) take measures to ensure that reminder letters to request for repayment of overpaid allowance are issued in accordance with the timeframes stipulated in OM having regard to the latest situation of applicants.	(c) WFSFAA will continue to monitor on-going overpayment cases on a monthly basis, and will document the underlying considerations for cases where reminder letters are not issued in accordance with the timeframes stipulated in OM. As this recommendation has been carried out on an on-going basis, we recommend deleting this item from the next progress report.

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Part 4: Other related issues		
Performance management and reporting		
Para. 4.6 of Audit Report	Audit has recommended that the Head, WFSFAA should take measures to improve the performance management and reporting for WFA Scheme, including setting performance targets/indicators in the CORs and/or on website and publicising the achievements thereon.	By drawing reference to schemes of similar nature, WFSFAA is considering setting a performance pledge and/or target/indicator and establishing a performance management mechanism for the WFA Scheme. We expect to complete the work by end 2025 and will publish the details on WFSFAA's website and COR in due course.
Publicity and facilitation measures		
Para. 4.20 of Audit Report	Audit has recommended that the Head, WFSFAA should – (a) review the provision of outreaching activities, including – (i) keeping under review the arrangement of outreaching activities including the types of venues and geographical locations taking into account various factors (e.g. the locations of workplaces of potential target audience) and taking follow-up actions as appropriate; (ii) enhancing collaboration with NGOs in organising form-filling sessions, including continuing to engage more NGOs in different districts to participate as appropriate; and	(a) To promote the WFA Scheme and render assistance to the target audience, WFSFAA has diversified means of promotion, including out-of-home advertisements, online materials, information booths and enquiry counters, etc., and will review different types of outreaching activities in a timely manner based on experience gained. Taking into account Audit's recommendations, WFSFAA has reviewed the service hours of information booths and conducted a trial run of setting up information booths in the evening in ten public housing estates for the period from April to September 2025, so as to reach out to more potential target applicants. Besides, through analysing the residential districts of recent applicants in June 2025, WFSFAA has formulated the future plan on outreaching activities in terms of geographic

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	(iii) keeping under review the service hours of information booths and taking follow-up actions as appropriate (e.g. setting up information booths at weekends and after office hours) with a view to assisting more potential applicants.	locations in a more strategic manner. WFSFAA will continue to monitor the relevant data, such as the number of applications in different districts, with a view to timely adjusting the promotion strategy and resources deployment, ensuring a more effective and targeted outreach to needy households. WFSFAA will continue to assess the number of participants, timing, location and venue of different activities, e.g. analysing the number of target audience visiting the information booths set up at different service hours, in order to allocate resources more effectively. WFSFAA will also enhance its collaboration with NGOs with a view to expanding the reach of the promotion activities. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
	(b) ascertain the reasons for the higher rejection rates of ethnic minorities (EM) WFA applicants and provide appropriate assistance to them accordingly (e.g. engaging relevant NGOs to provide assistance); and	(b) The circumstances of each WFA application and reasons for rejection vary. WFSFAA found that the applications from EM applicants were rejected mainly due to their failure to submit the required supporting documents arising from the following circumstances – (1) there are generally more family members in the applying households, resulting in more supporting documents on

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		working hours, income and assets required to be submitted; and (2) family members of the applying households may from time to time leave Hong Kong for a relatively long period and could not submit the required supporting documents in a timely manner. WFSFAA has been implementing various measures to assist EM persons in applying for WFA, including – (1) providing free interpretation services for EM persons through service providers, including answering enquiries via the enquiry hotline and at service counters, as well as assisting them in completing the application forms; (2) conducting briefing sessions for the EM Ambassadors of LD, Outreaching Teams for EM of the SWD and staff of NGOs providing services to EM persons, through which the WFA Scheme is introduced to EM service users and assistance is rendered to them in completing the application forms; (3) translating promotional leaflets, posters, and Sample for Completing Application Form of the WFA Scheme into Chinese, English, and eight EM languages, which are provided to NGOs providing services for EM persons for further distribution;

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		(4) apart from introducing the WFA Scheme in Chinese, English, and eight EM languages, the WFSFAA's website also had a shortcut icon titled "Support Services for People of Diverse Race" to facilitate quick access by EM persons to information in their preferred languages; and (5) producing three animated videos introducing the WFA Scheme, providing guidance on completing the application form and demonstrating the online application process. These three videos have been translated into eight EM languages and uploaded onto WFSFAA's website for the reference of EM applicants. In addition to the above measures, WFSFAA has reached out to NGOs and schools providing services to EM persons and collaborated with them in organising activities to promote the WFA Scheme to EM persons, e.g. WFSFAA collaborated with a secondary school in Kwun Tong District, which has relatively more EM students, to arrange a briefing session to introduce the WFA Scheme to the EM parents during a school event in August 2025. As this recommendation has been carried out on an on-going basis, we recommend deleting this item from the next progress report.

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	(c) strengthen the publicity efforts and facilitation measures for WFA Scheme, including reviewing the effectiveness by conducting satisfaction survey to collect feedback from users as appropriate.	(c) WFSFAA has all along adopted a diverse promotional approach in covering various channels to introduce the WFA Scheme to more target audience. In addition to distributing promotional leaflets and posters, displaying WFA advertisements on public transport, roadside railings in different districts and building facades, promotions on online and media platforms, setting up information booths in various districts, and organising briefing sessions, etc., WFSFAA will continue to strengthen its collaboration with different NGOs and schools to co-organise WFA promotion activities. Taking into account Audit's recommendations, WFSFAA has conducted survey by questionnaires in suitable outreaching activities since August 2025, with a view to collecting feedbacks from participants for evaluating the effectiveness of the activities. As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this item from the next progress report.
Way forward		
Para. 4.25 of Audit Report	Audit has recommended that the Head, WFSFAA should, in collaboration with the Secretary for Labour and Welfare, take into account the audit observations and recommendations in this Audit	Since the implementation of the WFA Scheme in April 2018, WFSFAA and the Labour and Welfare Bureau (LWB) have reviewed the WFA Scheme from time to time, and implemented various improvement

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	Report, keep under review the operation of WFA Scheme with a view to enhancing the Scheme as appropriate.	measures, including relaxing the eligibility criteria, allowing household members to aggregate their working hours to apply for WFA and increasing the rates of allowances. LWB and WFSFAA will continue to closely monitor the operation of the WFA Scheme and, with regard to the observations and recommendations in the Audit Report, keep under review and enhance the WFA Scheme as appropriate and endeavour to support working families in need. As this recommendation has been carried out on an on-going basis, we recommend deleting this item from the next progress report.
