

THE GOVERNMENT MINUTE

in response to the

**REPORT OF
THE PUBLIC ACCOUNTS COMMITTEE
No. 77**

of July 2022

26 October 2022

**THE GOVERNMENT MINUTE IN RESPONSE TO THE
PUBLIC ACCOUNTS COMMITTEE REPORT NO. 77
DATED JULY 2022**

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 74)**

MATTERS OUTSTANDING

**Management of funding for sports development through the Arts and Sport
Development Fund (Sports Portion)**

(Chapter 1 of Part 4 of PAC Report No. 74)

The Government accepts the findings and recommendations made by the Audit Commission (Audit) and PAC on the management of funding for sports development through the Arts and Sport Development Fund (Sports Portion). The Hong Kong Football Association (HKFA) also accepts the findings and recommendations in relation to the funding for football development. The Culture, Sports and Tourism Bureau (CSTB) (formerly known as the Home Affairs Bureau (HAB)) and HKFA have taken actions to follow up on the recommendations. A summary of the progress of follow-up actions on the outstanding items is set out in Enclosure 1.

Encl. 1

Sports Federation & Olympic Committee of Hong Kong, China

(Chapter 2 of Part 4 of PAC Report No. 74)

2. The Government and the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) accepted the recommendations of Audit and PAC on the operation and governance of SF&OC as well as the funding provided by the Government and related monitoring work. CSTB and SF&OC continue to take follow up actions to implement the recommendations of Audit and PAC. A summary of the progress of follow-up actions on the outstanding items is set out in Enclosure 2.

Encl. 2

Employees Retraining Board

(Chapter 3 of Part 4 of PAC Report No. 74)

3. The Government and the Employees Retraining Board (ERB) agree with all the recommendations made by the Audit regarding the management of the training services, quality assurance, training support services, and corporate governance and administrative issues of ERB, and have been actively following up the implementation during the past two years. All outstanding items in the progress report submitted in October 2021 have been implemented and will be carried out on an on-going basis. Details are at Enclosure 3.

Encl. 3

Management of short term tenancies by the Lands Department

(Chapter 7 of Part 4 of PAC Report No. 74)

4. The Lands Department has taken follow-up actions to address the recommendations made by Audit. A summary of the updated progress of the outstanding items is set out in Enclosure 4.

Encl. 4

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 75)**

MATTERS OUTSTANDING

Planning, provision and management of public parking spaces
(Paragraphs 3 to 5 of Part 4 of PAC Report No. 75)

5. The Government has actively followed up on recommendations made by Audit and PAC to improve the planning, provision and management of public parking spaces. The latest progress made is summarised below.

6. Since September 2019, the Transport Department (TD) has equipped all its multi-storey car parks with a new management system so as to enhance system reliability and service quality. Furthermore, in order to enhance security, the Electrical and Mechanical Services Department (EMSD) completed the installation of additional closed-circuit televisions in the above-mentioned car parks in December 2021.

7. TD completed the replacement of all on-street parking meters with the new generation on-street parking meters in January 2022. The new parking meters support multiple payment means, including remote payment through mobile application (i.e. HKeMeter), and are equipped with sensors to detect whether individual parking spaces are occupied so that real-time vacancy information of on-street parking spaces can be provided. In addition, the occupancy and payment status of the parking spaces are processed by the backend computer system of the new parking meter system to identify parking spaces which are occupied without payment. TD has shared such information with the Police to facilitate enforcement.

8. To implement Audit's recommendations, the Environmental Protection Department (EPD) completed the installation of over 1 200 additional public electric vehicle (EV) chargers in government car parks in September 2022 and would provide information of the occupancy status of EV charging spaces in individual multi-storey car parks under TD's purview on a trial basis. Moreover, since 1 August 2020, TD has designated some of the parking spaces with chargers for EV's exclusive use in five car parks under its purview. TD will continue to review and enhance the effectiveness of the arrangement.

9. TD will continue to work with the Environment and Ecology Bureau (EEB) (formerly known as the Environment Bureau) and EPD in implementing the new policy and initiatives for EVs, including facilitating EPD to install more EV chargers in the multi-storey car parks under TD's purview as far as practicable, and exploring more measures to reduce the occupation of parking spaces equipped with EV chargers by non-EVs.

10. TD is taking forward a number of Automated Parking System (APS) projects, including the short-term tenancy (STT) sites at Hoi Shing Road in Tsuen Wan and Pak Shek Kok in Tai Po, the open space at the junction of Yen Chow Street and Tung Chau Street in Sham Shui Po, the Joint-user Government Office Building in Area 67 in Tseung Kwan O, the Sports Centre cum Public Vehicle Park project at Sze Mei Street in San Po Kong and two proposed government building sites at Chung Kong Road in Sheung Wan and Sheung Mau Street in Chai Wan respectively, which are in good progress. The Transport and Logistics Bureau (TLB) (formerly known as the Transport and Housing Bureau)/TD will continue to take forward APS projects in suitable STT sites and public works projects.

Progress made in implementing Audit's and PAC's Recommendations

Encl. 5 11. The latest progress made by the Government in response to the recommendations of Audit and PAC is at Enclosure 5.

Monitoring of charitable fund-raising activities
(Paragraphs 7 to 9 of Part 5 of PAC Report No. 75)

12. Government departments concerned have been following up on the recommendations made by Audit and PAC on the monitoring of charitable fund-raising activities. The progress made is reported below.

Encl. 6 13. The Home and Youth Affairs Bureau (HYAB) (formerly known as HAB) has been tasked to co-ordinate inputs from relevant Bureaux/Departments (B/Ds) in formulating a response to the Law Reform Commission (LRC)'s recommendations upon the re-organisation of the Government in July 2022. The Government introduced and implemented a series of administrative measures relating to charitable fund-raising activities in two phases in 2018 and 2019 with reference to the recommendations in the LRC Report, the Audit Report and the PAC Report with a view to optimising the relevant monitoring work. The latest progress is at Enclosure 6.

Management of squatter and licensed structures
(Paragraphs 10 to 12 of Part 5 of PAC Report No. 75)

Encl. 7 14. The Government has taken follow-up actions as appropriate to address Audit's recommendations. A summary of the updated progress of the outstanding items is set out in Enclosure 7.

Government's support and monitoring of charities

(Paragraphs 17 to 19 of Part 5 of PAC Report No. 75)

15. Government departments concerned have been following up on the recommendations made by Audit and PAC on Government's support and monitoring of charities. LRC made recommendations on the regulation of charitable organisations and charitable fund-raising activities in its Report in December 2013. As the recommendations touch upon the duties and responsibilities of a number of Government B/Ds, HYAB has been tasked to co-ordinate inputs from relevant B/Ds in formulating a response to LRC's recommendations. The Government has implemented a series of administrative measures in phases since August 2018 with reference to the recommendations in the LRC Report, Audit Report and PAC Report. A progress update is at Enclosure 8.

Encl. 8

Hong Kong Academy for Performing Arts

(Paragraphs 24 and 25 of Part 5 of PAC Report No. 75)

16. The Government and the Hong Kong Academy for Performing Arts (HKAPA) generally accept the recommendations made by Audit and PAC of the Legislative Council (LegCo). CSTB and HKAPA have continued to take appropriate actions to take forward Audit's recommendations. Details of the progress made are set out at Enclosure 9.

Encl. 9

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

(Paragraphs 44 and 45 of Part 5 of PAC Report No. 75)

17. Having regard to the views and recommendations made by Audit and PAC on the regulation of non-franchised bus and school private light bus services, the Government has taken follow-up actions as appropriate. An update of the outstanding items is at Enclosure 10.

Encl. 10

Operation of the Land Registry

(Paragraphs 46 and 47 of Part 5 of PAC Report No. 75)

18. The Land Registry and the relevant B/Ds have been following up on Audit's recommendations regarding operation of the Land Registry. A summary of the progress of the outstanding items is set out in the Enclosure 11.

Encl. 11

Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

(Paragraphs 60 and 61 of Part 5 of PAC Report No. 75)

19. The Food and Environmental Hygiene Department (FEHD) has been following up on recommendations made by PAC and Audit regarding planning, provision and management of public toilets. The latest progress made is reported below.

20. Since April 2004, the FEHD has adopted the male-to-female toilet compartment ratio (i.e. the ratio of 1:2) in the Handbook on Standard Features for Public Toilets in the designing of public toilets. To better meet public needs, the FEHD commissioned a university in 2021 to conduct a review and make recommendations regarding the ratio of sanitary fitments in male and female toilets (including male compartment, male urinals and female compartments). After considering relevant recommendations, as well as analysing and assessing the demand and usage of its public toilets, the FEHD has drawn up an updated standard of the ratio concerned for reference. According to this standard ratio, in general, the average male-to-female toilet compartment ratio in public toilets increases from 1:2 to 1:2.32. Moreover, in view of the suggestion of the review, the FEHD has added in its updated standard the male-compartment-to-male-urinal ratio (1:0.88). When planning to build new public toilets or to refurbish existing public toilets, the FEHD will use this ratio as the basis and take into consideration a basket of factors (such as the land area, the location of the public toilet, etc.) to determine the number of sanitary fitments in male and female toilets.

Control of wild and stray animal nuisances

(Paragraphs 68 and 69 of Part 5 of PAC Report No. 75)

21. The Agriculture, Fisheries and Conservation Department has been actively following up the recommendations of Audit. The progress of various items is set out in Enclosure 12.

Encl. 12

Acquisition and management of collection items in public museums

(Chapter 1 of Part 8 of PAC Report No. 75)

22. The Government has been actively following up the recommendations made by Audit on the acquisition and management of collection items in public museums. The Leisure and Cultural Services Department (LCSD) has taken the following actions to follow up on the recommendations.

Accession of museum collection items

23. Regarding the accession of collection items mentioned in the Report No. 75 of the Director of Audit, it is expected that the accession of the remaining collection items can be completed in 2023 for the Hong Kong Museum of History (Museum of History) and the Hong Kong Heritage Museum, and in or before 2029 for the Hong Kong Film Archive (Archive).

Stocktaking and storage of museum collection items

24. The stocktaking exercise for the Museum of History was completed in July 2022, whereas the stocktaking exercise for the Archive is expected to complete in or before 2024.

25. The Museum of History is relocating the collection items stored in the aged building to the new museum store, which is expected to complete within 2022. In addition, LCSD has collected the environmental data of storerooms inside museums and the off-site stores of other LCSD museums. The data analysis work is in progress and is expected to complete within 2022.

26. LCSD consulted the Home Affairs Panel of LegCo on the detailed design and technical details of the project in the third quarter of 2022, and targeted to submit the funding application of the main construction works of the project to Finance Committee of LegCo within 2022.

Progress made in implementing Audit's recommendations

Encl. 13 27. The progress of follow-up actions taken by the Government to implement the recommendations of Audit is at Enclosure 13.

Funding schemes for conservation of built heritage managed by the Development Bureau

(Chapter 3 of Part 8 of PAC Report No. 75)

Encl. 14 28. The Development Bureau (DEVB) has taken appropriate actions to follow up on the recommendations made by Audit. A summary of the progress of the outstanding items is at Enclosure 14.

Management of Mandatory Building Inspection Scheme by the Buildings Department

(Chapter 6 of Part 8 of PAC Report No. 75)

Encl. 15 29. The Buildings Department has taken follow-up actions to implement the recommendations made by Audit, with the latest progress set out at Enclosure 15.

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 75A)**

MATTERS OUTSTANDING

**Collection and removal of marine refuse by the Marine Department
(Chapter 1 of Part 4 of PAC Report No. 75A)**

30. The Marine Department (MD) has continued to follow up on the recommendations made by PAC and Audit on the collection and removal of marine refuse. The latest progress made is reported below.

Reporting of the quantity of marine refuse collected

31. In response to PAC's recommendations, MD has reviewed and started using the EPD's records for reporting the actual weight of marine refuse collected by MD's contractor in the Controlling Officer's Report since 2022-23, in lieu of the past practice of estimation by volume but not actual weight, with a view to reporting the quantity of marine refuse collected in a more accurate and consistent manner.

Reimbursement of disposal charges to the contractor

32. MD has reviewed the tender documents of the marine refuse cleansing and disposal service contract for the whole of Hong Kong waters, and incorporated into the tender documents a clause specifying clearly that refuse disposal costs will be borne by the contractor.

Inviting tenders for cleansing and disposal services

33. MD has reviewed the tender for the next marine refuse cleansing and disposal service contract for the whole of Hong Kong waters, taking into account the recommendations of the Central Tender Board (CTB) to revise the new tender documents with a view to enhancing the competitiveness of the tender. Such revisions include allowing a longer tender period for the tenderers to prepare their proposals and shortening the contract period to allow more flexibility, as well as allowing a longer gearing up period for successful tenderers to make ready the necessary resources, etc.

34. After obtaining policy support from the Environment Bureau (now re-organised as EEB), MD conducted an open tender exercise for the new marine cleansing contract on 14 January 2022. The new marine cleansing contract endorsed by the CTB was awarded on 17 June 2022 and the new contract commenced on 1 October 2022.

Monitoring of the management of marine refuse collection points

35. The replacement of the lifting appliance in Ap Lei Chau marine refuse collection point was completed on 29 December 2021.

Progress of implementing the recommendations of Audit and PAC

Encl. 16 36. The latest progress of implementing the recommendations of Audit and PAC is summarised in Enclosure 16.

Government's efforts in tackling shoreline refuse
(Chapter 2 of Part 4 of PAC Report No. 75A)

37. Government departments concerned have been following up on recommendations made by Audit and PAC on the Government's efforts in tackling shoreline refuse. The latest progress made is reported below.

38. As regards the recommendation of setting specific measurable performance target and timetable for improving shoreline cleanliness, EPD has developed two-tier performance targets, namely "Time Factored Cleanup Service" and "Cleanliness Grading Indicator". These performance targets have been endorsed by the Interdepartmental Working Group on Marine Environmental Management and become effective since 1 April 2022.

39. LCSD has been following up on the recommendations made by Audit and PAC on its efforts in tackling shoreline refuse, including incorporating into the cleansing contracts performance standards on cleanliness condition of beaches. Besides, LCSD has also strived to maintain close contact with the Architectural Services Department (ArchSD) and EMSD to expedite the installation of water dispensers at gazetted beaches as far as practicable, and will explore in future the feasibility of applying innovative technology, including installation of smart water dispensers at gazetted beaches.

40. At present, 33 beaches under LCSD are provided with water dispensers. The installation of water dispensers at four beaches will be completed within 2022 while the installation work at another one is expected to be completed in 2023. After rounds of discussions with ArchSD and EMSD, it has been confirmed that due to the lack of infrastructure (e.g. fresh water supply or sewage disposal system), water dispensers cannot be provided at four beaches.

41. Regarding whether the 360-degree camera system can facilitate the enforcement actions against shoreline littering, FEHD has sought legal advice from the Department of Justice, and learnt that the information collected by the system cannot serve as evidence to secure a reasonable prospect of conviction of the concerned individual, hence cannot be used for prosecuting littering offences. Nevertheless, FEHD staff will continue to enhance inspection to the public places near the shore, e.g. piers and fishing hotspots, to clear refuse and take enforcement action.

Encl. 17 42. The latest progress made by the Government in response to the recommendations of Audit and PAC is at Enclosure 17.

Efforts of the Home Affairs Department in facilitating building management
(Chapter 3 of Part 4 of PAC Report No. 75A)

Encl. 18 43. The Home Affairs Department (HAD) has been taking proactive actions to follow up on the recommendations made by Audit and PAC on HAD's efforts in facilitating building management. The latest progress is summarised in Enclosure 18.

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 77)**

Chapter 1 – Highways Department: Maintenance of public footpaths

44. The Government agrees with the recommendations made by Audit and PAC on the Highways Department's (HyD's) maintenance of public footpaths. HyD has taken the measures below to follow up on the relevant recommendations.

Inspection and routine maintenance works

Damaged footpaths

45. According to contract requirements, HyD's contractors shall conduct regular inspections on public footpaths, including routine inspections and detailed inspections. Routine inspections are designed to identify all defects of the road network that are likely to create danger or serious inconvenience to users (i.e. defects which need to be rectified immediately). In addition to recording defects that require immediate rectification, detailed inspections are designed to record all defects that require routine maintenance (i.e. defects which are unlikely to pose danger and serious inconvenience to road users and do not require immediate rectification). HyD's Road Inspection Manual (RIM) has clear guidelines and procedures to facilitate contractors' identification of the above two types of defects. According to the specifications of the contract, contractors shall observe RIM in carrying out routine inspections and detailed inspections.

46. As regards defects that have not been identified by the contractors in the routine inspections as mentioned in the Audit Report, the contractors concerned have already rectified all 183 defects. HyD has issued default notices (DNs) to the contractors concerned in accordance with the contractual mechanism and duly reflected the contractors' pertinent unsatisfactory performance in their quarterly performance reports. HyD will continue to strictly monitor the performance of the contractors to ensure that the contractors will record all defects during routine inspections and detailed inspections, and will timely complete the relevant rectification works in accordance with the relevant inspection mechanism and contractual requirements. If any non-compliance in the inspection or maintenance works is identified, HyD will issue DN's to the contractors concerned and deduct the payments to the contractors in accordance with the contractual mechanism.

47. HyD has already requested the contractors to record all defects, including those defects that are unlikely to pose danger and serious inconvenience to road users and do not require immediate rectification, in the above-mentioned inspections, and has requested the contractors to monitor the conditions of the relevant defects in their regular routine inspections. HyD will continue to closely monitor the contractors in timely repairing small scale defects in accordance with the terms of the contracts through carrying out Engineer's Audits (EAs).

48. To manage the workflow of inspection and maintenance works of public roads more effectively, HyD is developing a new digital management system. The system development already commenced in April 2022 for completion in Q4 2022 for trial. With the new system in place, the workflows related to Engineer's Inspections (EIs), EAs, and checking of reports on completion of works will be digitalised to enhance efficiency in carrying out these works. As compared to the existing paper-based workflow carried out by HyD's staff, the system will be able to send the results of EIs and EAs to the contractors more expeditiously so that the contractors could follow up and rectify defects identified in EIs as soon as possible.

49. TLB will continue to urge HyD to strengthen the checking of the contractors' submission of inspection reports, improve the monitoring of contractors' works, enhance the Electronic Maintenance Management System (EMMS) in a timely manner, and properly maintain all inspection and maintenance records with a view to strengthening the monitoring of the contractors' road maintenance works.

Coverage of inspections

50. Concerning the omission of inspections for the 15 roads (equivalent to 0.5% of 3312 roads maintained by HyD, including some minor rural roads in Outlying Islands amongst other roads) mentioned in the Audit Report, the main reason for the omissions is that the contractors had overlooked these roads and therefore they were not included in the contractors' inspection programmes. When the omissions were brought to the attention of HyD in September 2021, HyD immediately required the contractors concerned to include these 15 omitted roads into their inspection programmes. HyD confirms that the contractors concerned have completed the inspections for all 15 roads, as well as the other three roads mentioned in the Audit Report which the contractors concerned had only submitted the detailed inspection reports but not the routine inspection reports. HyD has issued DNs to the relevant contractors for the omitted inspections. To facilitate the checking of road inspection works conducted by the contractors in future, HyD has prepared master lists of the public roads and public footpaths maintained by HyD for checking against the inspection programmes submitted by the contractors.

Submission of inspection reports

51. According to the Audit Report, the actual submission dates of some inspection reports submitted by the contractors were either not shown or wrongly displayed in EMMS because of system bugs. The contractors have already rectified such bugs. In order to avoid similar system problems during submission or processing of inspection reports in future, and to ensure that contractors will submit relevant reports in a timely manner and the submission records will be kept for vetting, HyD has required the contractors of the two new term contracts tendered in October 2021 to upload the inspection reports and completion reports of rectification works to EMMS directly. This requirement will also be included in the term contracts to be tendered in future.

Submission of reports on completion of works

52. For some cases where the contractors had not completed defect rectification works within the stipulated time limits as mentioned in the Audit Report, in addition to the issuance of DNs to the contractors concerned, HyD has also duly reflected the contractors' pertinent unsatisfactory performance in their quarterly performance reports. HyD has also reminded the contractors to complete the defect rectification works within the time limit as stipulated in the contract.

EIs

53. For the 11 cases mentioned in the Audit Report which HyD had informed the contractors in more than 24 hours before conducting EAs, the contractors were only notified of the date and time of EAs to facilitate the contractors to arrange staff to be present on site or to prepare for the necessary equipment (e.g. working tools such as shovel and crowbar). In general, an independent team from HyD would randomly select the sites shortly before the EAs, and the respective contractors would only be notified within two hours before the EAs. As such, it is not feasible for the contractors to carry out any advanced works on site. Nevertheless, HyD has also reminded its staff to strictly follow the notification requirements when conducting EAs.

Maintenance records for roads

54. As mentioned in the Audit Report, maintenance records of some public roads (such as completion reports for rectification of defects under EAs) were not centrally kept in EMMS. Under the two new term contracts tendered in October 2021, HyD has already required the contractors to enhance the functions of EMMS to record completion reports for rectification of defects under Notification Forms and EAs. Moreover, the new digital management system mentioned in paragraph 48 above will facilitate HyD's monitoring of the progress of the defect rectification works carried out by the contractors.

Frequency of routine inspection of footpaths

55. For cases which failed to meet the required frequency of routine inspection of footpaths, HyD has issued DNs to the contractors and reminded them to conduct inspections of footpaths in accordance with the frequency stipulated in the contracts. HyD has reviewed and revised the contract provisions on the frequency of routine inspections for footpaths. The revised contract provisions have been adopted in the new term contracts commenced in April 2022, where the frequency of routine inspection of footpaths is clearly specified. HyD will check the routine inspection reports of footpaths submitted by the contractors to ensure that the frequency of the routine inspection complies with the contract requirements.

Non-routine maintenance and rehabilitation works

Over-estimation of project costs

56. As regards the over-estimation of the project estimates of six rehabilitation projects mentioned in the Audit Report, HyD has included additional inspection items in the checklist for assessing the project estimates and requested its staff to further verify the actual site conditions and construction constraints, thereby improving the accuracy of project estimates for future rehabilitation projects. HyD had also reminded its staff to regularly review the completed projects funded by Head 706 (Highways) Subhead 6100TX block allocation under the Capital Works Reserve Fund, so as to finalise the relevant accounts as early as practicable, delete such items from block allocation in a timely manner, and release the unused funds from the system. In fact, expenditures under Subhead 6100TX in Financial Years 2020/21 and 2021/22 had reached 99.9% and 99.0% of the allocation respectively.

Records of implementation progress of works orders

57. According to the Audit Report, the actual completion dates of some works orders for carrying out non-routine maintenance works on certain footpaths were not reflected in the Maintenance Accounting and Information System (MAINS). HyD updated the MAINS in January 2022 to reflect the actual completion dates of the works orders.

Submission of reports on completion of works and checking of completed works

58. Concerning the contractors' late submission of reports on completion of works for some works orders as mentioned in the Audit Report, HyD has reflected the pertinent unsatisfactory performance in the concerned contractors' quarterly performance reports and reminded the contractors to timely submit the reports on completion of works.

59. Work-from-home arrangements had been implemented for government employees for seven months during the period from April 2020 to March 2021 in light of the coronavirus disease epidemic. During the period, HyD's manpower was mainly deployed for maintaining emergency works and essential public services. In this connection, some of the completed non-routine footpath maintenance works could not be checked by HyD staff within the required time frame as stipulated in the Maintenance Administration Handbook (MAH). HyD has reminded its staff to conduct checking on works completion within the time limit stipulated in MAH. In addition, the new digital management system mentioned in paragraph 48 above will also facilitate HyD's monitoring of the timeliness of report submission upon completion of works by contractors, and will enable HyD to supervise its staff to check the completion of works in a timely manner.

Delays in project completion

60. Since rehabilitation works for public footpaths are improvement projects, the public footpaths are still available for public use when the works are in progress. Among the four completed projects with delays as mentioned in the Audit Report, two involved public footpaths adjacent to private development sites. Rehabilitation works for the relevant footpaths require co-ordination with the relevant development works, thus resulting in delays in completion. For another rehabilitation project with delay in completion, the location of the footpath was in close proximity to a school. In response to the school's request, HyD postponed the rehabilitation works for that section of the footpath to the summer vacation in order to minimise the impact of the works on teachers and students, resulting in delay in completion of works. For the remaining project, while HyD had completed all footpath rehabilitation works within the scheduled construction period, completion of the whole project was delayed due to the delay in reconstructing the relevant manhole cover by other public utilities.

61. In order to minimise the impact of the works on residents nearby, HyD will carry out rehabilitation works for footpaths in phases, and will consult the residents, shop owners and stakeholders in the vicinity on detailed works arrangement prior to commencing the individual phase of works. The public footpaths concerned are still available for public use during the consultation. HyD has updated the project checklist to include the identification of relevant stakeholders at the early planning stage and the respective consultation on the detailed works arrangements before commencement of works.

Submission of dimension books

62. As mentioned in the Audit Report, there were delays in submission of dimension books by contractors for 360 works orders. For some cases, the contractors had not been able to deploy sufficient manpower resources for timely completion of the dimension books. For other cases, the delay was mainly due to the longer time required for assessment of the extension of time claims made by the contractors. Since 2011, HyD had already put in place a measure under its local road maintenance contracts to recover all previous interim payments under a works order from the contractor who fails to submit the dimension book within 90 days upon the date of completion of a works order and without justifiable reasons, so as to ensure late submission of the dimension books will not lead to any overpayment. HyD has included a standing discussion item in the regular progress meetings with the contractors to closely monitor the timely submission of dimension books.

Other related issues

Design and choice of paving materials

63. HyD reviewed the design of paving materials for footpath locations subject to heavy loading in June 2022 and updated the relevant design guidelines in September 2022.

Site trials for new eco-pavers

64. HyD already completed the laying of new eco-pavers at 11 locations in September 2022 for site trials. There are different suppliers in the market supplying new eco-pavers according to the current data. HyD will closely monitor the situation to ensure a stable supply of the new eco-pavers.

Pedestrian railings

65. TD agreed with Audit's recommendation to create a dedicated database to record the review of railing provisions, which will cover the road section reviewed, recommended works, scheduled and actual completion date, reasons for not implementing the recommended works, etc. As per Audit's recommendations, the dedicated database will be updated on a yearly basis to facilitate TD's management in monitoring and reviewing relevant progress.

66. TD will keep on stepping up its efforts in demonstrating to the public the benefits of suitably removing railings without compromising safety through appropriate consultation, explanation, site meeting, etc. with a view to garnering public support for the railings decluttering proposals.

Progress made in implementing Audit's recommendations

Encl. 19 67. The progress of follow-up actions taken by the Government to implement the recommendations of Audit and PAC is set out at Enclosure 19.

Chapter 2 – Kai Tak District Cooling System

68. The Government agrees with the recommendations made by Audit and PAC on the Kai Tak District Cooling System (KTDCS). EMSD has taken a series of measures to follow up on the recommendations. The progress made is reported below.

Administration of KTDCS

69. EMSD reminded its staff that, in implementing the District Cooling System (DCS) projects in future, continued efforts should be made to improve the pre-tender site investigations (SI) on underground utilities by identifying suitable locations for conducting SI in the course of design development stage as far as practicable taking into account the actual site constraints, with a view to enhancing the SI work arrangement before tendering and providing more accurate information on site conditions for design and tender purpose. Besides, EMSD will continue to liaise with utilities and stakeholders to obtain better understanding of the latest situation of underground utilities. In addition, as the entrustment arrangement adopted since 2013 has proven to be effective in resolving interfacing problems between works contracts, EMSD will continue with this arrangement and actively coordinate with the stakeholders with a view to facilitating the smooth completion of DCS works. Similar entrustment arrangement has already been adopted under Tung Chung New Town Extension (East) (TCNTE) and Kwu Tung North (KTN) projects.

70. EMSD will enhance the phasing arrangement of construction works before inviting tenders. EMSD has reminded its staff to, for projects with long time span like KTDCS, fine tune the construction work phasing arrangement in accordance with the latest project development, which will be beneficial to the construction and operation of the project. Moreover, the phasing arrangement of construction works contracts, where required, would be reviewed before inviting tenders.

71. With regard to the malfunction of some water leakage detection cables, the defects rectification works of installing the noise logger system were completed in December 2021. EMSD has been closely monitoring its performance since then and no abnormality was observed so far. In addition, the account of Contract D was finalised in June 2022.

72. EMSD has been closely monitoring on regular basis the works progress of Phase III (Remaining Works) of KTDCS with a view to ensuring the timely completion of such works and providing district cooling services to match the schedules of development projects at Kai Tak Development (KTD).

Monitoring of Operation of KTDCS

73. On the operation of KTDCS, EMSD will make continued efforts to closely monitor the performance of Contractor B in operating KTDCS, including its compliance with Key Performance Indicators (KPI), and will take follow up actions as necessary.

74. EMSD has enhanced the operation payment adjustment mechanism of DCS at TCNTE and KTN with a view to better reflecting the level of performance achieved by the contractors. EMSD has reminded its staff to make continued efforts to enhance the operation payment adjustment mechanism in future contracts for operating KTDCS and explore new payment adjustment mechanisms, where appropriate, for implementation in DCS projects at New Development Areas (NDAs).

75. EMSD has devised a new KPI of system coefficient of performance and incorporated it in the Design-Build-Operate contract for the Additional DCS at KTD. EMSD has reminded its staff to make continued efforts to consider incorporating new KPIs into future contracts for operating KTDCS and explore new KPIs, where appropriate, for implementation in DCS projects at NDAs.

76. EMSD has reminded its staff to follow the guidelines on conducting site inspections for monitoring the contractor performance in operating KTDCS, which have been implemented smoothly since the guidelines took effect in October 2021. EMSD staff were also reminded to include in the inspection reports the information of on-site inspection results and follow-up actions taken. Since December 2021, EMSD has been compiling management information regularly with on-site inspection results of KTDCS for monitoring purpose.

77. Since EMSD's implementation of the temperature reset measure, the performance outcome of KTDCS has been found effective as the chilled water return temperatures are being maintained close to the required level. EMSD has reminded its staff to make continued effort to explore measures to monitor the chilled water return temperatures as far as practicable. Since November 2021, Contractor B has been compiling and reporting regularly to EMSD the information on DCS consumers' compliance with the chilled water return temperature requirement.

78. EMSD completed a review on the operation of KTDCS and automatic operating mode and will continue to closely monitor the overall system efficiency and performance.

79. EMSD has implemented the enhancement measures on incident reporting since November 2021 to monitor Contractor B's compliance with the incident reporting requirements, including –

- (i) requiring the contractor to include in the incident report information on the level of incident and the time of reporting the incident to its management and EMSD; and
- (ii) enhancing the record keeping on incidents notified by Contractor B by telephone or in person to facilitate follow-up actions.

80. Following the water leakage and flooding incident in July 2018, EMSD has enhanced its monitoring, operation and maintenance practices since November 2018, and there has been no similar incidents since then. EMSD has reminded its staff to make continued efforts to enhance the operation and maintenance of KTDCS plants with a view to avoiding recurrence of water leakage or flooding incident at the plants.

Provision of District Cooling Services and Other Related Issues

81. Since November 2021, EMSD has included in the list of development sites for connection to KTDCS the relevant information for following up developments at the sites for provision of district cooling services. EMSD has started to use the checklist on workflow and mechanism for connection to DCS since September 2021 and the operation has so far been smooth.

82. To enhance liaison, EMSD has reminded its staff to closely liaise with the relevant B/Ds and the responsible parties of the public and private non-domestic developments at KTD for provision of district cooling services. Besides, a list of consumers has also been compiled for monitoring the development of KTD and connection to the DCS. EMSD will keep under review the cooling demand of various developments at KTD and ensure that any additional development should align with the design of KTDCS.

83. To prepare for the operation of the Additional DCS targeted in 2023, EMSD has completed the tariff review report for KTDCS which has been reviewed by the relevant B/Ds.

84. In implementing DCS projects in future, EMSD will continue to take measures to ensure that the project cost is estimated as accurately as possible. Besides, following the completion of the post-completion review for the Phases I and II, EMSD has identified areas for improvement in future DCS projects.

Progress Made in Implementing Audit's Recommendations

Encl. 20 85. The progress of follow-up actions taken by the Government to implement the recommendations of Audit is set out in Enclosure 20.

Chapter 3 – Leisure and Cultural Services Department: Provision and management of sports grounds

86. LCSD has accepted the recommendations made by Audit and PAC on the provision and management of sports grounds. LCSD has taken appropriate follow-up actions including immediate rectification to the irregularities as identified by Audit. Major measures taken are reported below, with details set out at Enclosure 21.

Planning and provision

87. LCSD continues to take into account the usage rate of a sports ground for its main function in planning new sports ground projects. LCSD has adopted a common calculation basis, including keeping separate statistics on the usage rates of a sports ground for its main function and for jogging activities, in calculating the total average usage rate. Moreover, LCSD has maintained hourly statistics on the number of joggers in sports ground, with the exclusion of the number of non-joggers, to avoid data inaccuracy. Starting from September 2022, hourly statistics on the number of joggers has been included in the monthly usage return for sports grounds.

88. LCSD continues to implement the redevelopment projects according to the schedule of the Five-Year Plan for Sports and Recreation Facilities (Five-Year Plan) with ArchSD to ensure their timely completion. The project Redevelopment of Yuen Long Stadium is on schedule. As regards the project Redevelopment of the Aberdeen Sports Ground, it has been included in Invigorating Island South initiative as announced by the Chief Executive in 2020 Policy Address. It is also one of the projects for conducting a technical feasibility study under the Five-Year Plan. LCSD will continue to work closely with DEVB and relevant departments to take forward the project.

89. LCSD has been closely monitoring the progress of the improvement works on drainage and irrigation systems in the sports grounds through bi-monthly inspections. The Sport Turf Management Section (STMS) of LCSD has assisted respective venue management to work out long-term improvement works on drainage and irrigation system. As short-term measures, STMS has advised venue management to step up aerification work and apply wetting agents to mitigate the waterlogging and drought conditions. In general, turf conditions are satisfactory.

90. With regard to provision of water dispensers to the users of sports grounds, especially under the epidemic situation, LCSD has speeded up the replacement of bubbler-type water dispensers. In May 2022, all sports grounds are provided with at least one water dispenser with either “bottle filler” or “both bottle filler and bubbler”, i.e. Type A or “new” type C functions, except the Sai Kung Tang Siu Kin Sports Ground (SKTSKSG) which was closed for renovation. The SKTSKSG will be provided with water dispenser with bottle filling function upon completion of its renovation works.

Operational matters

91. To ensure faithful discharge of duties by management staff of sports grounds, LCSD has reminded the staff concerned to strictly comply with all prevailing procedures/guidelines. In addition, an action checklist against the irregularities identified in the Audit Report has been devised, which requires staff concerned to pay special attention to the relevant booking guidelines and procedures when handling booking applications. District management is required to complete the action checklist with District Leisure Manager’s endorsement on a half-yearly basis.

92. LCSD has reviewed the existing arrangements on the concurrent use of in field turf pitch and running track in sports grounds. A mechanism has been devised for the District Leisure Manager to take into account the actual needs and safety considerations when adjusting the number of lanes that can be used for jogging when football activities are conducted in the in-field turf pitch of a sports ground with a view to enhancing flexibility in the provision of service. The revised guidelines was promulgated in early October 2022.

Venue management

93. To improve the effectiveness of inspection conducted by district management and venue staff, LCSD has recirculated the relevant guidelines and issued an action checklist to all districts with a view to requiring them to observe the requirement of the guidelines, including the procedures for verification of inventory items, the need to perform regular inspection of first-aid equipment and automatic external defibrillators (AEDs), as well as the frequency of supervisory inspection with proper record.

94. As regards the irregularities identified during the audit visit to three sports grounds, venue management of sports grounds concerned have rectified the irregularities. Furthermore, LCSD has reminded and requested staff concerned to adhere to the relevant guidelines and enhance the monitoring of repair and maintenance works, including the target time frames for completion of works.

Progress of Implementing Audit's Recommendations

Encl. 21 95. A summary of the progress made in implementing Audit's recommendations is at Enclosure 21.

Chapter 4 – Licensing and examination services for vehicles

96. The Government accepts the recommendations made by Audit on the licensing and examination services for vehicles. TD has taken the following actions to follow up on the recommendations.

E-licensing initiatives

97. Riding on the launch of “iAM Smart”, TD has upgraded its existing online licensing application services by phases since December 2020, and will further extend online service to other licensing services by phases from 2022. Vehicle owners/licence holders can choose to authenticate by “iAM Smart”, and submit online application more efficiently through the automatic form filling and digital signing functions. At the same time, to facilitate members of the public to register for “iAM Smart” to enjoy more convenient licensing services, starting from May 2022, TD has partnered with the Office of the Government Chief Information Officer to set up mobile registration teams at the four Licensing Offices (LOs) of TD. As at end July 2022, over 6 000 registrations for “iAM Smart” via the mobile registration teams at TD's LOs were recorded.

98. On the other hand, TD plans to further enhance the arrangements for issuing permits, vehicle and driving-related licences under the Road Traffic Ordinance (Cap. 374) and its subsidiary legislations for the use of vehicles and roads and for other related purposes, including –

- (a) **Electronic permits** – to issue majority of the permits in electronic “portable document format” (pdf), and send them to the applicants via emails for self-printing and display;
- (b) **Electronic vehicle licence (eVL)** – to use online application and issue paper-form vehicle licence (VL) that will no longer bear an expiry date, which will obviate the need for vehicle owners to replace the paper-form VL after each renewal; and
- (c) **Electronic driving licence** – to accept the presentation of driving licence via mobile application as a supplementary and additional form of driving licence.

In conjunction with the introduction of eVL, TD also plans to take measures to streamline the procedures for VL renewal application and to pave the way for full automation of the processing procedures. The objective is to further enhance operational efficiency and bring convenience to the public during the application process.

99. TD plans to submit the legislative amendment proposals for various e-licensing initiatives to LegCo by phases from 2022 to 2024. Subject to the passage of the relevant legislative amendments, the e-licensing initiatives mentioned in paragraph 98 above will be implemented by phases upon completion of the necessary system enhancements.

Part 2: Operation of TD's LOs

Services provided by LOs

100. Starting from 31 May 2022, TD has implemented a trial queue ticketing system for driving licence-related services at the Kowloon Licensing Office (KLO) so members of the public do not need to queue at the waiting hall, thereby alleviating the congested environment at the waiting hall of KLO. After reviewing the result of the trial, TD plans to extend the queue ticketing system to cover the driving licence-related services at the other three LOs by the end of 2022.

101. To encourage the use of online services for licensing applications, TD strengthened promotion on its website and HKeMobility mobile application in January and May 2022 respectively. In parallel, promotional posters were put up at all TD's LOs, government carparks managed by TD, the Transport Department Vehicle Examination Complex (TDVEC), 20 designated post offices and HAD's district offices. To step up publicity efforts, TD has also promoted the use of online application for renewal of VL on the GovHK homepage since June 2022. In addition, TD had distributed the relevant pamphlets in the "Journey Smart" roving exhibition from 23 to 27 July 2022 to further promote the use of online application for renewal of VL.

102. Concerning the provision of appointment booking service (ABS), TD has extended ABS to cover the applications for "Duplicate Vehicle Registration Document/Duplicate Vehicle Licence" from 8 August 2022 onwards. Furthermore, TD has reassessed and adjusted the ABS quota among different licensing services and LOs after taking into account the actual operational situation of respective LOs and the demand for counter services for respective types of licensing applications. To reduce the number of no-show cases of applicants using ABS, TD has sent email reminders to applicants who have made appointment. Besides, timeslots which the applicants have either cancelled or re-scheduled their bookings are released and made available for booking by other applicants. TD will continue to closely monitor the no-show rate of ABS and take necessary measures to reduce the no-show rate.

103. To provide quality licensing services to the public, TD will continue to critically review the manpower requirement of each LO to cope with the service needs. TD also plans to enhance its computer system in order to monitor the workload distribution of the four LOs, so as to flexibly deploy staff among the LOs with the aim of enhancing the processing capacity and efficiency.

Performance reporting

104. TD has refined the workflow by revising the application forms and making use of electronic means to contact applicants in order to improve the performance of providing non-counter licensing services. In addition, TD has been improving its performance through various means, including streamlining procedures and implementing e-initiatives, with a view to reducing the public's reliance on counter services. TD will review and set out the performance targets at opportune junctures to better meet public expectation.

105. To improve the assessment of the performance of licensing services, TD is enhancing its computer system to capture the dates of receipt of applications and the dates of completion of processing for applications received through non-counter means. Apart from the above, TD has included applicants with appointment booking (apart from walk-in applicants) in the waiting time survey conducted in June 2022 with a view to further assessing the performance of each LO. Furthermore, TD plans to extend the public opinion surveys to cover more licensing services and applications received through non-counter means by end-2022 in order to collect the opinion and suggestions of the public on licensing services. TD will continue to review the performance pledge of various licensing services accordingly.

Part 3: Vehicle Examination

Appointment for vehicle examination and inspection

106. TD resumed the online booking system for annual vehicle examination of commercial vehicles and pre-registration examination of vehicles in TDVEC on 17 January 2022 and 8 April 2022 respectively, and has also promoted the use of online systems through its website, posters and trades' meetings/newsletters.

107. As for the handling of reported cases of suspected defective vehicles, TD has completed the review of its internal working procedures and updated its working guidelines on defective vehicle inspections, which took effect from November 2021. TD would suitably redeploy internal manpower and allocate vehicle examination appointment timeslots for expediting the processing of reported cases of defective vehicles as necessary.

Commissioning of TDVEC

108. TD has completed the detailed investigation into the computer system incident of the TDVEC and will draw lessons from it. Based on the recommendations in the investigation report, TD is gradually carrying out the improvement measures and Security Risk Assessment and Audit with a view to enhancing the computer system's security. All security improvement measures will be implemented by the fourth quarter of 2022.

Recruitment exercise

109. TD has concluded the recruitment exercise for Vehicle Tester, with new recruits reported duty already. TD has also started planning for a new round of recruitment exercise for Motor Vehicle Examiner II. TD will continue to plan ahead and conduct recruitment exercises as appropriate to better cope with the manpower requirements of various grades.

Monitoring of designated car testing centres (DCTCs)

110. TD has resumed the on-site surprise checks and spot checks of DCTCs since March 2021. In January 2022, TD completed the review of and updated the DCTC Monitoring Procedures. TD will conduct on-site surprise checks and spot checks in accordance with the updated procedures for monitoring the operation of DCTCs.

Part 4: Administration of Lantau Closed Road Permits (LCRPs)

Strengthen the checking of supporting documents

111. TD completed a review in 2021 on the arrangements of issuing LCRPs (including the nature of applications, justifications of application and provision of supporting documents). After consulting the relevant stakeholders, TD has, following the principle of approving LCRP applications based on the genuine needs of applicants, tightened the LCRP approving mechanism with effect from 1 January 2022.

112. Meanwhile, in December 2021 TD updated its internal guidelines and checklists to enhance the checking of supporting documents and vetting of LCRP applications (such as to ensure the period of tenancy agreement/works contract tallies with the validity period of the LCRPs, etc.). Besides, TD has strengthened staff training to enhance the efficiency in handling LCRP applications.

113. In addition, TD has enhanced the Lantau Permit Information System (LPIS) to provide an electronic checklist for vetting applications, which was launched in September 2022. Regarding the handling of LCRP application for non-franchised buses, TD enhanced the LPIS in July 2022 to facilitate the checking of penalty list with a view to ensuring that an effective mechanism is in place to identify applications that warrant disqualification.

Monitor the unlawful activities involving LCRPs and enhance the security features of LCRPs

114. TD will continue to join hands with the Hong Kong Police Force to monitor unlawful activities involving LCRPs. To prevent any unlawful access to the closed roads of South Lantau with forged LCRPs, TD has added the embossing stamp on each LCRP since September 2021 and used thicker paper in printing LCRP since January 2022 to enhance the security features. In addition, TD has improved the design of LCRPs by incorporating additional anti-counterfeit features into the LCRPs. TD has started using the newly designed LCRPs since September 2022.

Remind permittees to return their expired permits and to notify TD immediately upon any change in the particulars

115. With the introduction of an electronic permit system, the statutory requirement for permittees to return the expired permit will be repealed. The relevant legislative amendment is expected to be completed by end 2022. TD will continue to remind permit holders to return the expired permits to TD before repealing the statutory requirements. Besides, TD has enhanced the wordings in the LCRP application form and guidance notes for permit holders reminding them to notify TD within 72 hours upon any change in the particulars given in the application form.

Progress made in implementing Audit's recommendations

Encl. 22 116. The progress of follow-up actions taken by the Government to implement the recommendations of Audit is at Enclosure 22.

Chapter 5 – Management of flushing water supply

117. The Government accepts the recommendations made by Audit and PAC on the management of flushing water supply. The Water Supplies Department (WSD) has taken a series of measures to follow up on the recommendations. The progress made is reported below.

Management of projects for extension of seawater supply network

118. WSD has reviewed the experience acquired in the management of the projects for extension of seawater supply network. The scope of review covered the preparation of contract documents, interim payments to contractors, pre-tender SI, gathering of as-built records of underground structures, tree survey planning and project post-completion review, etc. The improvement measures for project management that have been formulated and implemented include the completion of updating relevant internal guidelines and issuing memos and letters to remind internal project teams, project consultants and contractors to pay attention to the requirements stipulated in the guidelines, and conducting in-house sharing of experience in order to enhance the measures for management and implementation of relevant projects.

119. In addition, WSD has given priority to deal with those temporary mains fresh water for flushing accounts with large flushing water consumption during the conversion works in Pok Fu Lam and Northwest New Territories seawater supply zones. As a result, the consumption of salt water for flushing in Pok Fu Lam and Northwest New Territories has accounted for more than 80% of the total flushing water consumption in the areas. With a view to further expediting the progress of conversion to seawater for flushing, WSD has engaged consultants to assist in taking forward the remaining conversion works. WSD will proactively request more customers to convert to seawater for flushing and advise them to employ licensed plumbers to inspect their flushing systems in a timely manner whilst providing them with technical advice and support. Up to end September 2022, the consultants have completed site inspection of about 150 estates or buildings. WSD will determine the priority and devise the programme for implementation of the conversion works based on the inspection results. Conversion works for about 200 estates or buildings in the first batch are anticipated to be completed by end 2024. With reference to the challenges encountered and experience gained in Pok Fu Lam and Northwest New Territories, WSD will take effective measures to overcome the challenges and strive to expedite the completion of the remaining conversion works.

Operation and maintenance of seawater supply systems

120. For monitoring of flushing water quality, WSD has been implementing a monitoring programme for flushing water quality, through a series of physical, chemical and bacteriological examinations of water samples taken from monitoring points at salt water pumping stations, salt water service reservoirs and customer ends, to ensure the quality of flushing water complies with WSD's Water Quality Objectives. WSD will review the sampling points for flushing water in a timely manner with due regard in, for example, the accessibility and representativeness of the sampling points at customer ends etc., and record the details of the review.

121. WSD has been adopting a risk-based asset management strategy for the selection of water mains for inclusion in the water mains improvement works programme based on the level of risks with close monitoring of the relevant work progress. WSD will take the following enhanced measures with a view to further reducing main bursts and leaks:

- (i) commissioning a study to explore the extension of Water Intelligent Network to cover salt water supply network to be divided into discrete District Metering Areas of manageable size for continuous monitoring and pressure management so as to maintain network healthiness;
- (ii) examining water main burst or leak cases regularly in order to review the water main risk scoring system for enhancing risk assessment of water mains; and
- (iii) maintaining the list of main burst hot spots for regular progress review of the improvement works of water mains and resolving problems in a timely manner to ensure that the works can be completed as early as possible.

Quality Water Supply Scheme for Buildings – Flushing Water

122. WSD will continue to encourage more buildings, including government buildings, to participate in the “Quality Water Supply Scheme for Buildings – Flushing Water” with a view to enhancing management and maintenance of the building plumbing systems whereby minimising the occurrence of the system faults. As at 30 June 2022, a total of 2 563 buildings participated in the “Quality Water Supply Scheme for Buildings – Flushing Water”, including 89 government buildings whilst applications for another 59 government buildings are under processing.

Uprating of seawater supply systems

123. WSD had strengthened the management of the project for uprating of Wan Chai salt water supply system and the works were completed in January 2022. WSD also completed the post-completion review for the project in June 2022. The improvement recommendations were formulated and implemented, and internal sharing sessions were conducted in order to strengthen the capabilities of project management.

Progress made in implementing Audit's recommendations

Encl. 23 124. A summary of the progress in implementing Audit's recommendations is provided at Enclosure 23.

Chapter 6 – Safeguarding employees' rights and benefits under labour laws

125. The Labour Department (LD) has been actively following up on the recommendations of Audit and PAC on safeguarding employees' rights and benefits under labour laws.

126. LD attaches great importance to safeguarding employees' statutory employment rights and benefits, and adopts a multi-pronged strategy of conducting workplace inspections, taking out prosecutions against breaches of labour laws, processing employees' compensation claims and applications to the Protection of Wages on Insolvency Fund (PWIF), staging publicity activities, etc. LD has also introduced various enhancement measures including completing the review of PWIF coverage and business registration levy rate, implementing the recommendations on PWIF's recovery of ex gratia payment from employers, monitoring prosecution cases, maintaining collaboration with the Hospital Authority to explore ways for shortening the waiting time for the Ordinary Assessment Board assessments, etc. LD will continue to explore practicable ways to take forward the other recommendations, such as expediting the processing of PWIF applications and disbursement of ex gratia payment from PWIF and further enhancing the effectiveness of workplace inspections, so as to strengthen the protection of employees' statutory employment rights and benefits.

Encl. 24 127. A summary of the latest progress made by LD in implementing various recommendations of Audit and PAC is set out at Enclosure 24.

Chapter 7 – The Mental Health Association of Hong Kong

128. The Government and the Mental Health Association of Hong Kong (MHAHK) accept the recommendations made by Audit regarding the corporate governance, delivery of mental health services and administrative matters of the MHAHK. The MHAHK, together with the Social Welfare Department (SWD), has taken actions to follow up on the recommendations.

Corporate governance

129. SWD attaches great importance to the corporate governance of non-governmental organisations (NGOs) receiving Government subventions, as effective governance can ensure NGOs are held accountable for the use of public funds. Along Audit's recommendations, the Executive Committee of the MHAHK has implemented appropriate measures to formulate, review and revise the terms of reference for its sub-committees, incorporating the quorum requirement of meetings, strengthening the management of declaration of interests by adopting a two-tier reporting system, stepping up efforts to recruit new members, and further encouraging members to attend annual general meetings. The abovementioned recommendations have been fully implemented.

Delivery of mental health services

130. In view of the Coronavirus disease 2019 epidemic, special work arrangements have been implemented by NGOs receiving Government subventions since early 2020 to reduce the risk of spreading the disease in the community. SWD has been keeping a close watch of the development and adjusts the scale of operation of subsidised welfare facilities or suspending certain services where necessary. Some services were not able to meet the agreed output/outcome standards as a result of periodic suspension and reduced activities owing to social distancing measures. Service operators, including the MHAHK, have adopted alternative means of providing services such as running online programmes. With the gradual resumption of services from 16 May 2022 onwards, it is anticipated that the service utilisation will improve. SWD will request service operators to attain the agreed output/outcome standards as far as practicable.

131. Noting a decreasing trend of user turnover rate for the Supported Employment service upon extension of the post-placement period, SWD would critically review the output standard regarding post-placement service at an opportune time. Meanwhile, the MHAHK has taken follow-up actions to flexibly deploy its manpower to balance the workload of the two Integrated Community Centres for Mental Wellness, having regard to factors such as the number of cases served and programmes. For continuous service enhancement, a Task Group on Information Technology and Mental Health has been set up by the MHAHK to further promote a wider use of innovation and technology in delivery of services. The abovementioned recommendations have been largely implemented.

Administrative matters

132. Along Audit's recommendations, the MHAHK has incorporated appropriate control procedures in its financial management guidelines and developed a mechanism under the Personnel and Finance Sub-committee to review the funding position of Lump Sum Grant reserves every year. Rectifications have

been made to record the income and expenditure of activities under the Funding and Service Agreement (FSA) and non-FSA separately, and a methodology on cost apportionment has been developed to ensure that there is no cross-subsidisation of non-FSA activities by FSA activities.

133. To enhance human resources management and strengthen management capability, the Personnel and Finance Sub-committee of MHAHK will systematically review on a regular basis the manpower situation, succession plan and staff training programmes. The MHAHK has also taken the advice of SWD on board and stepped up its efforts in achieving full implementation of the Best Practice Manual for enhancing communication with staff, service users as well as the public. Upon on-site assessments by SWD, it is concluded that the MHAHK has complied with the relevant requirements which are consistent with the self-assessment checklists. The abovementioned recommendations have been largely implemented.

Progress of implementing Audit's recommendations

Encl. 25 134. A summary setting out the progress of implementing Audit's recommendations is at Enclosure 25.

Chapter 8 – Youth College

135. The Vocational Training Council (VTC) accepts the recommendations made by Audit and PAC on the training programmes and management of Youth College (YC) campuses, and has taken follow-up actions as appropriate.

Management of Programmes

136. Regarding programme planning, YC has taken measures to minimise significant under/over-enrolment by reviewing and adjusting planned places with reference to the admission statistics in previous years. YC has also strengthened measures to monitor the performance of training programmes which have not met the relevant targets or have shown a declining trend in performance.

137. As regards the recommendations on Workplace Learning and Assessment (WLA), YC has stepped up its efforts, such as conducting more visits to employers and trade organisations to encourage them to join WLA and has explored extending the Earn and Learn Scheme and WLA to more full-time Diploma of Vocational Education programmes. Furthermore, YC has strengthened the relevant mechanism so that the academic qualifications of WLA assessors are properly assessed.

Campus Management

138. To improve the utilisation of teaching and learning facilities, YC will continue to review the usage of and upgrade campus facilities on an ongoing basis, taking into consideration students' learning needs, the development of new programmes, and the need to support technology-enhanced learning.

139. To ensure the consistency of the Campus Safety Management Manuals across YC campuses, VTC has taken actions to rationalise and align practices as well as workflows across all YC campuses. All YC campuses have also updated the Campus Safety Management Manuals to ensure that they are in line with VTC's latest Safety Management Framework.

Other Administrative Issues

140. In terms of staff management, VTC has reviewed and updated the relevant guidelines and forms on further employment beyond the age of 60 and acting appointments. VTC has also conducted a briefing session to increase staff's awareness of the updated guidelines and remind them of the need to comply with the requirements in the guidelines.

141. On inventory management, VTC has conducted briefing sessions to reiterate the relevant guidelines and requirements. In particular, VTC issued, in December 2021, an Internal Circular on "Valuable and Attractive Stores" setting out the definition of "valuable and attractive stores" and their related specific stores management measures. VTC has also established a mechanism to require all YC campuses to report on the progress and outcome of annual stocktaking exercises, bi-annual stocktaking exercises on valuable and attractive stores, and other supplies and security checks to ensure that all related checks are conducted in accordance with the requirements stipulated in the Store Manual and in a timely manner.

142. To enable students to enjoy a vibrant and fruitful campus life, YC will continue to arrange various activities in different formats for students to participate in accordance with their interests. VTC has also enhanced the mechanism on reviewing the effectiveness of these student activities by conducting evaluations via electronic forms with Quick Response codes. The use of e-forms to collect students' feedbacks on the activities has improved the response rate and allows follow-up actions to be taken in a more timely manner.

Way forward

143. The Education Bureau and VTC have worked closely to follow up on the recommendations made in the Audit Report.

Progress on Recommendations of Audit

Encl. 26 144. A summary of the progress in implementing Audit's recommendations is at Enclosure 26.

**Management of funding for sports development
through the Arts and Sport Development Fund (Sports Portion)
Progress on follow-up actions of Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 4: Funding for Football Development		
Paras (a) to (h) in pages 54 and 55 of the PAC Report	<p>PAC has strongly urged and cautioned that –</p> <p>(a) the directors of HKFA Board, together with the assistance of the paid management staff, should review whether HKFA's existing governance model is effective for attaining and maintaining high levels of corporate governance;</p>	<p>The Hong Kong Football Association (HKFA) accepts the findings and recommendations made by PAC on the inadequacies and irregularities relating to its corporate governance and operations. To rectify the deficiencies identified, the HKFA Board commissioned a consultancy study by an external consultant to review its governance model including its Board and committee structure. On 9 June 2022, the HKFA Board endorsed the recommendations of the consultancy study and its follow-up actions are set out below.</p> <p>(a) To ensure the effectiveness of the governance model of HKFA, its Board had adopted an enhanced Board and committee structure since 2020-21. The overall Board and committee structure of the HKFA was endorsed by the external consultant during the aforementioned review.</p> <p>In addition, as recommended by the external consultant, HKFA has revised the terms of reference of all committees to clearly stipulate the meeting ground rules and procedural rules, roles and responsibilities, powers and competence and members' duties for implementation with effect from the current football season.</p> <p>To enhance corporate governance of committees under the HKFA Board, declaration forms and</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>reminders are provided to committee members at the start of each football season for first-tier declaration. If a member has any direct personal or pecuniary interest in any matters under consideration by the committee, he/she is required to declare the interest before the start of the meeting. Second-tier declaration forms are made available on site for members. Members failing to make declaration will not be allowed to participate in the meeting until proper declaration is made.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(b) as part of an effective governance model, HKFA should formulate clear guidelines and practices, adhere to the guidelines and practices, make decisions through proper procedures, authorisation and channels, maintain documentation of all decisions (including the grounds of decisions), in particular those exceptional cases. This would also facilitate the monitoring of the Administration and the public on the proper use of public monies;</p>	<p>(b) HKFA has taken various improvement measures in the use of public funds. Taking procurement as an example, on guidelines and decision-making, HKFA reviewed and revised the relevant policies and guidelines in December 2021 and will continue to adhere to them in handling procurement. Prior approval from the HKFA Board would be sought for exceptional cases.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(c) HKFA should implement a rigorous and robust internal monitoring and audit mechanism for the directors and senior management to check non-compliance cases and to rectify any non-compliance cases in a timely manner;</p>	<p>(c) In the event of non-compliance cases, the senior management of HKFA would report the cases to the HKFA Board for follow-up in a timely manner. Policies and guidelines are periodically circulated to its staff.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(d) as short-term measures, HKFA should immediately formulate rectification measures with an implementation timetable to address the inadequacies and irregularities in respect of its corporate governance and other operational aspects as revealed in the Audit Report and in the Committee's Report;</p>	<p>(d) HKFA continued to submit quarterly reports on performance targets and indicators as set out in the funding agreement between the Government and HKFA. Senior officers were identified and assigned to be responsible for each follow-up item to enhance accountability.</p>
	<p>(e) as a medium-term measure, HKFA should make use of the five-year review of all "national sports associations" (NSAs) to make a thorough review of its corporate governance and formulate and implement any improvement measures as appropriate;</p>	<p>(e) The Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) has set up a dedicated team and is currently reviewing the operation and internal monitoring mechanism of all NSAs. The major components of this review include the formulation of a code of governance, financial reporting and audit mechanism, selection of athletes and appeal mechanism, etc. SF&OC has also set up an Independent Steering Committee to supervise the working direction of the dedicated team from a strategic perspective and monitor the progress of the review. HKFA will keep in view SF&OC's review.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(f) while the review of the governance model, policies and practices for HKFA should be undertaken by the Board with the input of senior management, HKFA should consider how staff at different levels could be engaged to contribute to achieving high standards of good governance for HKFA;</p>	<p>(f) Various measures have been implemented for different levels of staff in the HKFA with a view to achieving high standards of good governance. HKFA is arranging staff trainings on various corporate governance topics in the current football season including fiduciary duties of directors, confidentiality issues, handling declaration of interest, procurement procedures and financial policies at least once every two months starting from November 2022. In addition, HKFA will continue to encourage its Directors and staff to attend various corporate governance programmes provided by the Leisure and Cultural Services Department (LCSD), the Asian Football Confederation, Fédération Internationale de Football Association (FIFA) and other organisations with a view to enhancing their awareness of their roles and responsibilities in organisation, management and the strengthening of internal control, thereby raising the level of corporate governance of NSAs.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(g) HKFA should make use of a new five-year strategic plan to target improving under-achieving performance targets and indicators, such as the attendance of the Hong Kong Premier League (HKPL) games</p>	<p>(g) HKFA has strived to strengthen the performance of both HKPL and the Hong Kong Representative Team and has endeavoured to increase commercial sponsorship.</p>

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	and the ranking of the Hong Kong men's football team, and raising the amount of commercial sponsorships; and	<p>On HKPL, HKFA has been working on rebranding and raising the image of the HKPL and the clubs since the 2020/21 football season under the new Vision 2025 Strategic Plan (V2025 Plan). HKFA and LCSD would, before the commencement of each new football season, review the overall operation of the HKPL in the previous football season, make advance planning for the upcoming football season(s) and put in place enhancement and facilitative measures as appropriate.</p> <p>With the Culture, Sports and Tourism Bureau. Culture, Sports and Tourism Bureau's (CSTB's) (formerly known as the Home Affairs Bureau (HAB)) support, LCSD is also working with HKFA to facilitate HKPL clubs to host pre-match events or performances to enrich the match experience of spectators and fans in order to improve spectator attendance and rebuild Hong Kong people's passion for football. With HKFA's support, HKPL clubs are gradually developing their respective fan bases within the catchment area of their home venues.</p> <p>To further develop the existing HKPL and to align with the Government's initiative to take forward sports as an industry, HKFA is providing support to HKPL clubs in forming a new Hong Kong Premier League Management Committee for potential commercial development of the HKPL and increase of revenue of the HKPL clubs. Initiatives such as adopting commercial operations</p>

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		<p>and providing prize money have been implemented starting from the current football season and are expected to be run for a three-year trial period.</p> <p>The performance of the Hong Kong men's team has improved in recent years and has successfully secured qualification to the final round of the AFC Asian Cup for the first time since 1968. HKFA will continue to implement education scholarships for professional players and support HKPL clubs in developing youth academies to help attract more talented players and improve the overall performance of local players.</p> <p>On commercial sponsorships, HKFA successfully renewed the HKPL title sponsorship worth \$4,500,000 for three years with a major commercial sponsor in May 2021. It also made good efforts in soliciting other sponsorships for other areas including women and girls' football development. In addition, HKFA successfully widened its source of funding support by introducing e-football events and engaging the title sponsor, which would help develop eFootball in Hong Kong.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(h) the former HAB and LCSD, as the Bureau/Department (B/D) responsible for approving the government funding to HKFA, should take up a more pro-active role in monitoring the use of the funding. While key performance indicators have been set for the football development programmes, the monitoring of the use of funding on staff and related costs, in particular, staff responsible for improving the governance, only falls on the HKFA Board. While respecting the independence of HKFA, the former HAB should urge HKFA to increase the transparency, say, by uploading onto its website more details of the governance models, measures done to improve its governance, the effectiveness of these measures and how internal monitoring is carried out. In evaluating the new five-year strategic plan for football development, the former HAB should consider how it could enhance the monitoring of the governance of HKFA and the implementation of the new strategic plan.</p>	<p>(h) As reported to the Legislative Council (LegCo) Panel on Home Affairs at its meeting on 13 July 2020 vide LC Paper No. CB(2)1317/19-20(01), the former HAB has accepted the recommendations of the Sports Commission (SC) and Football Task Force (FTF) to provide time-limited funding for three football seasons from 2020/21 to 2022/23 for HKFA's implementation of its new V2025 Plan. HKFA has been submitting quarterly reports on the performance targets and indicators as set out in the funding agreement between CSTB and HKFA. If there is a significant shortfall from the performance targets and indicators, CSTB may reduce the amount of funding earmarked for HKFA and/or shorten the cycle of funding support. In addition, CSTB will conduct a mid-term review by end-2022 before determining the funding arrangements for the remaining football seasons under the V2025 Plan.</p>
<p>Para 4.65 of the Audit Report</p>	<p>Audit has recommended that the former Secretary for Home Affairs (SHA) should –</p> <p>(a) scrutinise HKFA's new strategic plan to ensure that the plan adequately and effectively addresses the performance deficiencies, and closely monitor HKFA's performance</p>	<p>As reported to the LegCo Panel on Home Affairs at its meeting on 13 July 2020 vide LC Paper No. CB(2)1317/19-20(01), the former HAB has accepted the recommendations of SC and FTF to provide time-limited funding for three football seasons from 2020/21 to 2022/23 for HKFA's implementation of its new V2025 Plan. HKFA has been</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	to determine the way forward for football development in Hong Kong;	submitting quarterly reports on the performance targets and indicators as set out in the funding agreement between CSTB and HKFA. If there is a significant shortfall from the performance targets and indicators, CSTB may reduce the amount of funding earmarked for HKFA and/or shorten the cycle of funding support. In addition, CSTB will conduct a mid-term review by end-2022 before determining the funding arrangements for the remaining football seasons under the V2025 Plan.

**Sports Federation & Olympic Committee of Hong Kong, China
Progress in Implementing Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Operation of the Sports Federation & Olympic Committee of Hong Kong, China		
<i>Selection of athletes for participating in international games</i>		
Para. 2.13(a) of the Audit Report	Audit has recommended that SF&OC should continue to make efforts to implement the best practices relating to the transparency in athlete selection as set out in the "Best Practice Reference for Governance of National Sports Associations – Towards Excellence in Sports Professional Development" (BPR).	SF&OC has conducted a comprehensive review of the mechanism for the selection of athletes for participating in international multi sports games and the related review and appeal procedures, with a view to enhancing the transparency in athlete selection. After consulting the Independent Commission Against Corruption (ICAC) in June 2021, SF&OC revised its policy and guideline on athlete selection and conducted a briefing on 16 September 2021 to familiarise NSAs with the revised policy and guideline including the related review and appeal procedures.
Para. 114 of the PAC Report (page 107)	PAC has strongly urged and cautioned SF&OC to take monitoring measures as appropriate to ensure the full implementation of the BPR best practices in respect of athlete selection by "national sports associations" (NSAs) and to ensure that it would implement the remaining 20% of BPR best practices in the next financial year as a role model for NSAs.	The revised policy and guideline on athlete selection had been adopted in recent international multi sports games, namely the Beijing 2022 Winter Olympic Games held in February 2022. Also, SF&OC has subsequently conducted a post games survey to collect feedback from participating NSAs and the Selection Committee of Hong Kong, China delegation by way of questionnaires. The views so collected were discussed at SF&OC's Board meeting held on 30 June 2022. At the suggestion of the Board, SF&OC will conduct briefing for participating NSAs on the policy and guideline on athlete selection before the nomination exercise and conduct post games survey for every international multi-sports games in the future. SF&OC will also review the policy and guideline regularly, at least once every four years.

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		<p>Upon the implementation of the post games survey to collect feedback from stakeholders on the athlete selection and drawing up of enhancement plans for incorporation into future selection exercises, SF&OC would have implemented all the 29 best practices relating to transparency in athlete selection as set out in BPR.</p> <p>As the follow-up actions of the recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting these parts from the next progress report.</p>
<p>Para. 2.13(b) of the Audit Report</p>	<p>Audit has recommended that SF&OC should more clearly publish the criteria adopted by SF&OC for selecting athletes to participate in international games.</p>	<p>Following the comprehensive review of the athlete selection mechanism including the related review and appeal procedures, SF&OC has, in consultation with ICAC, revised its policy and guideline on athlete selection. SF&OC uploaded the revised policy and guideline onto its website and conducted a briefing on 16 September 2021 to familiarise NSAs with the revised policy and guideline including the related review and appeal procedures.</p>
<p>Para. 114 of the PAC Report (Item (e) in page 105)</p>	<p>PAC has strongly urged and cautioned SF&OC to review its procedures for handling cases of review against the Selection Committee's decisions, and set out clearly in its Articles of Association and/or its website the review mechanism for the Selection Committee's decisions on the selection of athletes (including the composition, terms of reference, functions and responsibilities of the review panel).</p>	<p>The revised policy and guideline were adopted for selecting athletes for participation in the Beijing 2022 Winter Olympic Games and will also be adopted in other international multi-sports games in the future.</p> <p>As the follow-up actions of the recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting these parts from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 114 of the PAC Report (Items (a) to (d) in page 105)</p>	<p>PAC has strongly urged and cautioned SF&OC to –</p> <p>(a) take forward expeditiously a review on the existing athlete selection criteria, and consider developing a standardized set of athlete selection criteria to be agreed by both NSAs and SF&OC;</p> <p>(b) make reference to overseas practices to select athletes in an open manner, such as holding selection competitions/qualifying matches, with a view to enhancing the objectivity and transparency of the selection process;</p> <p>(c) establish a robust replacement/substitution mechanism for selecting athletes to fill the quotas of sports events in international games arising from athlete withdrawal from competition or non-acceptance of nominations by the Selection Committee;</p>	<p>(a) to (c)</p> <p>In the comprehensive review of the athlete selection mechanism as mentioned above, SF&OC also reviewed the replacement/substitution mechanism with reference to overseas practice. Following the review and in consultation with ICAC, SF&OC has revised its policy and guideline on athlete selection. The revised policy and guideline were adopted for selecting athletes for participation in the Beijing 2022 Winter Olympic Games and will also be adopted in other international multi-sports games in the future.</p> <p>As the follow-up actions of the recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting these parts from the next progress report.</p>
	<p>(d) clearly set out the authority and responsibilities of head coaches of the Hong Kong, China Delegation in respect of the preparation and arrangement for competitions (including the continuing duty to report on any material incidents that may affect the athlete's fitness for the competition), while observing and respecting their professional autonomy.</p>	<p>(d) SF&OC updated the duties and responsibilities of head coaches/designated heads of team, requiring them, among other things, to report any material incidents that may affect an athlete's participation in the international multi-sports games. Besides, SF&OC issued instructions to NSAs and athletes requiring them to report any material incidents that may affect an athlete's fitness to participate in the international multi-sports games. Such reports would be</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>considered by the Selection Committee and the Chief Medical Officer of the delegation.</p> <p>The above new measures were adopted in the Beijing 2022 Winter Olympic Game and will also be adopted in other international multi-sports games in the future.</p> <p>As the follow-up actions of the recommendation have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.14 of the Audit Report</p>	<p>Audit has recommended that the then SHA should –</p> <p>(a) encourage SF&OC to implement the best practices set out in the BPR drawn up by ICAC relating to the transparency in athlete selection; and</p> <p>(b) follow up the implementation of the best practices by SF&OC.</p>	<p>(a) and (b)</p> <p>Upon the implementation of the post-games survey to collect feedback from stakeholders on the athlete selection and drawing up of enhancement plans for incorporation into future selection exercises, SF&OC would have implemented all the 29 best practices relating to transparency in athlete selection as set out in BPR.</p> <p>As the follow-up actions of the recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting these parts from the next progress report.</p>
<p><i>Handling of membership affairs</i></p>		
<p>Para. 2.20 of the Audit Report</p>	<p>Audit has recommended that SF&OC should explore the merit of establishing a mechanism to gauge NSA members' compliance with the requirements of the Olympic Charter, the Code of Ethics of the International Olympic Committee (IOC), and SF&OC's Articles of Association.</p>	<p>SF&OC established a dedicated team (i.e. Corporate Governance Team (the Team)) in October 2020 to examine the corporate governance and operation of all NSAs and formulate a code of governance for their compliance. Among others, the Team is tasked to assess NSAs' compliance with the requirements of the Olympic Charter,</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 114 of the PAC Report (page 108)</p>	<p>PAC has strongly urged SF&OC to–</p> <p>(a) conduct the review in an effective and efficient manner and report to the then HAB the review progress on a regular basis; and</p>	<p>the International Olympic Committee (IOC)'s Code of Ethics as well as SF&OC's Articles of Association. Besides, SF&OC set up an Independent Steering Committee to supervise the working direction of the Team from a strategic perspective and monitor the progress of the review exercise.</p> <p>Prior to the commencement of the review exercise, the Team conducted a briefing for NSAs on 23 November 2020 to give them an in-depth understanding of the objectives and scope of the review. By end July 2022, the Team completed the review of 51 NSAs, representing over 60% of the total, and aims to complete the review of all NSAs by the third quarter of 2023. Besides, the formulation of the code of governance for compliance by NSAs is underway.</p> <p>SF&OC reports the progress of the review to CSTB on a regular basis including the submission of quarterly reports and annual progress reports. CSTB and SF&OC will continue to closely monitor the progress of the review exercise.</p>
	<p>(b) enhance the publicity and education on the compliance with the requirements of the Olympic Charter, the Code of Ethics of IOC and SF&OC's Articles of Association by NSA members.</p>	<p>To enhance the publicity and education on the compliance with the requirements of the Olympic Charter, the IOC's Code of Ethics and SF&OC's Articles of Association by NSA members, SF&OC disseminates IOC Circulars, online courses and latest news to all NSA members from time to time. Besides, SF&OC issues annual reminders to all NSA members on the compliance with the above requirements.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		As the follow-up actions of the recommendation have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
<i>Management of the Olympic House</i>		
Para. 2.52 of the Audit Report	Audit has recommended that the then SHA should – (a) in collaboration with SF&OC, map out the way forward for the Olympic House; and (b) devise a timetable to take forward matters arising as appropriate.	As announced in the 2018-19 Budget Speech, the Government would conduct a technical feasibility study on the redevelopment of the Olympic House to provide office and activity space for SF&OC, its affiliated companies, NSAs and sports-related organisations. CSTB is working closely with SF&OC to take forward the project. The Architectural Services Department is reviewing the project requirements (including the accommodation requirement from SF&OC) and other development considerations (including taking into account the traffic and noise impact studies) and will propose a development scheme for further consideration. CSTB will continue to work with relevant stakeholders, including SF&OC, and keep them informed of the progress once further details are available.
Para. 115 of the PAC Report (page 114)	PAC has strongly urged the then HAB to work closely with SF&OC to expedite the redevelopment project of the Olympic House.	
Para. 2.53 of the Audit Report	Audit has recommended that SF&OC should – (a) in consultation with the then HAB – (i) review the areas of offices spaces in the Olympic House allocated to NSAs and reallocate the areas to the NSAs in accordance with the numbers of staff of NSAs as appropriate;	(a) The Management Company of the Olympic House Limited (MCOHL) reviewed the office requirements of tenants of the Olympic House and considered the feasibility of converting some meeting rooms into office space. After the review, the following actions have been carried out – (i) reallocated the existing office spaces at the Olympic House based on the existing number

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(ii) consider standardising NSA staff's office space entitlement in the Olympic House so as to facilitate reallocation of areas of office spaces to NSAs; and</p> <p>(iii) explore the feasibility of converting some meeting rooms in the Olympic House into office spaces; and</p> <p>(b) step up efforts in promoting the availability of the lecture theatre and the board room for public hiring.</p>	<p>of staff of each tenant. As a result, four tenants were allocated additional office area ranging from 60 sq. ft. to 270 sq. ft. SF&OC will review the areas of office spaces of the tenants regularly;</p> <p>(ii) standardised the tenants' office space entitlement by using the same standard adopted by the Government Property Agency; and</p> <p>(iii) converted two (out of seven) meeting rooms into office space. The additional office space was allocated to one existing tenant in May 2021.</p>
<p>Para. 115 of the PAC Report (page 114)</p>	<p>PAC has strongly urged the then HAB to work closely with SF&OC to expedite the implementation of interim measures to ease the overcrowding of NSA staff in the Olympic House.</p>	<p>(b) To boost the utilisation rate of the board room and lecture theatre at the Olympic House, revised booking measures have been implemented since September 2020 such that NSAs would be allowed to use the board room free of charge for holding statutory/official meetings four times per year. Besides, NSAs, sports-related organisations and corporate users can enjoy a discounted rate in booking the board room and lecture theatre. After the implementation of the revised booking measures, the average usage of the board room and lecture theatre for the period from September 2020 to September 2021 has increased by 6% and 13% respectively as compared to the period from April to August 2020. However, due to the Coronavirus</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>disease 2019 (COVID-19) epidemic, the meeting facilities at the Olympic House (including the board room and lecture theatre) had been closed for about four months in early 2022. With the relaxation of social distancing measures in late April 2022, some training courses and activities have resumed. It is expected that the usage of the board room and lecture theatre will increase gradually.</p> <p>As the follow-up actions of the recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting these parts from the next progress report.</p>
<i>Procurement issues</i>		
<p>Para. 2.60 of the Audit Report</p>	<p>Audit has recommended that SF&OC should –</p> <p>(a) instead of restricting a particular brand of product or services, consider procuring other brands of products or services of similar qualities to achieve better value for money;</p> <p>(c) take measures to ensure that SF&OC procurement requirements are always followed (e.g. the required numbers of written quotations are obtained and the relevant approving authorities are sought); and</p> <p>(d) in compelling circumstances where tendering is not conducted as required –</p>	<p>(a), (c) and (d)</p> <p>Following a comprehensive review of the procurement policies and guidelines and having taken into account ICAC's comments from the corruption prevention perspective received in October 2021, SF&OC revised its policies and guidelines on procurement. Any deviation would only be allowed under exceptional circumstances with sufficient justifications and proper approval from relevant authority; and proper documentation should be kept for such cases.</p> <p>The revised procurement policies and guidelines have been implemented since 1 January 2022. Prior to that, SF&OC conducted a briefing on 20 December 2021 to familiarise all staff members with the revised policies and guidelines and remind them of the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(i) ensure that approval from the relevant authority is sought for not conducting tendering; and</p> <p>(ii) ensure that quotations are obtained and the quotations are approved by the relevant authority.</p>	<p>importance of compliance. SF&OC will keep the procurement policies and guidelines under regular review.</p> <p>As the follow-up actions of the recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 3: Government Funding and Monitoring		
<i>Monitoring by the then Home Affairs Bureau</i>		
<p>Para. 114 of the PAC Report (page 108)</p>	<p>PAC has strongly urged the then HAB to –</p> <p>(a) closely liaise with SF&OC in taking forward the review exercise, follow up the review progress and achievements on a regular basis, and provide appropriate advice and assistance in a timely manner; and</p> <p>(b) expedite the drawing up of the subvention agreements with SF&OC and MCOHL for 2020-21 in which performance indicators and targets and expected deliverables for the review exercise should be included to facilitate the monitoring of the implementation of the review and to ensure accountability over the use of government funds for the review by SF&OC.</p>	<p>(a) and (b)</p> <p>A dedicated team was set up in SF&OC to examine the existing governance structure and operation of all NSAs and formulate a code of governance for compliance by all NSAs with a view to enhancing their corporate governance, monitoring mechanism and the transparency of their operation. The performance indicators/targets and expected deliverables of the review exercise have been included in the subvention agreement signed between the Government and SF&OC annually since 2020-21.</p> <p>By end July 2022, the dedicated Team completed the review of 51 NSAs, representing over 60% of the total, and aims to complete the review of all NSAs by the third quarter of 2023. Besides, the formulation of the code of governance for compliance by NSAs is underway. CSTB and SF&OC will continue to closely monitor the progress of the review exercise.</p>

**Employees Retraining Board
Progress in implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Management of training services		
<i>Planning and development of training courses</i>		
2.23	<p>Audit has recommended that the Executive Director (ED), Employees Retraining Board (ERB) should –</p> <p>(a) critically examine the reasons for the decreasing number of young trainees admitted to ERB training courses, the decreasing percentages of young trainees among all trainees, and the low utilisation of training places in the youth training courses; and</p>	<p>Taking into account the findings of the survey on the training needs of young people, ERB had put forward new proposals for youth training courses which received support from the stakeholder upon consultation in the “Focus Group on Training for Youth” held in December 2021. ERB will continue to develop new courses and enhance the quality of existing courses in response to the training needs of young people.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(c) critically examine the reasons for the decreasing number of trainees of ethnic minorities and the low utilisation of planned places of courses for ethnic minorities.</p>	<p>ERB had completed the survey on the training needs of ethnic minorities, and reported the findings to the “Focus Group on the Training for Ethnic Minorities” in March 2022. ERB has taken into account the discussion and recommendations of the Focus Group on the follow-up actions and survey findings to enhance the design, content and promotion of the courses with a view to better responding to the training needs of ethnic minorities.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.
<i>Performance measurement</i>		
2.45	<p>Audit has recommended that ED, ERB should –</p> <p>(a) continue to monitor the performance of training courses on various Key Performance Indicators (KPIs) and reference indicators; and</p> <p>(b) endeavour to improve the various aspects of the training services with a view to improving the quality of the services.</p>	<p>ERB introduced “trainees’ level of satisfaction” as a new KPI in August 2021, and revised its Training Places Allocation Mechanism in November 2021, increasing the weightings on assessing course effectiveness to enhance the monitoring of training bodies’ performance. The revised mechanism would be adopted for the approval of training places allocation applications from 2022-23 onwards.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Part 3: Quality assurance		
<i>Course accreditation</i>		
3.20	Audit has recommended that ED, ERB should endeavour to increase the number of accredited training courses to promote recognition of the qualifications of ERB graduates.	As at July 2022, ERB uploaded over 300 training courses to the Qualifications Register. Around 101 000 trainees completed the courses recognised by Qualifications Framework (QF) and obtained the relevant qualifications, constituting 77% of the total graduates in 2021-22. ERB obtained the second Programme Area Accreditation status at QF Levels 1 to 3 in the “Computer Science and Information Technology” sub-area

Para. No.	Audit's Recommendations	Progress to Date
		<p>for five years starting from 1 January 2022, which helps enhance the recognition of ERB courses and expedites the provision of new courses recognised by QF.</p> <p>In addition, ERB completed the review of the selection criteria and mechanism for course accreditation in November 2021. The review findings help expedite the selection of courses and procedures for uploading to the Qualifications Register.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Part 4: Training support services		
<i>Service Centre and Service Spots</i>		
4.9	<p>Audit has recommended that ED, ERB should take measures to enhance the competition in the tender exercises for operator of the Service Centre and the Service Spots, for instance by relaxing the tender requirements and conditions to attract more operators to submit tenders.</p>	<p>ERB completed the review of tender arrangements of the Service Spots in August 2021 and had invited more operators to participate in the tender exercise for the Service Centre and the Service Spots.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
<i>Job referral platforms</i>		
4.30	<p>Audit has recommended that ED, ERB should –</p> <p>(a) endeavour to improve the performance of the operators of the “Smart Living Scheme”;</p>	<p>ERB completed the review of the “Smart Living Scheme” in September 2021, including the revisions of various performance</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) continue to closely monitor the performance of the operators of the “Smart Living Scheme” who have failed to achieve service targets laid down in the engagement agreements and where necessary, take appropriate follow-up actions if the operators do not achieve the service targets again; and</p> <p>(c) endeavour to enhance the popularity of the “Smart Baby Care Scheme” and improve the performance of the operator of the Scheme.</p>	<p>indicators. ERB will make reference to the review results to explore further improvements to the “Smart Baby Care Scheme” services.</p> <p>ERB’s “ERB Helper” mobile application facilitates registered helpers of the “Smart Living Scheme” and “Smart Baby Care Scheme” in searching for job vacancies and applying for jobs. A cumulative total of over 10 000 helpers have registered as users.</p> <p>ERB launched the “ERB Home Services” mobile application in November 2021, enabling household employers of the “Smart Living Scheme” and “Smart Baby Care Scheme” to register job vacancies and match with helpers. ERB would keep collecting user feedback to enhance its functions and conduct promotion.</p> <p>In addition, ERB continues to launch publicity videos on social media to promote and reinforce the “Smart Baby Care Scheme” brand. Skills enhancement workshops and value-added activities have also been organised for upskilling of post-natal care helpers and child care helpers.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Part 5: Corporate governance and administrative issues		
<i>Financial incentives provided to trainees</i>		
5.39	Audit has recommended that ED, ERB should –	

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) rationalise the follow-up actions taken by different Sections in recovering the financial incentives from trainees; and</p> <p>(c) consider the need to step up efforts to refer cases of provision of false information to law enforcement authorities for legal actions.</p>	<p>ERB has completed the review of the mechanism to recover financial incentives from trainees according to its "Three-year Strategic Plan" for 2020-21 to 2022-23, recommending that different Sections of ERB should rationalise the follow-up actions and sanctions, and refer cases relating to the provision of false information and documents to law enforcement authorities for follow-up when appropriate. The revised measures will take effect from April 2023.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

**Management of short term tenancies by the Lands Department
Progress in implementing Audit's recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 3: Monitoring of Tenancy Conditions		
3.19	<p>Audit has recommended that the Director of Lands should take measures to –</p> <p>(a) ensure the completeness and accuracy of short term tenancy (STT) information in the Tenancy Information System (TIS); and</p> <p>(b) make better use of information technology (e.g. TIS or other related computer systems) for providing management information for monitoring the management of STTs.</p>	<p>Apart from modifying the TIS for enhancing accuracy and completeness of records, as well as reminding District Lands Offices to update the case information in TIS in a timely and accurate manner, the Lands Department (LandsD) has also engaged a consultant to revamp the TIS for providing more comprehensive information on the management of STT. The revamp is in progress and is expected to be completed in 2023.</p>
Part 4: Management of Vacant Government Sites suitable for short term tenancy use		
4.11(d)	<p>Audit has recommended that the Director of Lands should make better use of information technology to record information of vacant government sites (VGSs) suitable for STT use (e.g. exploring the feasibility to incorporate information relating to VGSs suitable for STT use in TIS or other related computer systems) with a view to enhancing the provision of management information for monitoring purposes.</p>	<p>LandsD has engaged a consultant to revamp the TIS for recording information of VGSs available for STT use. The revamp is in progress and is expected to be completed in 2023.</p>

**Planning, provision and management of public parking spaces
Progress Made in Implementing Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Planning and provision of public parking spaces		
<i>Planning and provision of long-term public parking spaces</i>		
Para. 2.17(d) of the Audit Report	Audit has recommended that the Commissioner for Transport should, in consultation with the Sai Kung District Council, endeavour to work out a reprovisioning plan for the short-term tenancy (STT) car park in Tseung Kwan O Area 66 (see Case 1).	The proposed project at Tseung Kwan O Area 66 obtained planning permission from the Town Planning Board (TPB) in December 2021. The project is under preparation for the tender exercise and the Government plans to seek funding approval from the LegCo in 2023.
<i>Planning and provision of temporary public parking spaces</i>		
Para. 2.19 of the Audit Report	Audit has recommended that the Secretary for Transport and Housing should, in consultation with relevant government bureaux and departments, promulgate a circular setting out the criteria for considering whether and how public parking spaces should be provided under individual Government, Institution or Community developments and open space projects.	The Transport and Logistics Bureau (TLB) (formerly known as the Transport and Housing Bureau)/TD have drafted the circular which sets out the requirement of incorporating public parking spaces in suitable government projects. TLB/TD are consulting relevant B/Ds with a view to finalising the details.
Para. 110 (Page 46, 1st bullet, item (b)) of the PAC Report	PAC notes that the internal guidelines are being revised to require all government departments to consult the Transport Department (TD) on the need to provide public car parks during the early stage of project planning.	
Part 3: Management of government multi-storey car parks		
<i>Review of parking fees and sale of parking tickets</i>		
Para. 110 (Page 47, 2nd bullet, item (c)) of the PAC Report	PAC strongly urges TD to put in place a mechanism to monitor the availability and occupancy rates of public parking spaces in government multi-storey car parks on a regular basis.	TD has commenced the works for installation of Bay Guidance System at the multi-storey car parks under its purview to monitor more effectively the availability and occupancy rates of parking spaces. The sensors to be

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>installed on individual parking spaces could collect real-time parking occupancy information, which could assist drivers in searching for vacant parking spaces, and facilitate the handling of abandoned vehicles by identifying vehicles that have been parked at the same parking spaces for a prolonged period and are suspected to be abandoned vehicles.</p> <p>The Electrical and Mechanical Services Department (EMSD), which undertakes the relevant works, expects to complete the installation by the end of 2022.</p>
Facilities management		
<p>Para. 3.29(a) of the Audit Report</p> <p>Para. 111 (Page 51, 1st bullet, item (a)) of the PAC Report</p>	<p>Audit has recommended that the Commissioner for Transport should review the adequacy of closed-circuit television (CCTV) security systems installed in government multi-storey car parks, especially for those with only a small number of CCTV cameras, and take necessary measures to enhance the security of the car parks.</p> <p>PAC notes that TD has, in collaboration with the Architectural Services Department (ArchSD) and the Hong Kong Police Force (HKPF), embarked on a review of the provision of CCTVs in TD's car parks.</p>	<p>EMSD completed the installation of additional CCTVs in the multi-storey car parks under TD's purview in December 2021.</p> <p>As the installation of CCTVs has been completed, we suggest deleting this part from the next progress report.</p>
Part 4: Management of on-street parking spaces		
Management of on-street metered parking spaces		
<p>Para. 111 (Page 54, item (e)) of the PAC Report</p>	<p>PAC notes that TD has kick-started the preparatory work for the installation of new parking meters by phases starting from the first half of 2020. Its backend system will provide real-time information on</p>	<p>TD completed the replacement of all on-street parking meters with the new generation on-street parking meters in January 2022. The new parking meters support multiple payment means, including remote payment through</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	those metered parking spaces which are being occupied but without payment of parking fees.	<p>mobile application (i.e. HKeMeter), and are equipped with sensors to detect whether individual parking spaces are occupied so that real-time vacancy information of on-street parking spaces can be provided. Information about on-street parking spaces which are occupied without payment is also gathered and shared with the Police to facilitate enforcement.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
<p>Part 5: Implementation of parking-related technology initiatives</p>		
<p><i>Provision and management of electric vehicle charging facilities</i></p>		
<p>Para. 5.17(b) of the Audit Report</p>	<p>Audit has recommended that the Director of Environmental Protection should, in collaboration with the Commissioner for Transport, consider introducing administrative measures to facilitate both electric vehicle (EV) and non-EV drivers with an aim to ensure that parking spaces equipped with EV chargers are available for use by EVs.</p>	<p>The Environmental Protection Department (EPD) is installing electronic display boards and associated systems for EV charging spaces in eight multi-storey car parks under TD's purview (namely Aberdeen, Kennedy Town, Rumsey Street, Tin Hau, Shau Kei Wan, Sheung Fung Street, Kwai Fong and Tsuen Wan Multi-storey Car Parks) to facilitate EV drivers to identify the available EV charging spaces.</p> <p>EPD launched the "EV-Charging Easy" mobile application on 17 June 2022, which disseminates information on public medium chargers installed by EPD and the Government Property Agency, to facilitate EV drivers to search for available public chargers in real time when needed. In the future, EPD will extend the coverage of the mobile application by gradually incorporating information on public EV chargers installed by other government</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>departments and by inviting private organisations to share information and usage of the chargers in their car parks.</p> <p>Since 1 August 2020, TD has designated some parking spaces equipped with EV chargers for the exclusive use by EVs in five car parks under its purview (namely Rumsey Street, Star Ferry, City Hall, Tin Hau and Kwai Fong Car Parks). TD will continue to review the effectiveness of the arrangement.</p>
<p>Para. 111 (Page 56, 1st bullet, item (c)) of the PAC Report</p>	<p>PAC notes that EMSD has taken forward the installation of Bay Guidance System at TD's car parks. It will complete the tender for the system by early 2020 and commence the installation works at TD's car parks in mid-2020 with a view to fully completing the project by early 2021.</p>	<p>Bay Guidance Systems have been commissioned at six out of the ten multi-storey car parks under TD's purview. EMSD will complete the installation works at the remaining four car parks by the end of 2022.</p>
<p><i>Implementation of automated parking systems</i></p>		
<p>Para. 5.23 of the Audit Report</p> <p>Para. 110 (Page 47, 2nd bullet, item (a)) of the PAC Report</p>	<p>Audit has recommended that the Commissioner for Transport should step up efforts in implementing automated parking systems (APSs) in government car parks based on the recommendations of the related pilot study.</p> <p>PAC strongly urges TD to closely monitor the progress of the pilot study on APSs and step up efforts in implementing APSs in government car parks based on the recommendations of the pilot study.</p>	<p>TD is taking forward a number of APS projects, the progress of which is as follows –</p> <p>(a) <i>STT sites at Hoi Shing Road in Tsuen Wan and Pak Shek Kok in Tai Po</i> – the APS in Tsuen Wan was commissioned in November 2021, while the APS at Pak Shek Kok in Tai Po is expected to be commissioned in the fourth quarter of 2022;</p> <p>(b) <i>the open space at the junction of Yen Chow Street and Tung Chau Street in Sham Shui Po</i> – ArchSD invited tender in August 2022, and plans to seek funding approval from LegCo in the first quarter of</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>2023. Construction works of the project are expected to be completed in about three years upon obtaining funding approval;</p> <p>(c) <i>the Joint-user Government Office Building in Area 67 in Tseung Kwan O</i> – construction works have commenced and are expected to be completed in 2025;</p> <p>(d) <i>the Sports Centre cum Public Vehicle Park project at Sze Mei Street in San Po Kong</i> – construction works have commenced and are expected to be completed in 2026; and</p> <p>(e) <i>two proposed government building sites at Chung Kong Road in Sheung Wan and Sheung Mau Street in Chai Wan respectively</i> – TD is conducting feasibility assessment for the APS project in Sheung Wan. As for the proposed project in Chai Wan, TD applied to TPB for planning permission in August 2022.</p> <p>TLB/TD will continue to take forward APS projects in suitable STT car parks and public works projects.</p> <p>As APS projects will be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>

Monitoring of charitable fund-raising activities
Progress on follow-up actions of the recommendations of Audit and PAC

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 6: The Way Forward		
<p>Para. 6.11 of the Audit Report</p>	<p>Audit has recommended that the then SHA should –</p> <p>(a) expedite the consultation with relevant B/Ds with a view to formulating a response to all the recommendations of the Law Reform Commission (LRC) Report; and</p> <p>(b) take into account the areas for improvement identified in this Audit Report (such as enhancing the transparency and accountability of charitable fund-raising activities, and improving the co-ordination of the licensing departments in their licensing and monitoring of these activities), in co-ordinating inputs from relevant B/Ds for formulating a response to the LRC's recommendations for the Government's consideration.</p>	<p>The Home and Youth Affairs Bureau (HYAB) (formerly known as HAB) has been tasked to co-ordinate inputs from relevant B/Ds in formulating a response to LRC's recommendations upon the re-organisation of the Government in July 2022.</p> <p>The Government introduced and implemented a series of administrative measures relating to charitable fund-raising activities in two phases in 2018 and 2019 with reference to the recommendations in the LRC Report, the Audit Report and the PAC Report, to optimise the relevant monitoring work. The Government will keep in view the need for legislative amendments as appropriate.</p>
<p>Page 42 of the PAC Report No. 68</p>	<p>PAC urged the then HAB to –</p> <p>(a) expedite the consultation with relevant B/Ds with a view to formulating a substantive response to all recommendations in the LRC Report; and</p> <p>(b) take into account the areas for improvement identified in the PAC Report and the Audit Report in co-ordinating inputs from relevant B/Ds for formulating a substantive</p>	<p>Besides, representative from the relevant bureau had made a detailed response at the LegCo meeting on 25 May 2022 in reply to Hon JoePHY Chan Wing-yan's oral question on "regulation of online fundraising activities". The response pointed out inter alia the regulation under relevant pieces of legislation (e.g. the Organized and Serious Crimes Ordinance and the Theft Ordinance) of cases of engaging in illegal acts through fundraising activities. The relevant reply can be found at the following link –</p> <p>https://www.info.gov.hk/gia/general/202205/25/P2022052500338.htm.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	response to the LRC's recommendations with a concrete timetable for action.	

**Management of squatter and licensed structures
Progress of implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Monitoring of Squatter and Licensed Structures		
2.42	<p>Audit has recommended that, in monitoring squatter structures, the Director of Lands should –</p> <p>(a) take appropriate enforcement actions on surveyed Squatter Structures (SS structures) A1, A2, B1, B2, C2, D, E, F1, F2, G, H and I as well as the 48 SS structures located along the seafront in Kowloon in a timely manner; and</p>	<p>(a) LandsD is currently in discussion with the Development Bureau (DEVB) on the proposed framework of the pilot scheme for regularising SS structures by way of short term tenancies and/or short term waivers. Details and timing of implementing the scheme are being critically examined with due regard to possible difficulties encountered by the occupants under the current economic situation.</p>
	<p>(e) expedite actions to inspect the 77 SS structures located along the seafront at which SS Structures G, H and I situate.</p>	<p>(e) The inspection of all concerned SS structures along the concerned seafront has been completed. As follow-up action of the recommendation has been implemented, we suggest deleting this part from the next progress report.</p>
Part 3: Rates, Government Rent and Licence Fees on Squatter and Licensed Structures		
3.25	<p>Audit has recommended that the Director of Lands should –</p> <p>(a) expedite actions on conducting a review of the Government Land Licence (GLL) fee levels.</p>	<p>LandsD completed the analysis on the nature, usage and history of some 15 000 GLLs, as well as collected the views from relevant bureaux and departments which issued some of these GLLs. Based on the findings, LandsD has mapped out a broad framework on how the fee levels of various categories of GLL could be reviewed holistically and is now in discussion with DEVB on the proposal. Due regard will be given to the</p>

Para. No.	Audit's Recommendations	Progress to Date
		magnitude and corresponding implications of the proposed fee changes under the current economic situation.

Government's support and monitoring of charities
Progress on follow-up actions of Audit's and PAC's Recommendations

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Administration of tax exemption of charities and tax-deductible donations		
Page 71 of the PAC Report No. 68A	PAC strongly urged the Administration to review which B/Ds should be more appropriate to be responsible for the overall regulation and monitoring of the operation of charities, such as making sure the charities comply with their governing instruments, bearing in mind that Inland Revenue Department's main duty is to administer tax-related matters.	HYAB has been tasked to co-ordinate inputs from relevant B/Ds for formulating a response to the LRC Report. In following up the co-ordination, HYAB has taken into account improvement measures recommended in the Audit Report and the PAC Report.
Part 6: Way Forward		
Para. 6.6 of the Audit Report	Audit has recommended that SHA should take into account the areas for improvement identified in the Audit Report (see para. 6.4 of the Audit Report) in coordinating inputs from relevant B/Ds for formulating a response to LRC's recommendations for the Government's consideration.	HYAB has been tasked to co-ordinate inputs from relevant B/Ds for formulating a response to LRC's recommendations. With reference to the recommendations in the LRC Report, the Audit Report and the PAC Report, the Government introduced and implemented a series of administrative measures relating to charitable fund-raising activities in two phases in 2018 and 2019, with a view to optimising the monitoring and supportive work relating to charitable fund-raising activities. The Government will keep in view the need for legislative amendments as appropriate.
Page 69 of the PAC Report	PAC strongly urged HAB to – (a) expedite the consultation with the relevant B/Ds to formulate a substantive response to all LRC's recommendations, taking into account the areas for improvement identified in the PAC Report and the Audit Report; and (b) explore administrative measures to improve the transparency and accountability of charities with a view to providing better safeguards to the public.	

Hong Kong Academy for Performing Arts
Progress on follow-up actions of Audit's Recommendations

Para. No.	Issues examined	Audit's Recommendations	Progress to Date									
Part 2: Provision of Academic Programmes												
2.31	Admission of non-local students	<p>Audit has recommended that SHA should –</p> <p>(a) in consultation with the Secretary for Education (SED), draw up a policy on admission of non-local students for the Hong Kong Academy for Performing Arts (HKAPA), making reference to the principles of the policy applicable to University Grants Committee (UGC)-funded institutions; and</p> <p>(b) in consultation with SED, pursue further with HKAPA on setting a tuition fee level for non-local students to recover all additional direct costs.</p>	<p>Since academic year 2017/18, HKAPA has implemented a review mechanism for non-local students' tuition with reference to an activity-based cost analysis. Following the outcome of the above review mechanism, the tuition fee applicable to non-local students for academic year 2022/23 is set at a level which fully recovers all additional direct costs on enrolling a non-local student.</p> <p>The tuition fee of non-local students of HKAPA's degree and sub-degree programmes in the two recent academic years is tabulated below –</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Academic Year</th> <th style="text-align: center;">2021/22</th> <th style="text-align: center;">2022/23</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Degree Programmes</td> <td style="text-align: center;">\$53,000 per annum</td> <td style="text-align: center;">\$53,600 per annum</td> </tr> <tr> <td style="text-align: left;">Sub-degree Programmes</td> <td style="text-align: center;">\$39,750 per annum</td> <td style="text-align: center;">\$40,200 per annum</td> </tr> </tbody> </table>	Academic Year	2021/22	2022/23	Degree Programmes	\$53,000 per annum	\$53,600 per annum	Sub-degree Programmes	\$39,750 per annum	\$40,200 per annum
Academic Year	2021/22	2022/23										
Degree Programmes	\$53,000 per annum	\$53,600 per annum										
Sub-degree Programmes	\$39,750 per annum	\$40,200 per annum										
2.38	Student unit cost	<p>Audit has recommended that HKAPA and SHA should closely monitor the student unit cost and take effective measures to contain the increasing trend, making reference to student unit costs of UGC-funded institutions.</p>	<p>The student unit cost of HKAPA is calculated by the following formula –</p> $\text{Student unit Cost of HKAPA} = \frac{\text{Government recurrent subvention}}{\text{Number of full-time equivalent students of all the subvented programmes}}$ <p>The student unit cost of HKAPA in the past three academic years is tabulated below –</p>									

Para. No.	Issues examined	Audit's Recommendations	Progress to Date			
			Academic Year	Number of full-time equivalent students	Unit cost per full-time equivalent student	Change (for student unit cost)
			2020/21	980	\$375,474	-1.2%
			2021/22	981	\$375,092	-0.1%
			2022/23 (Estimate)	1 061	\$343,341	-8.5%
<p>HKAPA's effective efforts in containing the student unit cost have yielded results. The student unit cost has shown a downward trend for two consecutive years since 2020/21 and it is expected that it will further dwindle in the current academic year of 2022/23.</p>						
Part 3: Governance and Government Monitoring						
3.40	Government monitoring	<p>Audit has recommended that SHA should –</p> <p>(a) update the Memorandum of Administrative Arrangements (MAA) with the Government's prevailing subvention guidelines.</p>	<p>HKAPA has improved the content of the audited financial report since 2019/20 in order to implement the recommendation of Audit to strictly comply with the subvention requirements, including the inclusion of an assurance by an external auditor on no cross-subsidisation of self-financing activities by subvented programmes in the report. HKAPA will also provide an income and expenditure report starting from the academic year 2021/22 on subvented activities to supplement the audited Government Reserve Fund account.</p> <p>On updating the MAA, the Culture, Sports and Tourism Bureau, Culture, Sports and Tourism Bureau (CSTB) (formerly known as HAB) will continue to follow up with HKAPA to include necessary clause(s), including clauses relating to Government Reserve and submission of audited account that are in line with the prevailing subvention guidelines.</p>			

Para. No.	Issues examined	Audit's Recommendations	Progress to Date
Part 5: Campus Improvement and Expansion			
5.16	Wanchai Campus expansion project	<p>Audit has recommended that HKAPA should –</p> <p>(a) endeavour to complete the on-campus expansion (OCE) project within budget by December 2017;</p> <p>(b) for future government-subsided capital works projects, implement the project in strict accordance with the scope of the project as approved by the Finance Committee of LegCo, and avoid making changes to the design and specifications of the project that would increase the approved project estimate after funding approval; and</p> <p>(c) make necessary arrangements to deal with the impact of the delay and reduction in scope of the OCE project on delivering its academic programmes and other services.</p>	<p>The New Annex of the Wan Chai campus has been commissioned for use since September 2019. ArchSD has vetted the final project account and advised CSTB on the agreed subvention level. The project account is expected to be finalised and closed by end of 2022-23 after all remaining administrative issues are settled.</p>

**Regulation of non-franchised bus and school private light bus services
Progress of implementing Audit's recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Administration of Licensing Requirements		
2.29	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(d) consider streamlining the licensing requirements of Passenger Service Licence Certificates (PSLCs), such as examining the feasibility of –</p> <p>(ii) aligning the validity periods of PSLCs and related Passenger Service Licences (PSLs).</p>	<p>TD is considering the implementation of the proposal of aligning the validity periods of PSLCs and related PSLs, and plans to consult the relevant stakeholders and will then proceed to work on the legislative amendment after taking into account the consultation outcome. Nevertheless, with the prolonged epidemic, the non-franchised bus (NFB) trades have not resumed normal operations and TD has yet to be able to commence the consultation process. We will closely monitor the situation with a view to conducting the consultation as soon as possible.</p>
Part 3: Regulatory Controls over Unauthorised Operations		
3.35	<p>Audit has recommended that the Commissioner for Transport should strengthen enforcement actions against unauthorised NFB operations. In particular, the Commissioner for Transport should –</p>	

Para. No.	Audit's Recommendations	Progress to Date
	<p><i>Enforcement actions against unauthorised operations</i></p> <p>(d) improve the efficiency and effectiveness of the enforcement actions, including –</p> <p>(ii) exploring feasible measures to plug the loophole in the existing inquiry mechanism whereby an offending PSL holder can avoid sanctions by transfer of ownership of vehicles.</p>	<p>TD has completed the review and plans to consult the relevant stakeholders on the measures to prevent PSL holders from avoiding sanctions, and will then proceed to work on the legislative amendment taking into account the consultation outcome. Nevertheless, with the prolonged epidemic, the NFB trades have not resumed normal operations and TD has yet to be able to commence the consultation process. We will closely monitor the situation with a view to conducting the consultation as soon as possible.</p>

**Operation of the Land Registry
Progress in Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Provision of Services		
2.38(b)	The Land Registrar should in collaboration with the Director of Home Affairs (DHA), explore the feasibility of computerising the owners' corporation (OC) records.	The project of computerisation of OC records was completed as targeted in early 2022. As the follow-up action required for this item has been implemented, we suggest deleting this item from the next progress report.
Part 3: Implementation of Land Title Registration System		
3.31(a)	The Secretary for Development and the Land Registrar should fully assess the complexity of the issues and the work involved in taking forward the implementation of the Land Title Registration System (LTRS).	The LTRS is inherently complicated as it involves complex legal issues and carries significant implications.
3.31(b)	The Secretary for Development and the Land Registrar should set a target LTRS implementation date and devise an action plan with timetable for implementing the LTRS as soon as practicable, having regard to the assessment of the complexity of the issues and the work involved, views of stakeholders and the experience gained in the past years.	The Government continues to actively pursue the implementation of the LTRS on newly granted land first (i.e. "new land first" proposal) in order to enable early implementation of the LTRS in Hong Kong. By end of 2021, all key stakeholders agreed to the Land Registry's taking forward the preparation work for the Land Titles (Amendment) Bill to implement the "new land first" proposal. The Government is currently at the final stage of discussion with the key stakeholders on the requirement for verification of registration applications, and is working to reach consensus on the remaining implementation issues, including indemnity arrangements and caution mechanism. We have been discussing these issues with the key stakeholders as well as the LTOSC.
3.31(c)	The Secretary for Development and the Land Registrar should report the target LTRS implementation date and submit the action plan to the Land Titles Ordinance Steering Committee (LTOSC) for consideration.	According to the latest progress, the Government expects that consensus would be reached with the key stakeholders on the remaining implementation issues concerning the "new land first" proposal by the

Para. No.	Audit's Recommendations	Progress to Date
		fourth quarter of 2022. We plan to update the LTOSC on the latest developments and brief the LegCo Panel on Development in the fourth quarter of 2022 on the "new land first" proposal and the corresponding major proposed amendments to the Land Titles Ordinance.

**Control of wild and stray animal nuisances
Progress of implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Control of wild animal nuisances		
2.45	<p>Audit has recommended that the Director of Agriculture Fisheries and Conservation (DAFC) should –</p> <p>(a) review the sterilisation targets under the monkey contraceptive programme and reconsider the need for specifying a target range/optimum number of monkeys to be sterilised; and</p> <p>(b) consider setting suitable performance indicators under the monkey contraceptive programme with a view to better measuring the contractor's performance.</p>	<p>The Agriculture, Fisheries and Conservation Department (AFCD) commenced the study on the monkey population viability analysis in March 2022. The final report of the study is anticipated to be completed in the first quarter of 2023. With reference to the recommendations of the final report, AFCD will review the current arrangement of the monkey contraceptive programme and formulate performance indicators for the programme by the end of 2023.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend this part be deleted from the next progress report.</p>
2.52	<p>Audit has recommended that DAFC should keep in view the need to extend the "Places at which the Feeding of any Wild Animal is Prohibited" (Feeding Ban Area) under the Wild Animals Protection Ordinance to cover nuisance blackspots for wild pigs, taking into account the need for better addressing wild pig nuisances over the territory.</p>	<p>To effectively control the nuisance of wild pigs, AFCD will expand Feeding Ban Area designated under the Wild Animals Protection Ordinance (Cap. 170) to cover the entire territory of Hong Kong. It is anticipated that the legislative amendment procedures will be completed by the end of 2022.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend this part be deleted from the next progress report.</p>

**Acquisition and management of collection items in public museums
Progress in implementing the Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Acquisition and Accession of Museum Collection Items		
<i>Accession of museum collection items</i>		
2.28	<p>Audit has recommended that the Director of Leisure and Cultural Services (DLCS) should –</p> <p>(a) for the Hong Kong Museum of History (Museum of History) –</p> <p style="padding-left: 2em;">(i) continue to make efforts to ensure timely completion of accession of collection items;</p>	<p>The Museum of History has continued to closely monitor and expedite the accessioning of collection in accordance with the established and implemented series of measures as reported in the progress report in October 2021.</p> <p>As at October 2022, the Museum of History has completed the accession of over 12 000 items out of the 13 346 items mentioned in the Audit Report. It is expected that the accession of the remaining items can be completed in 2023 as planned.</p>
	<p>(b) for the Hong Kong Heritage Museum (Heritage Museum) and the Hong Kong Film Archive (Archive), critically review the accession processes and closely monitor the progress of each process with a view to completing the accession of collection items in a timely manner.</p>	<p>The Heritage Museum and the Archive have continued to closely monitor and expedite the accessioning of collection items in accordance with the established and implemented series of measures as reported in the progress report in October 2021.</p> <p>As at October 2022, the Heritage Museum has completed the accession of over 16 000 items out of the 24 314 items mentioned in the Audit Report. It is expected that the accession of the remaining items can be completed in 2023 as planned.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As at October 2022, the Archive has completed the accession of about 131 000 items out of the 693 819 items mentioned in the Audit Report. It is expected that the accession of the remaining items can be completed in or before 2029 as planned.
Part 3: Stocktaking and Storage of Museum Collection Items		
<i>Stocktaking of museum collection items</i>		
3.14	<p>Audit has recommended that DLCS should –</p> <p>(a) review the progress of regular stocktaking of collection items in the Museum of History to ascertain whether it is practicable to complete the stocktaking within the ten-year cycle ending in March 2021, and draw up a backup plan if necessary; and</p> <p>(b) for the Archive –</p> <p>(ii) for film-related items, review the progress of regular stocktaking of the current cycle and draw up a timetable with a view to completing the stocktaking process within the cycle.</p>	<p>The Museum of History completed the stocktaking exercise in July 2022.</p> <p>As the follow-up actions of the recommendation have been completed, we suggest deleting this part from the next progress report.</p> <p>As at October 2022, the Archive has completed the stocktaking of about 90% of the accessioned film-related items. The stocktaking exercise of the remaining items is expected to complete in or before 2024.</p>
<i>Storage of museum collection items</i>		
3.33	<p>Audit has recommended that DLCS should –</p> <p>(a) for the off-site stores of the Museum of History, lay down guidelines on suitable storage of collection items;</p>	<p>LCSD has formulated guidelines for selecting suitable collection items to be kept in off-site stores and promulgated the guidelines to staff of the Museum of History in early October 2022 for their compliance.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As the follow-up actions of the recommendation have been completed, we suggest deleting this part from the next progress report.
	<p>(b) for the store located in the aged building –</p> <p>(i) relocate the collection items stored in the aged building as soon as practicable;</p>	With assistance from the Government Property Agency and the Architectural Services Department, LCSD completed issues on tenancy and fitting-out works of the store identified in Tuen Mun in early 2022. Relocation of the Museum of History's collection items stored in the aged building to the new museum store is expected to complete within 2022.
	(d) review the conditions of storerooms inside museums and off-site stores of other LCSD museums (i.e. other than the Museum of History and the Archive), look into any similar irregularities as identified in paras. 3.17 to 3.27, and take remedial measures as necessary; and	LCSD has collected the environmental data of storerooms inside museums and the off-site stores of other LCSD museums. The data analysis work is in progress and is expected to complete within 2022.
	(e) step up efforts to expedite the development of the Heritage Conservation and Resource Centre (HCRC).	LCSD consulted the Home Affairs Panel of LegCo on the detailed design and technical details of the project in the third quarter of 2022, and targeted to submit the funding application of the main construction works of the project to Finance Committee of LegCo within 2022.

**Funding schemes for conservation of built heritage managed
by the Development Bureau
Progress in implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Management of the Revitalising Historic Buildings Through Partnership Scheme		
2.28(d)	Audit has recommended that the Secretary for Development should expedite action to complete the review of the guidelines relating to the time limit for submission of draft project accounts.	<p>The review of guidelines relating to the time limit for submission of draft project accounts by non-profit making organisations (NPOs) under the Revitalising Historic Buildings Through Partnership Scheme has been completed. The review revealed that finalisation of project accounts involves a vigorous and time-consuming financial negotiation process between the NPOs/their consultants and the contractors. The original one-year time limit for submission of draft project accounts in the guideline is considered too stringent and not realistic. Based on the experience gained in Batches I to III of completed projects, and making reference to the prevailing requirement for accounts of public works projects to be finalised within three years after commissioning of the facilities, the time limit was revised from one year to three years after substantial completion of works. The related guideline was updated in March 2022.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
Part 4: Other management issues		
4.29(c)	Audit has recommended that the Secretary for Development should keep track of the progress of the projects yet to be completed under Funding Scheme for Public Engagement Projects on Built	All activities of the three public engagement projects under the FSPEP were completed by December 2021. Review on the funding scheme is being conducted and is expected to complete in the latter half of 2022 with a view to

Para. No.	Audit's Recommendations	Progress to Date
	<p>Heritage Conservation (FSPEP) and Funding Scheme for Thematic Research on Built Heritage Conservation (FSTR) and kick start the review of these two pilot funding schemes for mapping out the way forward as soon as practicable.</p>	<p>assessing the effectiveness of the three approved public engagement projects and providing recommendations on aspects such as the project themes, mode of activities and eligibility of applicants for implementation of the next batch of the funding scheme. We will present the review results to and consult the Advisory Committee on Built Heritage Conservation (ACBHC) on the recommendations for enhancing the funding scheme.</p> <p>As for the FSTR, among the six approved thematic researches, four have been completed. The remaining two research teams are finalising their research reports. We will review, upon completion of the remaining two thematic research projects later this year, the funding scheme with a view to providing recommendations on aspects such as the research themes, eligible institutions and application process for launching the next batch of the funding scheme based on the review results. We will present the review results to and consult ACBHC on the recommendations for enhancing the funding scheme.</p>

**Management of Mandatory Building Inspection Scheme
by the Buildings Department
Progress of Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Selection of Buildings for Issuance of Statutory Notices		
2.34	<p>Audit has recommended that, the Director of Buildings (DB) should –</p> <p>(b) consider defining more clearly the key performance measure of “buildings targeted for prescribed inspection and, if necessary, prescribed repair under Mandatory Building Inspection Scheme (MBIS)” in the Buildings Department (BD)’s Controlling Officer’s Report (COR) to enhance transparency and public accountability;</p> <p>(g) take measures to enhance data accuracy in Building Condition Information System (BCIS), thereby providing accurate information for selection of buildings for issuance of statutory notices under MBIS; and</p> <p>(k) improve the accuracy in reporting MBIS information.</p>	<p>(b) BD has reviewed and defined more clearly the key performance measure of “buildings targeted for prescribed inspection and, if necessary, prescribed repair under MBIS” by adding a footnote “Buildings targeted refer to buildings selected by a selection panel each year for issuing statutory notices. If such a building is found demolished or soon to be demolished before the statutory notice is served, it will be replaced by another building from a reserve list endorsed by the selection panel.” in its COR 2022-23 to enhance transparency and public accountability.</p> <p>(g) and (k) To enhance data accuracy, the BCIS contractor commenced the system enhancement works in September 2021, such as recording the actual number of public reports received on building conditions and recording the selection and replacement of buildings for issuance of statutory notices under MBIS. The enhancement works were completed in February 2022.</p> <p>As the above items have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
Part 3: Follow-up Actions on Compliance with Statutory Notices		
3.15	<p>Audit has recommended that DB should –</p> <p>(b) strengthen actions to ensure that statutory notices served on the common parts of a building under MBIS are timely referred to the Land Registry (LR) for registration in accordance with BD guidelines;</p> <p>(d) strengthen actions to ensure that information about registration of statutory notices under MBIS at LR is accurately and timely updated in BCIS.</p>	<p>Since November 2020, a list of statutory notices served on the common parts of a building under MBIS has been compiled on a monthly basis to remind staff to send such notices to LR for registration.</p> <p>In addition, to ensure timely referral of the statutory notices served on the common parts of a building to LR for registration and timely and accurately updating of information about registration records of statutory notices at LR, the BCIS contractor commenced the system enhancement works in September 2021, such as recording the LR registration date and issuing of alert when late registration is detected. The enhancement works were completed in February 2022.</p> <p>As the above items have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 4: Monitoring of Registered Inspectors' Submissions		
4.16	<p>Audit has recommended that DB should –</p> <p>(a) take measures to strengthen monitoring of Registered Inspector (RI)'s MBIS submissions (e.g. issuing reminder letters or warning letters for MBIS submissions found not complying with the statutory submission time limit).</p>	<p>In addition to reminding the practitioners to comply with statutory requirements on MBIS submissions at its regular briefing sessions with RIs, BD issued a circular letter to RIs in February 2021 reiterating the importance of adhering to the regulatory timeframe on various MBIS submissions.</p> <p>Since March 2021, BD has compiled monthly reports from BCIS to facilitate monitoring of RIs' MBIS submissions not meeting the statutory submission timeframe. The progress of follow-up</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>actions, including issuing of reminder letters and warning letters, is also monitored in the regular sectional meetings.</p> <p>To strengthen monitoring of RI's MBIS submissions, the BCIS contractor commenced in September 2021 the system enhancement works such as generating regular reports on the compliance situation to facilitate monitoring. The enhancement works were completed in February 2022.</p> <p>As this item has been implemented and will be carried out on an on-going basis, we recommend deleting it from the next progress report.</p>
4.25	<p>Audit has recommended that DB should –</p> <p>(a) review the record keeping in BCIS for receipt of MBIS submissions and the compliance with statutory notices with a view to ensuring that the records are accurate, complete and up-to-date (including the discrepancies in BCIS records as identified by Audit in para. 4.20); and</p> <p>(d) consider enhancing BCIS to maintain information on appointment dates of RIs to facilitate the monitoring of compliance with the statutory requirement on the time limit for notification of appointment of RIs.</p>	<p>(a) To ensure data accuracy, the BCIS contractor commenced the system enhancement works in September 2021, such as mandatory data entry to all fields related to RI's MBIS submissions before creating and storing of compliance records in the BCIS and issue of alert when inaccurate compliance records are detected. The enhancement works were completed in February 2022.</p> <p>(d) To facilitate monitoring of compliance with the statutory requirement on the time limit for notification of appointment of RIs, the BCIS contractor commenced the system enhancement works in September 2021 to enable recording of the appointment dates of RIs. The enhancement works were completed in February 2022.</p>

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

**Collection and removal of marine refuse by the Marine Department
Progress of Implementing Recommendations of Audit and PAC**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Administration of marine refuse cleansing and disposal contracts		
<p>Para. 2.7(a) and (b) of the Audit Report</p> <p>Page 30 of the PAC Report</p>	<p>Audit has recommended that the Director of Marine (DM) should investigate the significant discrepancies between the quantities of municipal solid waste disposed of by the contractor as per records of EPD and the quantities of marine refuse collected as reported in the Marine Department (MD)'s CORs during the period from 2012 to 2019, and based on the investigation results, take measures to ensure the proper reporting of the quantity of marine refuse collected.</p> <p>PAC has recommended that MD should consider using the actual weight of marine refuse disposed of by MD's contractor as per EPD's records for reporting in MD's CORs, with a view to reporting the quantity of marine refuse collected in a more accurate and consistent manner.</p>	<p>In response to PAC's recommendations, MD has reviewed and started using EPD's records for reporting the actual weight of marine refuse collected by MD's contractor in the COR since 2022-23, in lieu of the past practice of estimation by volume but not actual weight, with a view to reporting the quantity of marine refuse collected in a more accurate and consistent manner.</p> <p>As follow-up actions have been completed, we recommend deleting this part from the next progress report.</p>
<p>Page 30 of the PAC Report</p>	<p>MD should further review whether it is effective and meaningful to merely rely on the performance indicator "the quantity of marine refuse collected" for stakeholders to evaluate MD's cost-effectiveness in deploying resources to collect and remove marine refuse, and should explore other quantitative performance indicators which are more effective in assessing the contractor's performance.</p>	<p>MD has reviewed the key performance measures in the COR, and added a new target in the 2022-23 COR, i.e. "initial response to service requests related to marine refuse within three days (%)", with the target set at 95%.</p> <p>In addition, with a view to better monitoring the contractor's performance, MD has reviewed the tender documents of the marine refuse cleansing and disposal service contract for the whole of Hong Kong waters. Upon receipt of notification from MD, the contractor is now required to arrive at the scene within the specified time limit, and to re-establish the cleanliness</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>condition within the specified time based on the cleanliness conditions at scene.</p> <p>After obtaining policy support from the Environment Bureau (ENB) (now reorganised as the Environment and Ecology Bureau), MD conducted an open tender exercise for the new marine cleansing service contract on 14 January 2022. The new marine cleansing service contract endorsed by the Central Tender Board was awarded on 17 June 2022 and the new contract commenced on 1 October 2022.</p> <p>As follow-up actions have been completed, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.15(a) of the Audit Report</p>	<p>Audit has recommended that DM should clearly specify the arrangement for charges incurred in refuse disposal at refuse transfer stations for tender exercises in future.</p>	<p>MD has reviewed the tender documents of the marine refuse cleansing and disposal service contract for the whole of Hong Kong waters, and incorporated into the tender documents a clause specifying that refuse disposal costs will be borne by the contractor.</p> <p>The tender exercise for the new marine cleansing service contract was completed and the new contract commenced on 1 October 2022.</p> <p>As follow-up actions have been completed, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.26 of the Audit Report and</p>	<p>Audit has recommended that the DM should explore measures to enhance the tender competition of the marine refuse cleansing and disposal services in future, taking into account the comments of the Central Tender Board.</p>	<p>MD has reviewed the tender for the next marine refuse cleansing and disposal service contract for the whole of Hong Kong waters, taking into account the recommendations of the Central Tender Board to revise the new tender documents with a view to enhancing the competitiveness of the tender. Such</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Pages 32, 33, 35 and 39 of the PAC Report</p>	<p>PAC urges that MD –</p> <p>(a) before the expiry of the two contracts for the whole of Hong Kong waters and Tai Po District in September 2022, should conduct cost analysis to compare the relative costs of adding special service requirements for Tai Po District in the contract for the whole of Hong Kong waters and issuing an additional contract for Tai Po District;</p> <p>(b) should conduct a comprehensive review on the content of the current contract for the whole of Hong Kong waters before it expires in September 2022 in order to identify ways to reduce the contract price; and</p> <p>(c) should review the effectiveness of its marine refuse cleansing and disposal services on a regular basis with a view to achieving value for money and ensuring quality service delivery.</p> <p>PAC recommends that MD should –</p> <p>(a) explore further measures to enhance the competition in tendering exercises; and</p> <p>(b) explore various channels to attract new blood, in particular young people, to the marine refuse cleansing industry, in order to have more options in terms of contractors which can provide the relevant services.</p>	<p>revisions include allowing a longer tender period for the tenderers to prepare their proposals and shortening the contract period to allow more flexibility, as well as allowing a longer gearing up period for successful tenderers to make ready the necessary resources.</p> <p>In addition, instead of having one bulk contract for the whole Hong Kong waters and one additional contract for Tai Po District, MD has split the contract into two service areas, namely the eastern waters (including the additional marine refuse cleansing and disposal services in Tai Po District) and western waters, so as to enhance competition. Moreover, unnecessary contract service requirements have been removed to reduce the contract price, with the aim to awarding the most cost-effective contract.</p> <p>The tender exercise for the new marine cleansing service contract was completed and the new contract commenced on 1 October 2022.</p> <p>MD will keep in view the effectiveness of the marine refuse cleansing and disposal services, review and revise the service contract as appropriate before its renewal, so as to achieve value for money and ensure quality service delivery.</p> <p>MD will continue to enhance its efforts in promoting the marine refuse cleansing industry during promotional activities to facilitate better understanding of the actual working condition of the industry, so as to</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	PAC requests MD to revert to the Committee the outcomes of its review on the marine refuse cleansing and disposal services.	encourage more people, in particular young people, to join the marine refuse cleansing industry. As follow-up actions have been completed and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.
Part 3: Monitoring of marine refuse cleansing and disposal services		
Para. 3.28(b) of the Audit Report	Audit has recommended that DM should review the need for the lifting appliances in the marine refuse collection points (MRCPs) in Cha Kwo Ling and Ap Lei Chau, and expedite the repair/replacement as appropriate.	The replacement of the lifting appliance in Ap Lei Chau MRCP was completed on 29 December 2021. As follow-up actions have been completed, we recommend deleting this part from the next progress report.

**Government's efforts in tackling shoreline refuse
Progress of Implementing PAC and Audit's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Monitoring of shoreline cleanliness by Environmental Protection Department		
Para. 63 (Page 68) of the PAC Report	PAC urges that ENB should – (a) set specific measurable performance target and timetable for improving shoreline cleanliness, for example, set a target and timetable for achieving “Grade 1 - Clean” of the Shoreline Cleanliness Grading System devised by EPD in more coastal sites.	EPD has developed two-tier performance targets, namely “Time Factored Cleanup Service” and “Cleanliness Grading Indicator”. Under the performance target of “Time Factored Cleanup Service”, action departments (i.e. AFCD, Food and Environmental Hygiene Department (FEHD), Leisure and Cultural Services Department (LCSD) and MD) shall complete the cleanup operations within seven working days upon receipt of EPD's referral of required follow-up actions. In order to strive for more coastal sites achieving higher cleanliness standard, EPD has also set a “Cleanliness Grading Indicator” whereby at least half of the marine refuse priority (P-1) sites shall have their annual average cleanliness grading maintained at Grade 2 or better (i.e. “satisfactory” or better). These performance targets have been endorsed by the Interdepartmental Working Group on Marine Environmental Management and become effective since 1 April 2022. As the recommendation has been implemented and will be carried out on an on-going basis, we recommend this part be deleted from the next progress report.

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 4: Clean-up Operations by Leisure and Cultural Services Department		
Para. 4.16 of the Audit Report	<p>Audit has recommended that DLCS should –</p> <p>(a) consider incorporating into the cleansing contracts performance standards on cleanliness condition of beaches.</p>	<p>LCSD will make reference to the existing Shoreline Cleanliness Grading Standards of EPD and incorporate the performance standards on cleanliness conditions of beaches into the tenders for new cleansing service contracts. LCSD has incorporated performance standards on cleanliness condition of beaches into the cleansing service contracts commenced in 2022 and subsequent new contracts.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend this part be deleted from the next progress report.</p>
Part 6: Other related issues		
Para. 6.32 of the Audit Report	<p>Audit has recommended that DLCS should –</p> <p>(a) in collaboration with the Director of Architectural Services and the Director of Electrical and Mechanical Services (DEMS), expedite the installation of water dispensers in gazetted beaches.</p>	<p>Most of LCSD's beaches are already provided with water dispensers or are under planning for provision of water dispensers. As at August 2022, 33 beaches of LCSD are provided with water dispensers. The installation of water dispensers at four other beaches, i.e. Trio Beach, Gemini Beaches, Kwun Yam Beach and Cheung Chau Tung Wan Beach will be completed within 2022, while the installation work at Anglers' Beach is expected to be completed in 2023.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>Besides, it has been confirmed after rounds of discussions with ArchSD and EMSD that due to the lack of infrastructures such as fresh water supply or sewage disposal system, water dispensers cannot be provided at four beaches of LCS D, i.e. Casam Beach, Kiu Tsui Beach, Hap Mun Bay Beach and Rocky Bay Beach.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend this part be deleted from the next progress report.</p>
<p>Para. 64 (Page 80) of the PAC Report</p>	<p>PAC urges LCS D to conduct a cost and benefit analysis for the installation of water dispensers at gazetted beaches and explore more effective measures to expedite the installation progress and lower the cost of installation.</p>	<p>Provision of water dispensers at gazetted beaches, water sports centres and other leisure venues of LCS D is meant to provide better facilities to allow members of the public to drink water after exercising, rather than solely as a measure to promote environmental protection and prevent waste from entering the marine environment. From daily observations, quite a number of members of the public use water dispensers after swimming or exercising. Hence, there is a practical need for such provision. LCS D will render full support to the measures put forward by EPD in assessing the effectiveness of reducing shoreline refuse and explore with relevant departments the feasibility of cutting the lead time and costs of the works.</p> <p>LCS D has been maintaining close contact with ArchSD and EMSD in expediting the installation of water dispensers at gazetted beaches as far as practicable, and will explore in future the feasibility of applying innovative technology, including installation of smart water dispensers at gazetted beaches. Besides, progress of</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>installation works of new water dispensers at LCSD's leisure venues will be reported periodically to district management for the purposes of monitoring, so that issues cutting across departments may be discussed at the management level as necessary. According to the current progress of installation, except for the four beaches lacking infrastructure (e.g. fresh water supply or sewage disposal system), water dispensers will be provided at all LCSD's beaches by 2023.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend this part be deleted from the next progress report.</p>
Part 5: Clean-up Operations by Food and Environmental Hygiene Department		
<p>Para. 64 (Page 79) of the PAC Report</p>	<p>PAC recommends FEHD to seek advice from the Department of Justice (DoJ) or the Office of the Privacy Commissioner for Personal Data on using the 360-degree camera system to facilitate the enforcement actions against shoreline littering.</p>	<p>Regarding whether the 360-degree camera system can facilitate the enforcement actions against shoreline littering, FEHD has sought legal advice from DoJ and learnt that the information collected by the system cannot serve as evidence to secure a reasonable prospect of conviction of the concerned individual, hence cannot be used for prosecuting littering offences. Nevertheless, FEHD staff will continue to enhance inspection to the public places near the shore, e.g. piers and fishing hotspots, to clear refuse and take enforcement action.</p> <p>As the recommendation has been implemented, we recommend this part be deleted from the next progress report.</p>

**Efforts of the Home Affairs Department in facilitating building management
Progress in Implementing Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Support services for the formation of Owners' Corporations		
<i>Implementation of Building Management Professional Advisory Service Scheme</i>		
Para. 2.27(a) of the Audit Report	Audit has recommended that DHA should ascertain the number of buildings eligible for Building Management Professional Advisory Service Scheme (BMPASS).	Since December 2020, the Headquarters (HQ) of HAD has been regularly requesting District Building Management Liaison Teams (DBMLTs) to review and update the list of "three-nil" buildings (i.e. buildings which do not have OCs or any form of residents' organisations, and do not engage property management companies) by, among others, excluding buildings under single ownership that are unable to form OCs which are excluded from the coverage of BMPASS. After implementation of the aforesaid measures, there were around 3 400 "three-nil" buildings as at end June 2022. Since the status of "three-nil" buildings may change from time to time (e.g. due to change of ownership or change of management status of the buildings), the database will continue to be updated by DBMLTs in a timely manner where necessary. The enhanced database and the on-going verification will allow HAD to keep track on eligible "three-nil" buildings for the BMPASS.
Para. (d) in page 106 of the PAC Report	PAC has urged the then HAB and Home Affairs Department (HAD) to step up their efforts in taking forward BMPASS by maintaining a proper database on the number of buildings that should be covered under BMPASS and other related statistics for effective implementation of the scheme.	As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Para. 2.27(b) to (d) and (f) of the Audit Report	Audit has recommended that DHA should – (b) review the basis of planning the geographical allocation of target buildings under BMPASS;	HAD completed the review of BMPASS in the fourth quarter of 2021 taking into account the experience of the past three phases of BMPASS. Having regard to Audit's and PAC's recommendations, HAD has rolled out,

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(c) formulate measures to improve the success rate of forming/reactivating OCs under BMPASS, taking into account the difficulties encountered by the BMPASS Contractors;</p> <p>(d) review the level of performance targets for BMPASS Contractors with a view to enhancing the service level; and</p> <p>(f) perform a comprehensive review for mapping out the way forward for BMPASS, drawing lessons from the experiences gained in the three phases, and take into account the recommendations in this Audit Report in implementing BMPASS in future.</p>	<p>since June 2022, a one year pilot scheme (hereafter referred to as “the Pilot Scheme”) under the regularised BMPASS to engage community organisations/non-governmental organisations with experience in building management or related fields to provide BMPASS services to owners/residents of “three-nil” buildings, thereby utilising their district networks for encouraging the formation of OCs and improving the corresponding success rate under BMPASS. Area Committees were also engaged under the Pilot Scheme to monitor the performance of the community organisations/non-governmental organisations.</p> <p>The Pilot Scheme was first launched in Tsuen Wan and Sham Shui Po districts in June 2022 covering about 100 “three-nil” buildings in total in the two districts and is expected to be gradually extended to other districts with over 100 “three-nil” buildings in the coming few months. Under the Pilot Scheme, the community organisations/non-governmental organisations engaged are required to (i) complete an evaluation report for each target “three-nil” building; (ii) assist 18% of the target buildings to form OCs; (iii) recruit two Resident Liaison Ambassadors (RLAs) for each target building; and (iv) assist 15% of the OCs formed under the Pilot Scheme to procure third party risks insurance. For the remaining districts, the OC formation service will be provided by DBMLTs. HAD will review the effectiveness of the Pilot Scheme upon its completion.</p>
<p>Para. (a) to (c) and (f) in page 106 of the PAC Report</p>	<p>PAC has urged the then HAB and HAD to step up their efforts in taking forward BMPASS by –</p> <p>(a) engaging community organisations, which have established an extensive network with local residents, in reaching out to the owners/residents of “three-nil” buildings;</p> <p>(b) exploring various means, including mandatory and non-mandatory means, to drive and encourage the formation of OCs by owners of “three-nil” buildings;</p> <p>(c) setting attainable but reasonably challenging output targets for the regularised BMPASS with a view to improving the performance of the BMPASS contractors; and</p>	<p>The Pilot Scheme was first launched in Tsuen Wan and Sham Shui Po districts in June 2022 covering about 100 “three-nil” buildings in total in the two districts and is expected to be gradually extended to other districts with over 100 “three-nil” buildings in the coming few months. Under the Pilot Scheme, the community organisations/non-governmental organisations engaged are required to (i) complete an evaluation report for each target “three-nil” building; (ii) assist 18% of the target buildings to form OCs; (iii) recruit two Resident Liaison Ambassadors (RLAs) for each target building; and (iv) assist 15% of the OCs formed under the Pilot Scheme to procure third party risks insurance. For the remaining districts, the OC formation service will be provided by DBMLTs. HAD will review the effectiveness of the Pilot Scheme upon its completion.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(f) conducting a comprehensive review for mapping out the way forward of BMPASS by drawing lessons from the experience gained from the three phases of the scheme as recommended in para. 2.27 of the Audit Report.	
Para. 2.27(e) of the Audit Report	Audit has recommended that DHA should, in collaboration with the BMPASS Contractors, explore ways to encourage more users to give feedback via the users' advisory meetings and the users' satisfaction surveys.	Under the Pilot Scheme, the community organisations/non-governmental organisations engaged are required to convene users' advisory meetings every six months comprising representatives of the relevant Area Committees, owners and RLAs. HAD will consolidate and follow up on the views/feedback collected in the first half-yearly meetings as appropriate with a view to increasing incentives for service users to participate in the users' advisory meetings and the users' satisfaction surveys, and consider engaging professional polling firms to conduct opinion surveys, or conducting telephone interviews to enhance service evaluation.
Para. (e) in page 106 of the PAC Report	PAC has urged the then HAB and HAD to step up their efforts in taking forward BMPASS by further exploring more effective ways to gauge users' views on BMPASS, particularly in respect of the questionnaire distribution method of the users' satisfaction survey on the scheme.	
<i>Implementation of the Resident Liaison Ambassador Scheme</i>		
Para 2.34(a) of the Audit Report	Audit has recommended that DHA should step up efforts in recruiting RLAs, focusing on "three-nil" buildings with no incumbent RLAs.	HAD introduced various measures to step up the recruitment of the RLAs, particularly for the "three-nil" buildings with no incumbent RLAs. For example, HAD set a performance target in relation to the recruitment of RLAs (i.e. recruiting at least two RLAs for each target "three-nil" building) for the community organisations/non-governmental organisations engaged under the BMPASS Pilot Scheme. Besides, in HAD's pilot project of engaging social enterprises for providing cleaning services for

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>“three-nil” buildings, HAD requested the social enterprises engaged to promote the RLA Scheme to “three-nil” buildings receiving the cleaning service as well as “three-nil” buildings in the vicinity with no incumbent RLAs. HAD will continue to promote the RLA Scheme and step up the recruitment of RLAs where appropriate.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Part 3: Support services on other building management matters</p>		
<p><i>Support services provided by District Building Management Liaison Teams</i></p>		
<p>Para. 3.28(d) of the Audit Report</p>	<p>Audit has recommended that DHA should encourage Liaison Officers (LOs) in DBMLTs to attend relevant training courses, and consider setting a training requirement for them.</p>	<p>With reference to Audit's and PAC's recommendations, HAD reviewed the training arrangements for LOs. Since July 2021, HAD has enhanced the training for LOs who are newly-recruited or newly-posted to perform building management duties by expanding the coverage of the mandatory training topics and increasing the total number of compulsory training hours, so as to provide LOs with comprehensive knowledge on building management. To enhance the competence of LOs who are performing building management duties, we encourage them to attend at least one training course each year on an advanced topic of their choice, e.g. in-depth study of the Building Management Ordinance (Cap. 344), study of the court judgments on building management cases, use of mediation in resolving building management disputes, etc.</p>
<p>Para (c) in page 111 of the PAC Report</p>	<p>PAC has recommended that HAD should consider setting out training requirements for LOs to ensure that they are equipped with sufficient and latest knowledge and skills required for performing their duties.</p>	

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>To encourage LOs to attend training courses, HAD has put in place a host of measures including announcing the training schedule six months in advance, introducing a reminder system and issuing written appeal to District Officers regularly. In the event of persistent absence from training courses, HAD HQ will also approach individual staff members concerned to understand their difficulties encountered in attending the training programmes and offer assistance as appropriate.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<i>Educational and publicity programmes</i>		
<p>Para. 3.43(c) and (d) of the Audit Report</p>	<p>Audit has recommended that DHA should –</p> <p>(c) take measures to encourage participants in the LEAD/Advanced LEAD Programmes to attend all the training sessions.</p>	<p>HAD has implemented the following enhancement measures since 2021 to facilitate participants of LEAD/Advanced LEAD Programmes to attend all training sessions –</p> <p>(i) monitoring the participants' attendance and reminding the absentees to attend all remaining sessions. District Offices' assistance will be sought to remind participants who have missed for two or more sessions;</p> <p>(ii) arranging online class for both LEAD Programme and Advanced LEAD Programme to facilitate attendance by offering a remote learning option; and</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(iii) arranging make-up sessions for participants who are unable to attend a training session due to unforeseen circumstances. Make-up sessions will only be arranged for participants with an overall attendance rate of at least 50% to avoid abuse.</p> <p>As a result of the above measures, 98% and 99% of the participants of LEAD Programme and Advanced LEAD Programme achieved the attendance rate of 70% or above respectively in the training sessions in 2021-22.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(d) consider setting possession of a Statement of Attendance in the LEAD Programme as a prerequisite for nominating management committees members to enrol in the Advanced LEAD Programme.</p>	<p>HAD has adopted Audit's recommendation and set the possession of a Statement of Attendance in the LEAD Programme as a prerequisite for nominating management committees members to enroll in the Advanced LEAD Programme starting from the fourth quarter of 2021.</p> <p>As follow-up action of the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

**Highways Department: Maintenance of public footpaths
Progress in Implementing Recommendations of Audit and PAC**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Inspection and routine maintenance works		
Para. 2.10 of the Audit Report	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) ascertain the reasons for the omissions by contractors to conduct road inspections and consider the need for issuing default notices (DNs) accordingly;</p> <p>(b) exercise due care in vetting the inspection programmes submitted by contractors to ensure that all public roads maintained by HyD are covered by contractors' inspections;</p>	<p>Concerning the omission of inspections for the 15 roads (equivalent to 0.5% of 3 312 roads maintained by HyD, including some minor rural roads in Outlying Islands amongst other roads), the main reason for the omissions is that the contractors had overlooked these roads and therefore they were not included in the contractors' inspection programmes. When the omissions were brought to the attention of HyD in September 2021, HyD immediately required the contractors concerned to include these 15 omitted roads into their inspection programmes. HyD confirms that the contractors concerned have completed the inspections for all 15 roads, as well as the other three roads mentioned in the Audit Report which the contractors concerned had only submitted the detailed inspection reports but not the routine inspection reports. HyD had issued DNs to the relevant contractors for the omitted inspections.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>To facilitate the checking of road inspection works conducted by the contractors in future, HyD has prepared master lists of the public roads and footpaths maintained by HyD for checking against the inspection programmes submitted by contractors.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(c) take measures to –</p> <p>(i) rectify the system bugs in the Electronic Maintenance Management System (EMMS) of the two local road maintenance contracts to ensure that the actual submission dates of inspection reports are shown in EMMS; and</p> <p>(ii) ensure compliance with contract requirements on defect rectifications by contractors (e.g. issuing DNs);</p> <p>(d) in administering local road maintenance contracts in future, consider requiring the contractors to upload the inspection reports to EMMS in a timely manner; and</p>	<p>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.</p> <p>HyD's contractors have rectified the system bugs in EMMS. The actual submission dates of inspection reports can now be shown in the system.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>For some cases where the contractors had not completed the defect rectification works within the stipulated time limits, in addition to the issuance of DNs to the contractors concerned, HyD has duly reflected the contractors' pertinent unsatisfactory performance in their quarterly performance reports. HyD has also reminded its contractors to complete the defect rectification works within the stipulated time limit.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>To ensure that the contractors will submit relevant reports in a timely manner and submission records will be kept for vetting, HyD has required the contractors of the two new term contracts tendered in October 2021 to upload the inspection reports and completion reports of rectification works to EMMS directly. This requirement will also be included in the term contracts to be tendered in future.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(e) strengthen checking on the completion reports of rectification works submitted by contractors and take measures to improve the documentation of Notification Forms.</p>	<p>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.</p> <p>HyD has included a standing discussion item in the monthly progress meetings with the contractors in order to closely monitor their submission of completion reports on rectification works. If a contractor has not completed the defect rectification works within the stipulated time limits, HyD will issue a DN to the contractor concerned. HyD has also stepped up the regular technical audits conducted on term contracts to strengthen its checking on the completion reports of rectification works submitted by contractors. Furthermore, HyD has reminded its staff via email in December 2021 to strictly follow the requirements for preparing and endorsing the Notification Forms.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.16 of the Audit Report</p>	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) remind HyD staff to strictly follow HyD's requirements on conducting Engineer's Audits (EAs), including –</p> <p>(i) issuing notifications to contractors not more than 24 hours before conducting EAs and keeping record on the time of informing the contractors;</p>	<p>HyD has reminded its staff via email in December 2021 to strictly follow the relevant requirements when conducting EAs.</p> <p>For the 11 cases which HyD had informed the contractors in more than 24 hours before conducting EAs, the contractors were only notified of the date and time of EAs to facilitate the contractors to arrange staff to be present</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(ii) documenting the justifications for skipping samples selected for conducting EAs; and</p> <p>(iii) endorsing EA results properly;</p>	<p>on site or to prepare for the necessary equipment (e.g. working tools such as shovel and crowbar). In general, an independent team from HyD would randomly select the sites shortly before conducting the EAs, and the respective contractors would only be notified within two hours before the EAs. As such, it is not feasible for the contractors to carry out any advanced works on site. Nevertheless, HyD has also reminded its staff via email in December 2021 to strictly follow the notification requirements when conducting EAs.</p> <p>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.</p> <p>HyD has reviewed the eight cases which were selected as samples but EAs had not been conducted. It was found that the pertinent footpaths had already been converted into planter area or the road had been occupied by construction works of another party. Therefore, these footpaths/roads were skipped from the list of conducting EAs. HyD has reminded its staff via email in December 2021 to document the justifications for skipping samples selected for conducting EAs.</p> <p>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.</p> <p>HyD has reminded its staff via email in December 2021 to strictly follow the requirements when conducting EAs and properly endorse the EA results.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Page 57 of the PAC Report</p>	<p>(b) check and notify the contractors of the EA results in a timely manner;</p> <p>(c) compile statistics for monitoring the compliance with the requirements of conducting Engineer's Inspections (EIs) as promulgated in the guidelines; and</p> <p>(d) remind HyD staff to strictly follow HyD's requirements on conducting EIs and supervisory checks.</p> <p>PAC urges the Transport and Housing Bureau, which is responsible for overseeing the operations of HyD, to strengthen its efforts to ensure effective monitoring of the contractors' performance by HyD and timely</p>	<p>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.</p> <p>HyD has updated its internal guidelines to set time limit(s) on the workflow of EAs to ensure the timely checking and issuance of notification to contractors of the EA results by its staff.</p> <p>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.</p> <p>HyD is developing a new digital management system to facilitate the compilation of statistics required in conducting EIs, in order to monitor the compliance with the requirements as promulgated in the guidelines.</p> <p>HyD has reminded its staff via email in December 2021 to strictly follow the requirements when conducting EIs and supervisory checks. In order to better manage the workflow of the maintenance works of public roads, HyD is developing a new digital management system to facilitate the digitalisation of the relevant workflows of the EIs and EAs conducted by HyD staff. The system development already commenced in April 2022 for completion in Q4 2022 for trial.</p> <p>The Transport and Logistics Bureau will continue to urge HyD to strengthen the checking of the contractors' submission of inspection reports, improve the monitoring of contractors' works, enhance the EMMS in a timely manner, and properly maintain all</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Page 58 of the PAC Report	<p>completion of HyD's new digital management system for supervision of the road maintenance works</p> <p>PAC urges HyD to expedite the development of its new digital management system and explore the wider use of information technology to facilitate its monitoring of the inspection and routine maintenance works conducted by contractors.</p>	<p>inspection and maintenance records with a view to strengthening the monitoring of the contractors' road maintenance works.</p>
Para. 2.26 of the Audit Report	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) standardise the registers of Notification Forms with a view to improving efficiency;</p> <p>(b) enhance the functions of EMMS for maintaining comprehensive inspection and maintenance records for public roads; and</p> <p>(c) take measures to standardise DN registers with a view to improving efficiency.</p>	<p>HyD has standardised the registers of Notification Forms and is developing a new digital management system to digitalise the relevant records.</p> <p>HyD has already required the contractors to enhance the functions of EMMS to record the completion reports for rectification of defects under Notification Forms and EAs in the two new term contracts tendered in October 2021.</p> <p>HyD has standardised the registers of DNs and is developing a new digital management system to digitalise the relevant records.</p> <p>Since the recommendations from (a) to (c) have been implemented, we recommend deleting this part from the next progress report.</p>
Para. 2.34 of the Audit Report Page 58 of the PAC Report	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) take measures to improve the routine inspections of footpaths;</p> <p>PAC urges HyD to require the contractors to record all defects during routine inspections to facilitate monitoring of their conditions, and ensure that all</p>	<p>HyD had already requested the contractors to record all defects identified during routine inspections and detailed inspections, including those defects that are unlikely to pose danger and serious inconvenience to road users and do not require immediate</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 2.34 of the Audit Report</p> <p>Page 57 of the PAC Report</p>	<p>“small” defects are rectified by the contractors under the monthly fee payable to them in a timely manner, so as to prevent these defects from deteriorating over time.</p> <p>(b) take appropriate follow-up actions on the defects identified by Audit and consider the need for issuing DNs on the defects which have not been identified by the contractors without reasonable excuses; and</p> <p>PAC urges HyD to step up the monitoring of the performance of contractors and enforce penalty clauses under the local road maintenance contracts against contractors for their non-compliance with the terms of the contracts;</p>	<p>rectification, for monitoring the conditions of the relevant defects. HyD will continue to closely monitor the contractors through carrying out EAs, so as to ensure timely repair of small scale defects in accordance with the terms of the contracts.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> <p>As regards defects that have not been identified by the contractors in the routine inspections as mentioned in the Audit Report, the contractors concerned have already rectified all 183 defects. HyD has issued DNs to the contractors concerned in accordance with the contractual mechanism and duly reflected the contractors’ pertinent unsatisfactory performance in their quarterly performance reports. HyD will continue to strictly monitor the performance of the contractors to ensure that the contractors will record all defects (including defects which are unlikely to pose danger and serious inconvenience to road users and do not require immediate rectification) during routine inspections and detailed inspections in accordance with the relevant inspection mechanism and contractual requirements, and will complete the relevant rectification works in a timely manner. If any non-compliance in the inspection or maintenance works is identified, HyD will issue DNs to the contractors concerned and deduct the payments to the contractors in accordance with the contractual mechanism.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 2.34 of the Audit Report</p> <p>Page 57 of the PAC Report</p>	<p>(c) take measures to ensure that the contractors comply with the routine inspection frequency for footpaths of high significance.</p> <p>PAC urges HyD to ensure that the contract provisions on the types of defects to be identified by contractors in a routine inspection are consistent with the requirements of the prevailing inspection mechanism.</p>	<p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>For cases which failed to meet the required frequency of routine inspection of footpaths, HyD has issued DN's to the contractors and reminded them via email in January 2022 to conduct inspections of footpaths in accordance with the frequency stipulated in the contracts. HyD has reviewed and revised the contract provisions on the frequency of routine inspections for footpaths. The revised contract provisions have been adopted in the new term contracts commenced in April 2022, where the frequency of routine inspection of footpaths is clearly specified. HyD will check the routine inspection reports of footpaths submitted by the contractors to ensure that the frequency of routine inspection complies with the contract requirements.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Part 3: Non-routine maintenance and rehabilitation works</p>		
<p>Para. 3.15 of the Audit Report</p>	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) take measures to ensure that information on the implementation progress of works orders is input into the Maintenance Accounting and Information System (MAINS) in a timely manner;</p>	<p>To address the issue of the actual completion dates of some works orders not duly reflected in the MAINS, HyD updated the MAINS in January 2022 to reflect the actual completion dates of all works orders.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(b) remind HyD staff to fully comply with the requirements as set out in the Maintenance Administration Handbook (MAH) in issuing covering works orders;</p> <p>(c) remind HyD's contractors to submit hidden works records in accordance with the requirements of MAH where appropriate;</p> <p>(d) take measures to ensure that reports on completion of works under works orders are timely submitted by contractors;</p> <p>(e) remind HyD staff to conduct checking on works completion within the time limit stipulated in MAH; and</p>	<p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>HyD has reminded its staff via email in December 2021 to fully comply with the requirements as set out in MAH in issuing covering works orders.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>HyD has reminded its contractors via email in January 2022 to submit hidden works records in accordance with the requirements of MAH.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>As regards the contractors' late submission of reports on completion of works for some works orders, HyD has reflected the pertinent unsatisfactory performance in the concerned contractors' quarterly performance reports. HyD has also reminded its contractors via email in January 2022 to ensure that the reports on completion of works under works orders are timely submitted.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>HyD has reminded its staff via email in December 2021 to conduct checking on works completion within the time limit stipulated in MAH.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Page 61 of the PAC Report	<p>(f) step up measures to ensure timely submission of dimension books by contractors.</p> <p>PAC strongly urges HyD to take effective measures to ensure timely submission of dimension books by contractors to avoid delays in finalizing works orders</p>	<p>Since 2011, HyD had already put in place a measure under its local road maintenance contracts to recover all previous interim payments under a works order from the contractor who fails to submit the dimension book within 90 days upon the date of completion of a works order and without justifiable reasons, so as to ensure that late submission of the dimension books will not lead to any overpayment. In addition, HyD has also included a standing discussion item in the regular progress meetings with the contractors to closely monitor the timely submission of dimension books.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.19 of the Audit Report	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) in implementing rehabilitation projects in future, consult the relevant stakeholders on temporary traffic/pedestrian arrangement at the planning stage;</p> <p>(b) take measures to improve the accuracy of project estimates for rehabilitation projects as far as practicable; and</p>	<p>HyD has updated the project checklist to include the identification of relevant stakeholders at the planning stage and the respective consultation on the detailed works arrangements before commencement of works.</p> <p>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.</p> <p>HyD has included additional inspection items in the checklist for assessing project estimates, and requested its staff to further verify the actual site conditions and construction constraints, thereby improving the accuracy of</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Page 58 of the PAC Report</p> <p>Para. 3.19 of the Audit Report</p> <p>Page 58 of the PAC Report</p>	<p>PAC strongly urges HyD to improve the accuracy of project estimates for rehabilitation projects as far as practicable.</p> <p>(c) promptly release unused funds from rehabilitation projects upon the completion of works and finalisation of project accounts.</p> <p>PAC strongly urges HyD to promptly release unused funds upon completion of works, with a view to creating a culture of prudent fiscal management.</p>	<p>project estimates for future rehabilitation projects.</p> <p>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.</p> <p>HyD has reminded its staff via email in December 2021 to regularly review completed projects funded by Head 706 (Highways) Subhead 6100TX block allocation under Capital Works Reserve Fund, so as to finalise the relevant accounts as early as practicable, delete such items from block allocation in a timely manner, and release the unused funds from the system. In fact, expenditures under Subhead 6100TX in Financial Years 2020/21 and 2021/22 had reached 99.9% and 99.0% of the allocation respectively.</p> <p>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.</p>
<p>Part 4: Other related issues</p>		
<p>Para. 4.10 of the Audit Report</p>	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) review the design of paving materials for footpath locations subject to heavy loading; and</p>	<p>HyD reviewed the design of paving materials for footpath locations subject to heavy loading in June 2022 and updated the relevant design guidelines in September 2022.</p> <p>Since the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>HyD already completed the laying of new eco-pavers at 11 locations in September 2022 for site trials. There</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Page 62 of the PAC Report	<p>(b) conduct site trials for new eco-pavers as soon as practicable.</p> <p>PAC urges HyD to expedite the site trials for new eco-pavers, and take measures to ensure their stable supply should the result of the trials be positive.</p>	<p>are different suppliers in the market supplying new eco-pavers according to the current data. HyD will closely monitor the situation to ensure a stable supply of the new eco-pavers.</p> <p>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.</p>
Para. 4.23 of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) consider improving the recording of the work of reviewing and decluttering existing pedestrian railings to facilitate management monitoring and review (e.g. by compiling a list of locations in which the railings have been reviewed or removed without compromising safety on a yearly basis); and</p> <p>(b) in planning the decluttering of existing pedestrian railings to improve walkability in future:</p> <p>(i) step up efforts in demonstrating to the public the enhanced benefits of appropriately removing pedestrian railings without compromising safety; and</p>	<p>Transport Department (TD) agreed with Audit's recommendation to create a dedicated database to record the review of railing provisions, which will cover the road section reviewed, recommended works, scheduled and actual completion date, reasons for not implementing the recommended works, etc. As per Audit's recommendations, the dedicated database will be updated on a yearly basis to facilitate TD's management in monitoring and reviewing relevant progress. The aforesaid dedicated database is anticipated to put in use in Q4 2022.</p> <p>TD will continue to step up its efforts in demonstrating to the public the benefits of suitably removing railings without compromising safety through appropriate consultation, explanation, site meeting, etc. with a view to garnering public support for the railings decluttering proposals.</p> <p>Since the above recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Page 62 of the PAC Report</p>	<p>(ii) attach utmost importance to pedestrian safety and take measures to minimize the risk of jaywalking where appropriate (e.g. conducting publicity campaign to deter jaywalking).</p> <p>PAC urges TD to step up efforts in demonstrating to the public the enhanced benefits of appropriately removing pedestrian railings without compromising safety, and promoting pedestrians' road safety awareness and observance of traffic rules through publicity and education activities.</p>	<p>TD will work with the Road Safety Council and the Hong Kong Police Force to promote road safety to pedestrians through various means and channels, such as social media platforms, publicity video clips and leaflets. In addition, at the regular working group meetings under the Road Safety Council, TD will continue to share information on accident blackspots (including those accident blackspots related to pedestrians) for the Hong Kong Police Force's consideration when prioritising enforcement actions and publicity/education activities at district levels.</p> <p>Since the above recommendation has been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

**Kai Tak District Cooling System
Progress in Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Administration of Kai Tak District Cooling System Project		
2.14	<p>Audit has recommended that DEMS should –</p> <p>(a) in implementing District Cooling System (DCS) projects in future, continue to improve the pre-tender site investigations (SI) on underground utilities with a view to providing better information on site conditions for design and tender purposes; and</p>	<p>EMSD reminded its staff in April 2022 to make continued efforts to improve the pre-tender site investigations on underground utilities by identifying suitable locations for conducting SI in the course of design development stage as far as practicable taking into account the actual site constraints with a view to enhancing the SI work arrangement before tendering and providing more accurate information on site conditions for design and tender purpose. Besides, EMSD will continue to liaise with utilities and stakeholders to obtain better understanding of the latest situation of underground utilities.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(b) in implementing DCS projects involving interfacing works in future, make continued efforts to coordinate with all related parties with a view to facilitating the implementation of DCS works.</p>	<p>As the entrustment arrangement adopted since 2013 has proven to be effective in resolving interfacing problems between works contracts, EMSD will continue to adopt this arrangement and actively coordinate with the stakeholders with a view to facilitating the smooth completion of DCS works. Similar entrustment</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>arrangement has already been adopted under Tung Chung New Town Extension (East) (TCNTE) and Kwu Tung North (KTN) projects.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
2.21	<p>Audit has recommended that, in implementing DCS projects in future, DEMS should enhance the phasing arrangement of construction works (e.g. builder's works) before inviting tenders.</p>	<p>EMSD reminded its staff in April 2022 to, for projects with long time span like Kai Tak District Cooling System KTDCS, fine tune the construction work phasing arrangement in accordance with the latest project development, which will be beneficial to the construction and operation of the project. Moreover, the phasing arrangement of construction works contracts, where required, would be reviewed before inviting tenders.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
2.31	<p>Audit has recommended that DEMS should –</p> <p>(a) complete the defects rectification works of installing the noise logger system on schedule and keep under review its performance;</p>	<p>The installation of noise logger system was completed in December 2021. EMSD has been closely monitoring its performance since then and no abnormality was observed so far.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(b) finalise the account of Contract D as soon as possible; and	<p>The account of Contract D was finalised in June 2022.</p> <p>Since the recommendation has been implemented, we suggest deleting this item from the next progress report.</p>
	(c) closely monitor works progress of Phase III (Remaining Works) of KTDCS project (including Contracts H to K) with a view to ensuring the timely completion of such works and providing district cooling services to match the schedules of development projects at Kai Tak Development (KTD).	<p>EMSD has been closely monitoring the works progress of Phase III (Remaining Works) of KTDCS on a regular basis with a view to ensuring the timely completion of such works by Q1 2023 and providing district cooling services to match the schedules of development projects at KTD.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
Part 3: Monitoring of Operation of KTDCS		
3.12	<p>Audit has recommended that DEMS should –</p> <p>(a) make continued efforts to closely monitor the performance of Contractor B in operating KTDCS (including compliance with Key Performance Indicators (KPIs)) and take follow-up actions as needed;</p> <p>(b) enhance the operation payment adjustment mechanism in future contracts for operating KTDCS with a view to better reflecting the level of performance achieved by the contractors;</p>	<p>EMSD will make continued efforts to closely monitor the performance of Contractor B in operating KTDCS, including compliance with KPIs and take follow up actions as necessary.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>EMSD has enhanced the operation payment adjustment mechanism of DCS at TCNTE and KTN with a view to better reflecting the level of performance achieved by the contractors.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>EMSD reminded its staff in April 2022 to make continued efforts to enhance the operation payment adjustment mechanism in future contracts for operating KTDCS and explore new payment adjustment mechanisms, where appropriate, for implementation in DCS projects at New Development Areas (NDAs).</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(c) consider incorporating new KPIs (e.g. system coefficient of performance and KPIs relating to the contractor's administration and reporting duties (e.g. customer services and incident handling and reporting)) into future contracts for operating KTDCS;</p>	<p>EMSD has devised a new KPI of system coefficient of performance and incorporated it in the Design-Build-Operate contract for the Additional DCS at KTD.</p> <p>EMSD reminded its staff in April 2022 to make continued efforts to consider incorporating new KPIs into future contracts for operating KTDCS and explore new KPIs, where appropriate, for implementation in DCS projects at NDAs.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(d) remind EMSD staff to follow the guidelines on conducting site inspections for monitoring the contractor performance in operating KTDCS and include in the inspection reports information on site inspection results and follow-up actions taken; and</p>	<p>EMSD has reminded its staff to follow the guidelines on conducting site inspections, which have been implemented smoothly since the guidelines took effect in October 2021. EMSD staff were also reminded to include in the inspection reports information of on-site inspection results and follow up actions taken.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(e) regularly compile management information (e.g. highlights or summaries) on site inspection results for KTDCS for monitoring purpose.</p>	<p>Since December 2021, EMSD has been compiling management information regularly with on-site inspection results of KTDCS for monitoring purpose.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
<p>3.28</p>	<p>Audit has recommended that DEMS should –</p> <p>(a) keep under review the impact of low chilled water return temperatures on the operation and reliability of KTDCS, and the effectiveness of the measures (e.g. temperature resets) taken to address the issue;</p>	<p>The operation and reliability of KTDCS have not been affected as the DCS plants were not at their design full capacities. Furthermore, since EMSD's implementation of the temperature reset measure, the performance outcome of KTDCS has been found effective as the chilled water return temperatures are being maintained close to the required level.</p> <p>In April 2022, EMSD reminded its staff to make continued effort to explore measures to monitor the chilled water return temperature as far as practicable.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) consider requiring Contractor B to compile and report regularly to EMSD information on DCS consumers' compliance with the chilled water return temperature requirement;</p>	<p>Since November 2021, Contractor B has been compiling and reporting regularly to EMSD information on DCS consumers' compliance with the chilled water return temperature requirement. It will continue to report regularly to EMSD.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(c) keep under review the operation of KTDCS and implement the fully automatic operating mode as and when appropriate for improving the overall system efficiency and performance;</p>	<p>EMSD completed a review on the operation of KTDCS and automatic operating mode and will make continued efforts to closely monitor the overall system efficiency and performance. It is planned to implement the fully automatic operating mode upon reaching full-load capacity tentatively in 2025.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(d) enhance the monitoring of Contractor B's compliance with the incident reporting requirements, including –</p> <p>(i) requiring the contractor to include information on the level of incident and the time of reporting the incident to its management and EMSD in the incident report; and</p>	<p>EMSD has implemented the enhancement measures on incident reporting since November 2021.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(ii) enhancing the record keeping on incidents notified by Contractor B by telephone or in person and EMSD's follow-up actions; and	
	(e) make continued efforts to enhance the operation and maintenance of KTDCS plants with a view to avoiding recurrence of water leakage or flooding incidents at the plants.	<p>Following the water leakage and flooding incident in July 2018, EMSD has enhanced its monitoring, operation and maintenance practices since November 2018, including addition of leakage detection system, closed circuit television monitors and increasing inspection frequencies etc., and there has been no similar incidents since then. In April 2022, EMSD reminded its staff to make continued efforts to enhance the operation and maintenance of KTDCS plants with a view to avoiding recurrence of water leakage or flooding incident at the plants.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
Part 4: Provision of District Cooling Services and Other Related Issues		
4.16	<p>Audit has recommended that DEMS should –</p> <p>(a) include in the list of development sites for connection to KTDCS information for following up developments at the sites for provision of district cooling services (e.g. responsible B/Ds or party, site development status and the progress of connection to KTDCS and processing applications for subscription to the district cooling services)</p>	<p>Since November 2021, EMSD has included in the list of development sites for connection to KTDCS the relevant information for following up developments at the sites for provision of district cooling services.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	with a view to facilitating EMSD's follow-up actions for provision of district cooling services;	
	(b) regularly remind EMSD staff to follow the workflow and mechanism in the checklist for connection to DCS, and document the assessments;	<p>Since September 2021, EMSD has started to use the checklist for connection to DCS and the operation has so far been smooth. EMSD will regularly remind its staff to follow the workflow and mechanism in the checklist for connection to DCS, and document the assessments.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	(c) closely liaise with the relevant B/Ds and the responsible parties of the public and private non-domestic developments at KTD mentioned in para. 4.6(a) for provision of district cooling services;	<p>EMSD reminded its staff in April 2022 to closely liaise with the relevant B/Ds and the responsible parties of the public and private non-domestic developments at KTD mentioned in para. 4.6(a) for provision of district cooling services.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	(d) explore with the relevant B/Ds and the responsible parties of the existing public and private non-domestic developments at KTD mentioned in para. 4.6(b) the feasibility of connecting their developments to KTDCS when opportunities arise.	<p>EMSD has compiled a list of consumers to monitor the development of KTD and connection to DCS. EMSD reminded its staff in April 2022 to make continued efforts to explore with the relevant B/Ds and the responsible parties of the existing public and private non-domestic developments at KTD mentioned in para. 4.6(b) the feasibility of connecting their developments to KTDCS when opportunities arise.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(e) keep under review the cooling demand of developments at KTD with a view to matching the demand by KTDCS; and</p>	<p>EMSD reminded its staff in April 2022 to keep under review the cooling demand of various developments at KTD and ensure that any additional development should align with the design of KTDCS.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
	<p>(f) complete the interim tariff review for KTDCS as scheduled and conduct regular tariff reviews, taking into account all relevant data and latest developments relating to KTDCS.</p>	<p>To prepare for the operation of the Additional DCS targeted in 2023, EMSD has completed the interim tariff review report for KTDCS which has been reviewed by the relevant B/Ds. Tariff review will also be conducted on a regular basis.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
<p>4.30</p>	<p>Audit has recommended that DEMS should –</p> <p>(a) in implementing a DCS project in future, take measures to ensure that the project costs are estimated as accurately as possible; and</p>	<p>EMSD reminded its staff in April 2022 to make continued efforts to take measures to ensure that the cost of DCS projects in future is estimated as accurately as possible.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(b) conduct a post-completion review for Phases I and II works of KTDCS project with a view to identifying areas for early improvement and facilitating drawing on the experience gained in future DCS projects.	<p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>The post-completion review for the Phases I and II was completed in September 2022, which has identified areas for improvement in future DCS projects.</p> <p>Since the recommendation has been implemented, we suggest deleting this item from the next progress report.</p>

**Leisure and Cultural Services Department:
Provision and management of sports grounds
Progress in Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Planning and Provision		
2.7	<p>Audit has recommended that DLCS should –</p> <p>(a) continue to take into account the usage rate of a sports ground for its main function in future planning of sports grounds; and</p>	<p>According to the Hong Kong Planning Standards and Guidelines (HKPSG), sports ground is planned based on population (i.e. one sports ground per 200 000 to 250 000 population). While sports grounds are sometimes used for professional and higher-graded football matches, their main function is to provide venues for athletic training and competitions as well as for educational institutes (e.g. primary and secondary schools) to hold sporting events.</p> <p>LCSD has been closely monitoring the usage of sports grounds and reviewing from time to time the need for provision of sports grounds in accordance with HKPSG. For example, in planning the project Redevelopment of Hong Kong Stadium, athletic track and field facilities will be provided to meet the demands for athletic training and competitions in the region, including school demands for holding athletic meets. LCSD will continue to take into account the usage rate of a sports ground for its main function in future planning.</p> <p>Starting from September 2022, LCSD has been keeping separate statistics on the usage rates of a sports ground for its main function (i.e. to provide venues for educational institutes and other relevant organisations to hold athletic</p>

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		<p>training and events) and for jogging activities in calculating the total average usage rates. The information would help evaluate the actual demand from schools and organisations.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
2.10	<p>(b) require LCSD staff to regularly maintain statistics on the number of joggers using running tracks of sports grounds.</p> <p>Audit has recommended that DLCS should keep in view the progress of the redevelopment projects for LCSD sports grounds under the 5-year plan and take measures to ensure their timely completion.</p>	<p>LCSD has adopted a common calculation basis, including keeping separate statistics on the usage rates of a sports ground for its main function and for jogging activities, in calculating the total average usage rate.</p> <p>Moreover, LCSD has maintained hourly statistics on the number of joggers in sports ground, with the exclusion of the number of non-joggers, to avoid data inaccuracy. Starting from September 2022, hourly statistics on the number of joggers has also been included in the monthly usage return for sports grounds.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>LCSD continues to implement the redevelopment projects according to the schedule of the Five-Year Plan with Architectural Services Department (ArchSD) to ensure their timely completion.</p> <p>The project Redevelopment of Yuen Long Stadium is on schedule. As regards the project Redevelopment of the Aberdeen Sports Ground, it has been included in Invigorating Island South initiative as announced by the Chief Executive in 2020 Policy</p>

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		<p>Address. It is also one of the projects for conducting a technical feasibility study (TFS) under the Five-Year Plan. Preparation of its TFS is underway. For the project Redevelopment of Hong Kong Stadium, preparation of its TFS is also underway. LCSD will work closely with DEVB and relevant departments to take forward the project.</p>
2.24	<p>Audit has recommended that DLCS should –</p> <p>(a) closely monitor the implementation progress of the enhancement and improvement measures for the drainage and irrigation systems in the in-field turf pitches/areas of LCSD sports grounds with a view to completing the works as soon as practicable;</p> <p>(b) continue to explore the use of hybrid turf in the in-field turf pitches/areas of LCSD sports grounds;</p>	<p>LCSD has been closely monitoring the progress of the improvement work on drainage and irrigation system in the sports grounds through bi-monthly inspections. The Sport Turf Management Section (STMS) of LCSD has assisted respective venue management to work out long-term improvement works on drainage and irrigation system. As short-term measures, STMS has advised venue management to step up aerification work and apply wetting agents to mitigate the waterlogging and drought conditions.</p> <p>LCSD will closely monitor the progress of hybrid turf system by giving advice on turf selection in planning projects, such as re-development of Yuen Long Stadium, Kai Tak Sports Park and future planning projects related to turf construction.</p> <p>In fact, the installation of hybrid turf system has been included in the tender specification of the redevelopment of Yuen Long Stadium. The construction contract has been awarded and is scheduled for completion in 2026-27. As for the Public Sports Ground of Kai Tak Sports Park, it is confirmed that the</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>hybrid turf system will be adopted. The works are expected to be completed in end 2023.</p>
	<p>(c) consider stepping up the replacement of Type B water dispensers in LCSD sports grounds by Type A water dispensers as far as practicable, or by new Type C water dispensers if the risk of bubbler contamination can be mitigated;</p>	<p>LCSD has speeded up the replacement of bubble-type water dispensers. Starting from May 2022, all sports grounds have been provided with at least one water dispenser with either “bottle filler” or “both bottle filler and bubbler”, i.e. Type A or “new” type C functions, except the Sai Kung Tang Siu Kin Sports Ground (SKTSKSG) which is closed for renovation. The SKTSKSG will be provided with water dispenser with bottle filling function upon completion of its renovation works.</p> <p>As the review has been conducted, we recommend deleting this part from the next progress report.</p>
	<p>(d) review the adequacy of water dispensers in LCSD sports grounds and provide more water dispensers if necessary;</p>	<p>LCSD has reviewed the provision of water dispensers in LCSD sports grounds and considers it adequate to provide at least two water dispensers in sports grounds designated for community use. For those sports grounds where large-scale competitions are commonly held, venue management will take into account the spectator stand capacity and usage rate when assessing the actual need of water dispensers.</p>
	<p>(e) closely monitor the progress of the in-field turf pitch upgrading programme (including the provision of new track facilities) in the Wo Yi Hop Road Sports Ground, and continue to explore the feasibility of replacing the concrete-paved running track in the Fanling Recreation Ground by suitable paving materials.</p>	<p>LCSD will closely monitor the progress of in-field turf pitch upgrading programme (including the provision of new track facilities) in the Wo Yi Hop Road Sports Ground (WYHRSG). The Kwai Tsing District Council was consulted on the design proposal of WYHRSG on 21 June 2022. LCSD targets to commence the renovation work in Q4 of 2024.</p>

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		<p>Besides, LCSD continues to explore the feasibility of replacing the concrete paved running track in the Fanling Recreation Ground (FRG) by suitable paving materials. Works agent is studying the feasibility of paving a protection coating on the surface of the concrete-paved jogging track at FRG. Venue management will be consulted on the proposed materials in due course.</p>
<p>Part 3: Operational matters</p>		
<p>3.16</p>	<p>Audit has recommended that DLCS should –</p> <p>(a) review the objectives and effectiveness of the requirement to submit designated application forms for using LCSD sports grounds and in-field turf pitches, and streamline the application procedures as appropriate;</p> <p>(b) take measures to ensure that the requirement to provide information on responsible persons in submitting applications is complied with;</p> <p>(c) remind LCSD staff to conduct random checks on balloting results, and maintain and submit the checking records to the respective District Leisure Services Office for verification as required under LCSD booking guidelines;</p> <p>(d) remind LCSD staff to set payment due dates in accordance with LCSD booking guidelines;</p>	<p>It is considered that the designated application forms for using LCSD sports grounds and in field turf pitches could facilitate venue management in processing the booking application. In this regard, LCSD has reminded the staff concerned to strictly comply with the booking guidelines when handling booking applications, including –</p> <p>(a) checking and ensuring that all required fields in the application form are completed by the applicants;</p> <p>(b) conducting random checks on balloting results, maintaining and submitting the checking records to the respective District Leisure Managers/Deputy District Leisure Managers for verification;</p> <p>(c) setting payment due dates in accordance with the booking guidelines;</p> <p>(d) and (e) timely handling booking cancellations and no-shows cases to ensure hirers' compliance with the 20 days' advance</p>

Para. No.	Audit's Recommendations	Progress to Date
	(e) take measures to ensure compliance by hirers with the 20 days' advance notification requirement on cancellation of bookings for using sports grounds and in-field turf pitches;	notification requirement on booking cancellation with proper record, where necessary;
	(f) remind LCSD staff to request written justifications from hirers in case of booking cancellation and no-show as appropriate, maintain proper records on LCSD's acceptance or otherwise of the justifications, and issue default notices when necessary;	(f) preparing monthly registers on the use of in-field turf pitches by schools and organisations; and (g) keeping proper records on the justifications for adjusting the maximum number of sessions allocated to schools and organisations for using in-field turf pitches.
	(g) remind LCSD staff to prepare monthly registers on the use of in-field turf pitches in LCSD sports grounds by schools and organisations, and conduct the random checks as required under LCSD booking guidelines; and	In addition, to ensure faithful discharge of duties and responsibilities as well as strict compliance with the requirements of the booking procedures by venue management of sports grounds, LCSD has compiled an action checklist against the irregularities identified in the Audit Report. Officers are required to examine the procedures for processing sports ground applications on a regular basis and submit half-yearly reports endorsed by the District Leisure Manager starting from July 2022. Meanwhile, LCSD is pressing ahead in full steam for developing a new intelligent sports and recreation services booking and information system ("the new system") and has included the group booking function in designing the new system.
	(h) take measures to ensure that the justifications for adjusting the maximum number of sessions allocated to schools and organisations for using in-field turf pitches in LCSD sports grounds are documented.	The new system with the new function, which is expected to be commissioned in 2024, will enable group users such as National Sports Associations, community sports clubs and schools to submit applications, follow up on the block booking applications for recreation and sports facilities and pay the related hire charges through electronic means.

Para. No.	Audit's Recommendations	Progress to Date
		As the recommendation has been implemented, we recommend deleting this part from the next progress report.
3.23	<p>Audit has recommended that DLCS should –</p> <p>(a) review the current practices in maintaining check-in records in all LCSD sports grounds and take measures to ensure that check-in records are properly maintained in future; and</p> <p>(b) remind LCSD staff to maintain proper records on actual utilisation on monthly charts and check the information submitted to CARS against the monthly charts to ensure accuracy.</p>	<p>LCSD has asked venue management to maintain a check-in record for hirer sign-in at the register counter and keep proper record in accordance with the Check-in Procedure for Land-based Leisure Facilities.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>LCSD has reminded venue management to prepare monthly usages report of recreation and sports facilities and ensure consistency in the calculation and report of statistical returns in accordance with the Guidelines on Monthly Usage Report of Recreation and Sports Facilities.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
3.26	<p>Audit has recommended that DLCS should conduct a review on the current arrangements of concurrent use of in-field turf pitch and running track in LCSD sports grounds having regard to the need to ensure safety of users and public demand for running tracks.</p>	<p>LCSD has reviewed the existing arrangements on the concurrent use of in-field turf pitch and running track in sports grounds. A mechanism has been devised for the District Leisure Manager to take into account the actual needs and safety considerations when adjusting the number of lanes that can be used for jogging when football activities are conducted in the in-field turf pitch of a sports ground with a view to enhancing flexibility in the provision of service. The revised guidelines was promulgated to staff in early October 2022.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As the recommendation has been implemented, we recommend deleting this part from the next progress report.
Part 4: Venue Management		
4.16	<p>Audit has recommended that DLCS should –</p> <p>(a) take improvement measures in inventory management in light of Audit's observations in the Aberdeen Sports Ground, the Kowloon Bay Sports Ground and the Sha Tin Sports Ground;</p> <p>(b) review whether there are similar irregularities in inventory management in other LCSD sports grounds (i.e. other than the Aberdeen Sports Ground, the Kowloon Bay Sports Ground and the Sha Tin Sports Ground) and take improvement measures as appropriate;</p>	<p>LCSD reminded the venue management of sports grounds in April 2022 to (i) conduct monitoring of the verification exercise on a regular basis and in accordance with the relevant procedures, and (ii) further confirm the completeness of the inventory verification lists. The venue management of sports grounds concerned completed verification exercise and checking of all inventory items in accordance with the prevailing guidelines and procedures in April 2022.</p> <p>The Supplies Section of LCSD reviewed and refined relevant guidelines such as the General Guidelines for Inventory Holders, Guidance Note on Management of General Inventory Items as well as the Procedures for Dealing with Inventory/Stock Verification in December 2021. Relevant guidelines/procedures are re-circulated to all departmental staff for perusal on a half-yearly basis. These guidelines/procedures clearly stipulate the responsibilities of inventory holders, the proper verification procedures, as well as steps to be taken in dealing with discrepancies, if any.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>The Districts in question have reminded the venue management of sports grounds that it is imperative to take measures to improve the stocktaking and inventory control regimes in accordance with the relevant procedures with a view to ensuring safe custody and proper care of the inventory items under their control.</p> <p>In addition, to ensure faithful discharge of duties and responsibilities as well as strict compliance with the requirements under the guidelines by the venue management of sports grounds, LCSD has compiled an action checklist against the irregularities identified in the Audit Report. Officers are required to examine the inventory verification procedures on a regular basis and submit half-yearly reports endorsed by the District Leisure Manager starting from July 2022.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(c) take measures to –</p> <p>(i) rectify as soon as possible the irregularities identified by Audit in the provision of first-aid equipment and AEDs in the Aberdeen Sports Ground, the Kowloon Bay Sports Ground and the Sha Tin Sports Ground; and</p>	<p>LCSD has requested venue management of all sports grounds to –</p> <p>(i) conduct inspections on the first-aid equipment in the venues under their purview to ensure that it is adequately stocked and in serviceable condition. All district management staff have also been reminded to pay special attention to the first-aid equipment during their regular inspections; and</p>

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	<p>(ii) ensure that the guidelines on the provision of first-aid equipment and AEDs are complied with in all LCSD sports grounds;</p>	<p>(ii) conduct inspections on the AEDs and related installations in the venues under their purview to ensure that the AEDs function normally and all relevant notices are in place. District and venue management have also been reminded to conduct regular inspections on AEDs in accordance with the management guidelines.</p> <p>Moreover, to ensure faithful discharge of duties and responsibilities as well as strict compliance with the requirements of relevant guidelines by the venue management of sports grounds, LCSD has compiled an action checklist against the irregularities identified in the Audit Report. Officers are required to pay special attention to the relevant first-aid equipment, AEDs and related installations during their regular inspections and, after inspections, submit half-yearly reports endorsed by the District Leisure Manager starting from July 2022.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(d) review whether the two storerooms and the accessible toilet in the Kowloon Bay Sports Ground can be put into more gainful uses to ensure optimal use of accommodation resources;</p>	<p>LCSD removed the sundry items temporarily stored in the storeroom of the Kowloon Bay Sports Ground in May 2022. The two storerooms can be made available for use by the hirers when needed.</p> <p>Moreover, LCSD has opened the accessible toilet and men's and ladies' toilets on the first floor of the Kowloon Bay Sports Ground for hirers/users during booked sessions. These toilets will subsequently be converted to a</p>

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		<p>universal toilet provided with ancillary facilities such as a diaper changing station and water closet for children. The conversion works, being conducted, will be completed by November 2022.</p> <p>District management has also been instructed to pay special attention to the use of individual facilities in sports grounds during regular inspections in accordance with the Inspection Guidelines.</p>
	<p>(e) review the objectives and effectiveness of the inspection on kiosk operation, and take measures to ensure that the operating conditions, including the requirement on opening hours, are complied with; and</p>	<p>Venue staff are reminded to (i) inspect kiosks daily in accordance with the prevailing inspection guidelines, (ii) check the compliance of kiosk operators according to the inspection items listed on the bi-weekly report, (iii) record the irregularities observed and the immediate actions taken properly on the occurrence book; as well as (iv) report the inspection details systematically by completing the bi-weekly inspection report for onward submission to supervisory staff for checking and necessary follow-up actions with kiosk operators for effective monitoring of the performance of kiosk operators.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(f) step up monitoring of contractors' performance to ensure that changing rooms and toilets of LCS D sports grounds are cleansed at the required frequency and cleansing records are properly maintained.</p>	<p>LCS D has incorporated the cleansing record form for use by contractor staff in relevant inspection guidelines and remind user sections to request the contractors to complete and properly file the record form for regular checking by LCS D staff in order to enhance the monitoring of contractor's performance and ensure their</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>compliance with the service specifications and contract requirements, including amongst other things, the cleansing frequency, as stipulated in respective Cleansing and Supporting Contracts.</p> <p>The cleansing record form was uploaded onto LCSD Document Library in June 2022 for easy access of staff.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
4.22	<p>Audit has recommended that DLCS should –</p> <p>(a) enhance record keeping on maintenance works in the Aberdeen Sports Ground, the Kowloon Bay Sports Ground and the Sha Tin Sports Ground with a view to improving progress monitoring;</p> <p>(b) keep in view the replacement of the solar water heating systems in the Kowloon Bay Sports Ground; and</p>	<p>The venue management of relevant sports grounds are reminded to keep proper records on maintenance works in accordance with the Guidelines on Repair and Maintenance of Leisure Facilities by the Works Department (Maintenance Guidelines). Besides, to ensure faithful discharge of duties and responsibilities by venue management as well as strict compliance with the requirements of the guidelines, district management is required to conduct regular inspections of the records maintained in sports grounds.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>LCSD has confirmed with the works agent that the replacement of water heating systems (for supplementary water heating purpose) by a photovoltaic system at the Kowloon Bay Sports Ground is feasible. The replacement works was completed in August 2022.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As the replacement works have been completed, we recommend deleting this part from the next progress report.</p>
4.26	<p>Audit has recommended that DLCS should –</p> <p>(a) review and update the inspection requirements with a view to achieving the objectives of LCSD inspections; and</p>	<p>To enhance the maintenance of facilities in other LCSD sports ground, the relevant guidelines have been re-circulated and district management are instructed to remind all staff to observe the requirements and operation details of the guidelines. Moreover, LCSD has compiled an action checklist against the irregularities identified in the Audit Report. Venue management of all sports grounds are required to keep records of maintenance and inspections of their venues and submit half-yearly reports endorsed by the District Leisure Manager starting from July 2022 in order to ensure strict adherence to the Maintenance Guidelines and inspection requirements by the staff concerned. The first reports were submitted in August 2022.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p> <p>District Leisure Managers, officers-in-charge and area Amenities Assistants are required to conduct random checks and regular inspections to venues under their purview according to the “Guidelines on Inspection of Land-based Leisure Venues” (Inspection Guidelines) and the frequency stipulated therein. According to operation needs, District Leisure Managers will exercise discretion in adjusting the frequency of inspections to individual venues. Chief</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>Leisure Managers will also conduct surprise inspections to the recreation and sports venues in the districts under their purview as required. Having reviewed the above mechanism, it is considered that the objectives of LCSD inspections could be well achieved.</p> <p>LCSD has compiled an action checklist and requested the district management at supervisory level to conduct checks on staff's compliance with the relevant procedures and guidelines. District Leisure Manager is required to examine and endorse the completed checklist on a half-yearly basis.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
	<p>(b) take measures to ensure that inspections are conducted in accordance with the updated requirements and inspection results are properly recorded to facilitate follow-up actions.</p>	<p>The District Leisure Managers have been reminded to follow the Inspection Guidelines to conduct regular inspection and keep proper record of the inspection results and follow-up actions.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>

**Licensing and examination services for vehicles
Progress in implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Operation of Transport Department's Licensing Offices		
<i>Services provided by licensing offices</i>		
2.27	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) critically review the manpower requirements and explore effective ways to cope with the change of mode of operations of the licensing offices (LOs);</p>	<p>TD will continue to critically review the manpower requirement to cope with the service needs of the LOs.</p> <p>At the same time, TD is taking measures to streamline the procedures for submitting applications for renewal of vehicle licences (VLs) and to pave the way for full automation of the processing procedures with a view to enhancing operational efficiency.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(b) compile statistics on the number of transactions of individual LOs;</p>	<p>TD completed the necessary system enhancement in September 2022 for enabling compilation of statistics on the number of transactions of individual LOs.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(c) closely monitor the workload of the four LOs and flexibly deploy staff among the offices;</p>	<p>TD will continue to closely monitor the four LOs' workload and flexibly deploy staff among LOs and other Divisions if the situation warrants.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(d) take measures to further relieve the congested environment at the waiting hall of Kowloon Licensing Office (KLO);</p>	<p>Starting from 31 May 2022, TD has implemented a trial queue ticketing system for driving licence-related services at KLO so members of the public do not need to queue at the waiting hall, thereby alleviating the congested environment at the waiting hall of KLO. The initial result is encouraging.</p> <p>As the recommendation has been implemented, we suggest deleting this part from the next progress report.</p>
	<p>(e) continue to promote the use of the e-service of providing reminder messages for renewal of VLs and step up efforts to remind vehicle owners about timely renewal of VLs;</p>	<p>Starting from May 2022, TD has been promoting the subscription of reminder service for VL renewal on its website and the HKeMobility mobile application.</p> <p>In parallel, the relevant promotional posters were also put up at all of TD's LOs, government carparks managed by TD, the Transport Department Vehicle Examination Complex (TDVEC), 20 designated post offices and Home Affairs Department's district offices.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(f) explore the feasibility of setting up a queue ticketing system to replace the existing queueing system for driving licence-related services, where practicable;</p>	<p>Starting from 31 May 2022, TD has implemented a trial queue ticketing system for driving licence-related services at KLO to replace the existing walk-in queueing system.</p> <p>After reviewing the result of the trial, TD plans to extend the queue ticketing system to cover the driving licence-related services at the other three LOs by the end of 2022.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(g) explore the feasibility of extending the appointment booking service (ABS) to more licensing services as far as practicable with a view to reducing the waiting time of the applicants;	<p>TD has enhanced its booking system and extended the ABS to cover applications for "Duplicate Vehicle Registration Document/Duplicate Vehicle Licence" from 8 August 2022 onwards.</p> <p>As the recommendation has been implemented, we suggest deleting this part from the next progress report.</p>
	(h) reassess the allocation of ABS quota among different licensing services and LOs taking into account the prevailing service demand;	<p>Taking into account the actual operational situation of respective LOs and the need of counter services for respective types of licensing applications, TD has reassessed and adjusted the ABS quota among different licensing services and LOs in May 2022.</p> <p>After quota adjustment, the overall utilisation rate of ABS quota in the four LOs reached around 97% in June 2022.</p> <p>As the recommendation has been implemented, we suggest deleting this part from the next progress report.</p>
	(i) closely monitor the no-show rate of ABS and take measures to reduce the no-show rate; and	<p>TD has been paying close attention to the usage rate of ABS and has launched an email reminder service since 25 January 2022. With a view to reducing the no-show rate, the booking system would send automatic reminder messages to the applicants three calendar days before the scheduled appointment to help remind applicants to change or cancel their appointments through the booking system if necessary.</p> <p>In addition, in order to increase the available appointment slots, all appointment slots which the applicants have either cancelled or re-scheduled</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>their bookings are released and made available for booking by other applicants.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(j) continue to step up publicity efforts to promote the use of online application for licensing services, including promoting through TD's website, display panels and posters at the LOs.</p>	<p>Starting from January 2022, TD has been promoting the use of online application for renewal of VL on its website and the HKeMobility mobile application. To step up publicity efforts, TD has also promoted the use of online services on the GovHK homepage since June 2022.</p> <p>In parallel, the relevant promotional posters have also been put up at all TD's LOs, government carparks managed by TD, TDVEC, 20 designated post offices and Home Affairs Department's district offices since January 2022.</p> <p>Besides, TD had distributed the relevant pamphlets in the "Journey Smart" roving exhibition from 23 to 27 July 2022 to further promote the use of online application for renewal of VL.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
<i>Performance reporting</i>		
2.38	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) take measures to improve the workflow of non-counter licensing services with a view to improving the efficiency in providing non-counter services;</p>	<p>TD has reviewed and improved the workflow by revising the application forms and making use of electronic means to contact applicants.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As the recommendation has been implemented, we suggest deleting this part from the next progress report.</p>
	<p>(b) timely review the performance targets on driving and vehicle licensing services to better meet public expectation; and</p>	<p>TD will continue to review the performance targets on driving and vehicle licensing services with reference to the results of the waiting time survey conducted every year.</p> <p>At the same time, TD has been improving its performance through various means, including streamlining procedures and implementing e-initiatives, with a view to reducing the public's reliance on counter services. With the implementation of various e-initiatives, TD envisages that the waiting time required for counter services will be reduced. TD will timely review and set the relevant performance targets to better meet public expectation.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(c) improve the assessment of the performance of licensing services, including –</p> <p>(i) exploring the feasibility of implementing a queue ticketing system which helps TD capture data of queueing time and processing time automatically for over-the-counter transactions;</p>	<p>Starting from 31 May 2022, TD has implemented a trial queue ticketing system for driving licence-related services at KLO to replace the walk-in queueing system. As applicants who have obtained tickets will join a designated queue when the queue tickets are called or they may return to the LO before a designated time in the morning or in the afternoon to submit applications, having the system to automatically capture the queueing time</p>

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		<p>and processing time cannot reflect the actual queueing time. TD will thus continue to collect and review the statistics on queueing time and other relevant data of the LOs, through regularly conducting waiting time surveys.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(ii) making use of computer software to capture dates of receipt of applications and dates of completion of processing for analysis of processing time of non-counter transactions;</p>	<p>Concerning the use of computer software to capture the processing time of non-counter transactions, TD anticipates that the necessary system enhancement to capture dates of receipt of applications and dates of completion of processing non-counter transactions will be completed by early 2023.</p>
	<p>(iii) including the applicants with appointment booking in the waiting time survey to ascertain if the waiting time could be reduced;</p>	<p>TD has included the applicants with appointment booking in the waiting time survey in June 2022. It is expected that the relevant data analysis will be completed by end 2022.</p>
	<p>(iv) considering whether a performance pledge on the waiting time of applicants with appointment booking would be set up with a view to providing better public services;</p>	<p>For the provision of driving and vehicle licence renewal services over the counter, the existing performance pledge is to complete the relevant services within 70 minutes. In general, the waiting time of applicants who have made an appointment and arrived at the service counters at their appointment time will be shorter than that of applicants who have not made an appointment (i.e. applicants queuing for walk-in counter services). If there is an increasing number of applicants with appointment booking queuing up for counter services, depending on the actual operational situation, LOs can deploy manpower to provide additional</p>

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		<p>dedicated counter(s) and accord priority to handle these applications. TD will continue to review the related service arrangements from time to time and at present has no plan to set up a different performance pledge for the waiting time of applicants with appointment booking.</p> <p>As the recommendation has been addressed, we suggest deleting this part from the next progress report.</p>
	(v) considering extending the scope of public opinion survey to cover more licensing services where practicable; and	<p>TD will conduct public opinion survey to collect views from applicants applying for licensing services through non-counter means, and will extend the scope of the survey to cover more licensing services, such as certificate of particulars of vehicle, certificate of driving licence particulars, and duplicate vehicle registration document/duplicate VL. We target to conduct the next round of survey by end-2022.</p>
	(vi) taking measures to solicit public opinion from applicants applying for licensing services through non-counter means.	
Part 3: Vehicle Examination		
<i>Appointment for vehicle examination and inspection</i>		
3.16	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) sustain TD's efforts in promoting the use of online booking upon resumption of the online booking systems; and</p>	<p>Upon resumption of the online booking systems on 17 January 2022, TD had been promoting the use of online systems for making vehicle examination reservations through its website, posters at vehicle examination centres and trades' meetings/newsletters.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) take actions to ensure that defective vehicle inspections are conducted in accordance with the timeframe specified in TD's guidelines and require a vehicle owner to produce documentary proof for justifying a request for deferring an inspection.</p>	<p>TD had completed the review of its internal working procedures and updated its working guidelines on defective vehicle inspections, which took effect from November 2021. Under the new working guidelines, if registered vehicle owners apply for deferral or cancellation of vehicle examination orders, they are required to provide sound justification(s) and submit documentary evidence provided by third parties.</p> <p>TD will suitably redeploy internal manpower and allocate additional vehicle examination appointment timeslots to expedite the review of reported cases and inspection of defective vehicles as necessary.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
<i>Commissioning of Transport Department Vehicle Examination Complex</i>		
<p>3.30</p>	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) take actions to resume the online vehicle examination booking systems as soon as possible and draw lessons from the incident with a view to enhancing TD's system security so as to minimise the risk of potential hacking in future; and</p>	<p>TD has resumed the online booking systems for annual vehicle examination of commercial vehicles and pre-registration examination of vehicles in the TDVEC since 17 January 2022 and 8 April 2022 respectively.</p> <p>TD has completed the detailed investigation into the computer system incident of the TDVEC and will draw lessons from the incident. Based on recommendations in the investigation report, TD is gradually carrying out the improvement measures, including strengthening the remote access</p>

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		<p>control, enhancing data logging and implementing 24-hour continuous monitoring system, and conducting Security Risk Assessment and Audit with a view to enhancing the computer system's security. All security improvement measures will be implemented by the fourth quarter of 2022.</p>
	(b) plan ahead to better address staff shortage due to normal retirement and take measures to ensure that recruitment exercises are conducted in a timely manner.	<p>TD concluded the recruitment exercise for Vehicle Tester (VT) in January 2022. New recruits for VT have reported for duty starting from March 2022.</p> <p>TD has also started the planning work (including the updating of entry requirements) for launching a new round of recruitment exercise for Motor Vehicle Examiner II. TD plans to issue the recruitment advertisement in fourth quarter of 2022. New recruits are expected to report for duty starting from the first quarter of 2023.</p> <p>TD will continue to plan ahead and conduct recruitment exercises as appropriate to better cope with the manpower requirements of various grades.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
<i>Monitoring of Designated Car Testing Centres</i>		
3.38	Audit has recommended that the Commissioner for Transport should take measures to ensure that the number of on-site surprise checks and spot checks comply with the targets as laid down in TD's Designated Car Testing Centres (DCTC) Monitoring Procedures.	The TD has since March 2021 resumed the on-site surprise checks and spot checks of DCTCs, the conduct of which was previously affected by the outbreak of the COVID-19 epidemic. As at 31 December 2021, the percentage of spot checks performed as mentioned in para. 3.35 of the Audit Report (which captured data up to July 2021

Para. No.	Audit's Recommendations	Progress to Date
		<p>only) is 1.05%. In the period between 1 January and 30 June 2022, the percentage of spot checks is 1.20%. Both figures exceed the 1% target as promulgated in the DCTC Monitoring Procedures.</p> <p>In January 2022, TD completed the review of and updated the DCTC Monitoring Procedures which rationalised the arrangement of checking CCTV records as a complementary measure for monitoring the operation of DCTCs.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
<p>Part 4: Administration of Lantau Closed Road Permits</p>		
<p><i>Long-term Lantau Closed Road Permits and temporary Lantau Closed Road Permits</i></p>		
<p>4.12</p>	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) strengthen the checking of supporting documents with a view to ensuring that only applications for Long-term Lantau Closed Road Permits (LCRP(LT)s)/temporary Lantau Closed Road Permits (LCRP(T)s) that are fully supported will be approved;</p> <p>(b) take measures to ensure that the validity periods of LCRP(T)s tally with the need of applicants as far as practicable;</p>	<p>TD in December 2021 updated its internal guidelines and checklist to enhance the checking of supporting documents and vetting of LCRP applications (such as to ensure the period of tenancy agreement/works contract tallies with the validity period of the LCRPs, etc.). Regular briefing to staff has also been arranged to remind them the proper procedures in handling LCRP applications since December 2021.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(c) remind TD staff to strictly follow the requirements in TD's guidelines in respect of using the manual checklist for vetting applications;	
	(d) explore the feasibility of implementing the checklist for vetting applications in the Lantau Permit Information System (LPIS);	<p>TD has enhanced the LPIS to provide an electronic checklist for vetting applications since September 2022.</p> <p>As the recommendation has been implemented, we suggest deleting this part from the next progress report.</p>
	(e) closely monitor the increasing unlawful activities involving LCRPs and if the use of forged permits is found to be escalating, consider implementing stronger security features on LCRPs that leverage anti-counterfeit technology;	<p>TD will continue to join hands with the Hong Kong Police Force to monitor unlawful activities involving LCRPs. Besides, TD has added the embossing stamp on each LCRP since September 2021 and used thicker paper in printing LCRP since January 2022 to enhance the security features of LCRP. In addition, TD has improved the design of LCRPs by incorporating additional anti-counterfeit features. TD has started using the newly designed LCRPs since September 2022.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	(f) remind permittees to return their expired permits; and	<p>With the introduction of an electronic permit system, the statutory requirement for permittees to return the expired permit will be repealed. The relevant legislative amendment is expected to be completed by end 2022. Before repealing the statutory requirements, TD will continue to remind permit holders to return the expired permits to TD. Besides, TD has enhanced the wordings in the LCRP application form and guidance notes for</p>
	(g) remind permittees to notify TD in writing immediately upon any change in the particulars given in the application form.	

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		permit holders reminding them to notify TD within 72 hours upon any change in the particulars given in the application form.
<i>Temporary Lantau Closed Road Permits (for tour services of non-franchised buses only) and temporary Lantau Closed Road Permits (under the Driving on Lantau Island Scheme)</i>		
4.18	Audit has recommended that the Commissioner for Transport should, in order to facilitate checking of compliance status of applicants for Temporary Lantau Closed Road Permits (for tour services of non-franchised buses only), review the generation of penalty list by LPIS to ascertain the reasons for not recognising the information of application withdrawals and take measures to enhance LPIS as appropriate.	TD has enhanced the LPIS to facilitate the checking of penalty list in July 2022. As the recommendation has been implemented, we suggest deleting this part from the next progress report.

**Management of flushing water supply
Progress in Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Management of Projects for Extension of Seawater Supply Network		
2.16	<p>Audit has recommended that the Director of Water Supplies (DWS) should, in implementing works projects in future (particularly for lump sum contracts) –</p> <p>(a) remind Water Supplies Department (WSD) staff and consultants to critically vet contract documents (e.g. Bills of Quantities (BQ)) for ensuring their completeness, accuracy and consistency with one another in accordance with the related guidelines; and</p> <p>(b) in certifying interim payments to contractors, require consultants to –</p> <p style="padding-left: 20px;">(i) pay particular attention to payments involving over-priced/under-priced items when there is substantial change in quantities; and</p> <p style="padding-left: 20px;">(ii) report to WSD any irregularities including possible overpayments.</p>	<p>In March 2015, WSD issued internal guidelines covering the requirements of carrying out a pre-tender cross-checking procedure by another team when preparing BQ to strengthen the vetting of contract documents.</p> <p>WSD also issued memos and letters on 21 January 2022 to remind its staff and consultants to critically vet the contract documents in accordance with the related guidelines.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD issued letters on 21 February 2022 to remind its consultants to pay particular attention to over-priced/under-priced items with substantial change in quantities in certifying interim payments, and report duly to WSD of possible excessive payments and other irregularities, so that WSD can take early opportunity to manage any potential disputes and minimise the risk of substantial increase in contract sum.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
2.30	<p>Audit has recommended that DWS should –</p> <p>(a) in implementing works projects in future, remind WSD staff to comply with the following requirements recently updated in September 2021 –</p> <p>(i) the requirements on pre-tender site investigations, and continue to enhance the requirements with a view to providing better information on site conditions for design and tender purposes; and</p> <p>(ii) the requirements on gathering as-built records of underground structures, and continue to enhance the requirements with a view to better ascertaining the presence of underground structures in the vicinity of the works sites at the pre-tender stage;</p> <p>(b) early complete the review of the requirements on tree surveys with a view to enhancing planning and design work;</p>	<p>WSD issued memos on 21 February 2022 to remind its staff to observe the relevant guidelines on the requirement of collecting sufficient information on site investigation and underground facilities during the design stage and before tendering.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD completed the relevant review and issued a memo on 21 February 2022 to remind its staff to observe the requirement to conduct tree surveys during project planning and design stages.</p> <p>Since the recommendation has been implemented, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(c) complete the post-completion review for Project E as soon as practicable; and</p> <p>(d) remind WSD staff and consultants to conduct post-completion reviews as needed in a timely manner.</p>	<p>In January 2022, WSD completed the post-completion review report for Project E with formulation and implementation of improvement recommendations, and conducted internal sharing in order to strengthen the capabilities of project management.</p> <p>Since the recommendation has been implemented, we suggest deleting this item from the next progress report.</p> <p>WSD issued memos and letters on 21 February 2022 to remind its staff and project consultants to conduct the post-completion review for works contracts in a timely manner.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
2.39	<p>Audit has recommended that DWS should –</p> <p>(a) continue to expedite the conversion to seawater flushing for consumers in seawater supply zones (including Pok Fu Lam and Northwest New Territories), including taking measures to address the consumers' concerns and difficulties encountered during the course of conversion work;</p>	<p>With a view to expediting the progress of conversion to seawater for flushing, WSD engaged consultants in February 2022 to assist in expediting the remaining conversion to salt water for flushing. Since May 2022, the consultants have been conducting site visits to the estates or buildings for site inspection where temporary mains fresh water for flushing is still being used. Up to end September 2022, the consultants have completed site inspection of about 150 estates or buildings. WSD will determine the priority and devise the programme for implementation of the conversion works based on the inspection results. Conversion works for about 200 estates or buildings in the first batch are anticipated to be completed by end 2024. In view that</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) draw on experience gained in Pok Fu Lam and Northwest New Territories with a view to enhancing future conversion work; and</p> <p>(c) complete the review of the results of public consultation on the proposed amendments to the Waterworks Ordinance (including the introduction of a financial disincentive scheme) as early as practicable.</p>	<p>those remaining accounts, other than the first batch of estates or buildings, are mostly single-block buildings dispersed over numerous districts in Hong Kong, it is estimated that longer time will be required to complete the remaining conversion works. The solid programme will be subject to the final inspection results and the actual situation. Meanwhile, WSD will continue to keep close liaison with the relevant customers to clearly explain the policy measures and provide appropriate technical advice.</p> <p>Since the work for expediting the progress of conversion to seawater for flushing has commenced and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>Having reviewed the challenges encountered and experience gained in Pok Fu Lam and the Northwest New Territories, WSD will implement effective measures to tackle the challenges to expedite the completion of the remaining conversion to salt water for flushing and the same will serve as reference for similar works in future.</p> <p>Since effective measures have been formulated and they will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>The Government has reviewed the comments collected from the public consultation, and is now studying the legislative amendment proposal for timely submission to the LegCo Panel for discussion.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>Since the review of public consultation results is completed, we suggest deleting this item from the next progress report.</p>
<p>Part 3: Operation and Maintenance of Seawater Supply Systems</p>		
<p>3.13</p>	<p>Audit has recommended that DWS should –</p> <p>(a) document more details about the changes of sampling programmes for flushing water;</p> <p>(b) continue to share with all parties concerned the experience gained in handling the incidents relating to entry of debris to the seawater supply systems with a view to ensuring the flushing water quality meeting WSD's Water Quality Objectives;</p>	<p>WSD has reviewed the basis for implementation and details of the sampling programme, including the selection of individual customers' end points for monitoring, documentation of the details, etc., and will conduct review when necessary. The latest review was conducted on 21 December 2021 and details of the review have been properly recorded.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD continues to share with all relevant parties concerned, through the departmental knowledge management portal, experience sharing sessions, etc., the experience gained in handling incidents relating to flushing water quality with a view to enhancing the efficiency of handling water quality incidents and ensuring that the flushing water quality complies with WSD's Water Quality Objectives.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(c) continue to follow up the complaints on seawater supply systems as early as practicable; and</p> <p>(d) take measures to ensure that information about complaints on seawater supply systems is accurately and timely updated in the complaint management system.</p>	<p>WSD has established a monitoring mechanism to track the progress of handling individual complaints and identify cases with special problems encountered as early as possible, so as to handle the relevant complaint cases properly in a timely manner.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD has arranged spot checks of relevant records and taken necessary improvement actions to ensure that the information in the complaint management system is accurate and updated.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
3.33	<p>Audit has recommended that DWS should –</p> <p>(a) include salt water mains of high risk for implementation of improvement works with a view to reducing the risk of main bursts and leaks as far as practicable;</p>	<p>WSD has adopted the risk-based asset management strategy to prioritise water main improvement works based on the scoring system. Water mains assessed with high risks (i.e. high probabilities of burst or leak with serious consequence) are accorded with higher priority for improvement works. WSD will also closely monitor the progress of the improvement works to reduce the risks of water main bursts or leaks.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) continue to review salt water main burst cases with a view to enhancing the risk assessment relating to selection of salt water mains for improvement works;</p> <p>(c) continue to take measures to ensure that improvement works of salt water mains (including those at salt water main burst hot spots) are completed as soon as practicable;</p> <p>(d) keep under review the development of the computerised system for maintaining details of improvement works of salt water mains with a view to facilitating monitoring of progress of works;</p>	<p>WSD regularly examines water main burst cases in order to review the water main risk scoring system whereby improving the assessment of risks of water mains.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD will continue to strengthen the progress monitoring of water main improvement works, including assigning an Assistant Director to coordinate the progress monitoring of the improvement works for main burst hot spots, and making use of a new computerised Task Order Management System (TOMS) so as to complete the works as early as possible.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD has incorporated the requirements for provision of a computerised system, namely TOMS, into four risk-based water main improvement works contracts to assist the monitoring of works progress. At present, the information technology vendors employed under the above contracts have completed the development of TOMS. The TOMS is under testing and commissioning of which is targeted in the fourth quarter of 2022.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(e) take measures to ensure that the contractors comply with the contract requirement of deploying adequate labour to handle emergencies involving salt water main bursts;</p> <p>(f) attend to salt water main leaks (e.g. closing the valve after receipt of report of salt water main leaks and completing the repair works) as soon as practicable, balancing all relevant factors (e.g. consequence of late attendance against immediate disruption to the public);</p>	<p>WSD has enhanced the supervision of water mains burst and leak repair works, including reminding frontline staff to strictly follow the contract requirements, requesting contractors to provide sufficient number of workers, etc. If any contractor fails to comply with the contract requirements, the department will follow up with the contractor concerned according to the contract requirements, such as issuing warning letters, meeting with the contractors' management, etc., and reflect the non-compliance in the contractor's performance reports.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>When dealing with leak incidents of salt water mains, WSD takes into account various factors at the scene of the incidents, such as temporary traffic arrangements, noise of repairs at night, and whether the leaks are located on private land, etc., to formulate appropriate plans to handle the incidents as soon as practicable. In addition, WSD has strengthened relevant guidelines for reference by staff, so as to enhance the effectiveness in attending to leak incidents.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(g) take measures to ensure that accurate and complete information on salt water main bursts and leaks is properly recorded in the Maintenance Works Management System (MWMS) for monitoring purpose; and</p> <p>(h) explore the feasibility of utilising advanced technologies (such as the Water Intelligent Network) to monitor the seawater supply systems (e.g. active leakage detection of salt water mains).</p>	<p>WSD is carrying out system upgrade for MWMS, and will add more suitable option selection functions in the system to minimise mistakes resulting from manual input so as to make the records of burst and leak incidents more comprehensive and accurate.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD will engage consultants to carry out a study to explore the feasibility of extending the Water Intelligent Network to cover salt water supply network to be divided into discrete District Metering Areas of manageable scale with continuous monitoring and pressure management for saving salt water mains from excessive pressure in order to maintain network healthiness in the long run. The relevant study is expected to commence in the fourth quarter of 2022.</p>
Part 4: Other Related Issues		
4.13	<p>Audit has recommended that DWS should –</p> <p>(a) keep up efforts to encourage more buildings to participate in the Quality Flushing Water Scheme with a view to enhancing management and maintenance of their plumbing systems;</p>	<p>WSD will continue to carry out promotional activities for the “Quality Water Supply Scheme for Buildings – Flushing Water” (the Scheme) through various means including issuing invitation letters to buildings, arranging publicities through social media, organising seminars and briefing sessions to building owners and property management companies, etc., to encourage and promote more buildings to join the Scheme.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) complete the processing of applications for the Quality Flushing Water Scheme as soon as practicable;</p> <p>(c) consider setting time target for completion of processing of applications for the Quality Flushing Water Scheme;</p> <p>(d) regularly update the names of participating buildings and add information on the type of certificates awarded under the Quality Flushing Water Scheme on WSD website; and</p> <p>(e) timely update WSD guidelines of the Quality Flushing Water Scheme to incorporate revised procedures in future.</p>	<p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>At present, we have set the target of completing the vetting process with a reply within 21 days upon receipt of full submission of supporting documents for all applications received after August 2021 in order to process the applications at the earliest possible.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>In November 2021, WSD added information on the type of certificates awarded under the Scheme and updated the list of participating buildings as at June 2022 on the relevant webpage. WSD will update the relevant information on its webpage on a quarterly basis.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>The recommendation was taken on board and the revised procedures for audit inspection were incorporated in the guidelines issued in October 2021. WSD will continue to timely update the guidelines to incorporate any revised procedures in future.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
4.24	<p>Audit has recommended that DWS should –</p> <p>(a) strengthen actions to complete the Wan Chai uprating project as soon as practicable;</p> <p>(b) draw on the experience gained in implementing the Wan Chai uprating project with a view to improving the management of future waterworks projects, including exploring measures to address the problems encountered in mainlaying works and monitoring closely the contractor's performance; and</p> <p>(c) remind WSD staff to follow the guidelines in estimation of BQ quantities of earthworks (particularly for different depth ranges) in implementing works projects in future.</p>	<p>WSD completed the Wan Chai uprating project in January 2022.</p> <p>Since the recommendation has been implemented, we suggest deleting this item from the next progress report.</p> <p>In June 2022, WSD completed the post-completion review for the Wan Chai uprating project. The improvement recommendations were formulated and implemented and internal sharing sessions were conducted in order to strengthen the capabilities of managing future waterworks projects.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD issued a memo on 21 February 2022 to remind its staff to observe the guidelines on estimating the quantities of earthworks when preparing BQ.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>
4.32	<p>Audit has recommended that DWS should –</p> <p>(a) keep under review the implementation of projects for supply of recycled water with a view to ensuring their timely completion;</p>	<p>The grey water treatment plant at Anderson Road Quarry (ARQ) site is the first district-based grey water recycling system in Hong Kong. It collects and treats the grey water from the developments at ARQ area for toilet flushing and other non-potable purposes. Subject to the progress of the</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(b) in collaboration with the Secretary for Development, keep track of the work relating to the legislative amendments for supply of recycled water with a view to meeting the target legislative time;</p>	<p>development of ARQ area and its population intake, the grey water recycling system is anticipated for commissioning in phases starting from 2024.</p> <p>Regarding supply of reclaimed water to Sheung Shui and Fanling areas, WSD commenced the construction works for Shek Wu Hui Water Reclamation Plant in July 2021. Laying of reclaimed water mains in Sheung Shui and Fanling areas is also underway and will be completed in phases. It is targeted to make reclaimed water supply first available by 2024 and to complete all construction works by 2026.</p> <p>The progress of the above projects is generally satisfactory. WSD will continue to closely monitor the progress of construction of relevant waterworks infrastructure to tie in with the development programmes of the Kwu Tung North and Fanling North New Development Areas.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>The Government is preparing the legislative amendment proposal for the Waterworks Ordinance (Cap. 102), including supply of recycled water for non-potable uses, for timely submission to LegCo Panel for discussion.</p> <p>Since the preparation work relating to the legislative amendments has commenced and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(c) in collaboration with the Secretary for Development, keep up efforts to encourage the installation of on-site water recycling systems in government buildings and private buildings for non-potable uses (including toilet flushing); and</p> <p>(d) continue to follow up with the Green Managers of the Government B/Ds regarding the operation of water recycling systems of the government buildings under their purview.</p>	<p>WSD has been supporting the green buildings initiatives of DEVB to encourage the industry to adopt water recycling systems in building projects in order to reduce demand for fresh water.</p> <p>WSD continues to collaborate with DEVB and the Hong Kong Green Building Council to promote the adoption of water recycling systems in private buildings through the Building Environmental Assessment Method Plus and to provide the related technical advice where necessary.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p> <p>WSD will continue to liaise with the relevant B/Ds to keep track of the amount of water reused and remind them from time to time to ensure normal operation of the water recycling systems. Where necessary, WSD will provide technical advice.</p> <p>Since the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this item from the next progress report.</p>

**Safeguarding employees' rights and benefits under labour laws
Progress on implementing the recommendations of Audit and PAC**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Administration of the Protection of Wages on Insolvency Fund		
<i>Processing of applications</i>		
Para. 2.17 of the Audit Report	<p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) monitor the time elapsed from the receipt of the Protection of Wages on Insolvency Fund (PWIF) application to the completion of collecting all the required information and documents;</p> <p>(b) endeavor to shorten the time taken to collect all the required information and documents for processing PWIF applications;</p>	<p>(a) and (b)</p> <p>The Labour Department (LD) has set up an Internal Working Group (IWG) to review the application and processing procedures of PWIF with a view to enhancing and rationalising the work procedures and workflow to ensure that applications are processed properly and the process for disbursing ex gratia payment can be expedited.</p> <p>As recommended by IWG, LD has set timeframe for each vetting procedure to facilitate case officers in following each step in a timely manner in order to speed up case processing. We have also strengthened the monitoring mechanism by shortening the specified time period from six months to three months for outstanding cases to be brought up for prompt follow-up and case development to be reported by case officers for the attention of their supervisors.</p> <p>Besides, LD has recommended that PWIF provide legal services to assist PWIF applicants in filing bankruptcy or winding-up petitions against the insolvent employers so as to meet the pre-requisite for the release of ex gratia payment from PWIF to the employees. We expect to launch this measure in the fourth quarter of 2022. The application procedures for PWIF are estimated to be shortened by up to 12 weeks by then.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(c) explore the feasibility of shortening the performance target of effecting ex gratia payments within ten weeks upon receipt of all the required information and documents;	<p>LD has revised the performance pledge to “issuing payments to qualified applicants within eight weeks (originally set as ten weeks) upon receipt of all relevant information and documents required for processing PWIF applications” and will endeavour to meet the revised pledge.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
	(d) take measures to ensure that spot checks on approved PWIF applications are conducted in a timely manner;	(d), (e) and (f) LD has put in place internal processing guidelines on selection of approved PWIF cases for spot checks to ensure that PWIF applications are approved in a consistent and fair manner. Spot checks are conducted on a quarterly basis by selecting 3% of the approved cases in the quarter, of which cases with different numbers of employees and industries are selected as far as possible. Each case officer has chances of their cases being selected for checking.
	(e) promulgate guidelines on procedures and basis for the selection of approved cases for spot checks;	
	(f) select cases from the list of cases reconsidered and approved by Labour Officers (LOs) for Senior Labour Officer (SLO)'s inspection to ensure that consistent and fair practice is adopted in approving PWIF applications;	<p>According to the internal processing guidelines, the subject SLO carries out spot-checks of cases processed by Assistant Labour Officers and approved by LOs in each quarter, while the Assistant Commissioner (AC) conducts spot-checks of cases processed by LOs and approved by SLO in each quarter. AC and SLO are required to complete the inspection within the first month after the end of each quarter.</p> <p>In response to the recommendation of the Audit, with effect from the second quarter of 2021, LD has separately</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>selected cases seeking reconsideration which have been approved by LOs for SLO's inspection to ensure consistent and fair practice of vetting.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
	(g) explore ways to improve the response rates of customer opinion surveys for PWIF applicants; and	<p>(g) and (h) LD conducts customer opinion survey for PWIF applicants every two years to collect their feedback on processing of applications.</p>
	(h) consider extending the period covered by each customer opinion survey for PWIF applicants so as to cover more applicants and increase the number of respondents.	<p>LD commenced the customer opinion survey for 2021-22 on 18 January 2022. To facilitate more applicants in participating in the survey, LD has extended the survey period from four to seven months in the past to eight months. The target number of questionnaires to be sent out will increase by 200 to 1 000 as compared with the past surveys. The aforementioned opinion survey is still in progress.</p> <p>Moreover, to encourage applicants to provide us with their views and increase the response rate, the PWIF Board has agreed that LD will offer each qualified participant a supermarket coupon upon receipt of a duly completed questionnaire. The expenditure involved will be borne by LD.</p> <p>As at end July 2022, a total of 875 questionnaires had been sent out for the 2021-22 customer opinion survey and 302 respondents were recorded, representing a response rate of 34.5% which is more than a two-fold increase as compared with the average</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>response rate at 15% of the last three opinion surveys. Upon completion of this survey, LD will review the effectiveness of the enhancement measures above.</p>
<p>Para. 42 (Page 95) of the PAC Report</p>	<p>PAC expects LD to –</p> <p>(a) make an early implementation of the initiatives to engage legal professionals or to provide legal service, if proven feasible, to assist employees in filing a bankruptcy or winding-up petition against their insolvent employers;</p> <p>(b) explore ways to expedite the signing of the “Statement of Inability to Pay” by the employers concerned with a view to speeding up the PWIF application process; and</p>	<p>According to the Protection of Wages on Insolvency Ordinance (PWIO), the presentation of a bankruptcy or a winding-up petition against the insolvent employer is a pre-condition for the release of ex-gratia payment from PWIF. LD has proposed PWIF to provide legal service to assist employees in filing bankruptcy or winding-up petitions against the employers so as to save PWIF applicants from applying legal aid and undergoing means test at the Legal Aid Department (LAD). The application procedures are estimated to be shortened by up to 12 weeks.</p> <p>The PWIF Board endorsed, at its meeting on 3 August 2022, the recommendation for PWIF to procure legal service by engaging private law firms to represent PWIF applicants to file bankruptcy or winding-up petitions against their employers.</p> <p>LD is making utmost efforts to work out the details of the measure for its early implementation in the fourth quarter of 2022.</p> <p>LD is reviewing the arrangement on the signing of the “Statement of Inability to Pay” by the employers concerned, with proposed enhancement measures including –</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(i) strengthening the collection and assessment of intelligence canvassed from different sources on establishments with imminent cessation risk;</p> <p>(ii) proactively reaching out to the persons-in-charge of the establishments with high cessation risk to remind them of the need to settle termination payments and any other outstanding sums to employees properly in accordance with the Employment Ordinance (EO) and contractual terms; and</p> <p>(iii) requesting the employers concerned to compute a list of the outstanding amounts owed to each employee and sign the "Statement of Inability to Pay" if they express genuine difficulty in settling the payment with their employees.</p> <p>The target is to implement the proposed measures above, upon finalisation, in the fourth quarter of 2022.</p>
	<p>(c) closely follow the time frame set by LD's IWG to collect the required information and documents, and consider further measures to expedite the processing of PWIF applications.</p>	<p>LD will closely monitor the implementation of recommendations of IWG to ensure that PWIF applications are processed in a proper and timely manner.</p> <p>LD is also striving to expedite the application procedures by launching the new initiative of providing legal services under PWIF to assist employees in filing bankruptcy or winding-up petitions against the insolvent employers. For details, please refer to the progress set out regarding para. 2.17(a) and 2.17(b) of the Audit Report and para. 42(a) of the PAC Report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<i>Payments made at the discretion of the Commissioner for Labour</i>		
Para. 2.27 of the Audit Report	<p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) take measures to ensure that Gazette notices are given as soon as possible in accordance with LD's guidelines after discretionary ex gratia payment cheques are cashed by the PWIF applicants;</p>	<p>(a) and (b)</p> <p>LD has refined the guidelines on the issue of Gazette notices and will publish the Gazette notices within 90 days after the applicants have presented the cheques, where appropriate, to allow sufficient time for employers to respond to the demand letters issued by LD and to arrange repayment to the PWIF Board. LD has also put in place a Bring-up System to ensure that Gazette notices will be published in a timely manner.</p> <p>As a further enhancement, LD has since August 2022 issued press releases after publication of the Gazette notices.</p> <p>As the follow-up work on this recommendation has been carried out and will be conducted on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(b) consider setting a target on the time taken to give Gazette notices on discretionary ex gratia payments; and.</p>	
	<p>(c) critically review the practice of not enforcing PWIF Board's subrogation rights against employers direct for discretionary ex gratia payment cases in which no proof of debt could be filed.</p>	<p>LD has reviewed the follow-up work on enforcing the PWIF Board's subrogation rights against employers for cases whereby ex gratia payment is issued without winding-up/bankruptcy petition and no proof of debt could be filed. LD has issued demand letters to the employers in all such cases approved from 2021 onwards to enforce the subrogation right on behalf of the PWIF Board. The employers are required to make payment to the PWIF Board within 14 days from the date of the letter. If no response is received from the employers by the deadline, LD will arrange the publication of Gazette notices within 90 days after the applicants have presented the cheques.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		As the follow-up work on this recommendation has been carried out and will be conducted on an ongoing basis, we recommend that this part be deleted from the next progress report.
Para. 42 (Page 96) of the PAC Report	PAC strongly urges LD to make every effort to recover from the insolvent employers the ex gratia payments made to their ex-employees and closely monitor the effectiveness of the new measure to issue demand letters to employers in recovering discretionary ex gratia payments made to their ex-employees.	<p>LD has issued demand letters to insolvent employers for cases approved from 2021 onwards to recover ex gratia payment granted to their ex-employees from PWIF.</p> <p>From 2021 to June 2022, LD issued demand letters to employers of 507 cases, of which employers of 12 cases repaid \$0.39 million to PWIF. The response rate of employers was 2.37% and the accumulative recovery rate on the payout amount of these cases was 0.72%. LD will continue to monitor the effectiveness of the new measure.</p> <p>As the follow-up work on this recommendation has been carried out and will be conducted on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
<i>Review of rate of levy on business registration certificates and ceilings of payment items of the Protection of Wages on Insolvency Fund</i>		
Para. 2.36 of the Audit Report	<p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) continue to monitor closely the progress of the review of the Business Registration Certificate (BRC) levy rate and ceilings of payment items of PWIF by PWIF Board; and</p> <p>(b) step up support to PWIF Board with a view to completing the review of BRC levy rate and ceilings of payment items of</p>	<p>LD provides secretarial services and administrative support for the PWIF Board.</p> <p>The PWIF Board completed the review in January 2022 and made recommendations on the upward adjustments of the ceilings of ex gratia payment items of PWIF and reduction of the rate of business registration levy.</p> <p>With the passage of a resolution of LegCo under PWIO on 16 June 2022, the maximum amounts of ex gratia payment items under PWIF has been increased –</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>PWIF, and introducing the proposed amendments to the PWIO within 2022.</p>	<p>(i) from \$36,000 to \$80,000 for arrears of wages;</p> <p>(ii) from \$22,500 to \$45,000 for wages in lieu of notice;</p> <p>(iii) from \$50,000 plus 50% of any excess entitlement to \$100,000 plus 50% of any excess entitlement for severance payment; and</p> <p>(iv) from \$10,500 to \$26,000 for pay for untaken annual leave and/or pay for untaken statutory holidays.</p> <p>The adjusted maximum amounts came into effect on 17 June 2022 upon gazettal of the resolution.</p> <p>Meanwhile, the rate of the business registration levy has been reduced from \$250 per annum to \$150 per annum with effect from 17 June 2022.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
<p>Para. 43 (Page 98) of the PAC Report</p>	<p>PAC strongly urges LD to –</p> <p>(b) step up its support to the PWIF Board to ensure that BRC levy rate and ceilings of payment items of PWIF are reviewed on a regular basis.</p>	<p>The number of applications and financial expenditure of PWIF are closely related to economic changes and could vary significantly under different economic situations. The change in important labour policies will also have far-reaching implications on the operation of PWIF and its financial position.</p> <p>The adjustments of payment ceilings of ex gratia payment items of PWIF and business registration levy rate took effect on 17 June 2022. LD and the PWIF Board will closely monitor the financial position of PWIF and review</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>its coverage as and when necessary taking into account the socio-economic development and changing needs of society.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
<i>Administration of the Protection of Wages on Insolvency Fund</i>		
<p>Para. 43 (Page 98) of the PAC Report</p>	<p>PAC strongly urges LD to –</p> <p>(a) explore effective measures to deter employers from evading their responsibility to pay arrears of wages and severance payments, etc., and relying on PWIF to made ex gratia payments of the sums owed to their employees.</p>	<p>LD monitors the labour relations scene in different sectors and intervenes in a proactive and timely manner to forestall labour disputes. To tackle the issue at source, LD would require the persons-in-charge of establishments, which are about to cease business, to settle the termination payments and any other outstanding sums to employees properly in accordance with EO and contractual terms. LD will also remind them of employers' obligations under EO as well as the criminal consequences for any breaches thereof.</p> <p>If there are suspected breaches of EO, LD will initiate criminal investigation and, subject to sufficient evidence, take out prosecution against the concerned employers.</p> <p>To forestall abuse of PWIF and ensure that ex gratia payment is issued only to employees whose employers are genuinely insolvent, LD in the course of investigating suspected wage offences and verifying PWIF applications ascertains whether the responsible individuals of companies have acted unlawfully when operating the businesses and managing the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>companies' financial resources or have even conspired with their employees in making false applications to PWIF. Suspected cases will be referred to relevant law enforcement departments for action. For cases referred by LD, the Official Receiver's Office (ORO) will also consider applying to the court to disqualify the company responsible individuals from being directors and taking part in the promotion, formation or management of a company.</p> <p>The inter-departmental Task Force comprising representatives from the Commercial Crime Bureau of HKPF, ORO, LAD and LD, which has been set up to strengthen co-operation among the departments concerned, actively pursues the responsible individuals of companies including employers, company directors, etc. who may have illegally transferred company assets and/or deceived creditors through fraud, theft and conspiracy to abuse PWIF before business closure. The inter-departmental Task Force will continue to play an active role in protecting PWIF against abuse and deterring employers from evading their responsibilities to pay employment benefits to employees.</p> <p>As the follow-up work on this recommendation has been carried out and will be conducted on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 3: Enforcement Work		
<i>Workplace inspections</i>		
Para. 3.25 of the Audit Report	<p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) consider drawing up a contingency plan on managing inspections with a view to ensuring that the effectiveness of inspections in safeguarding employees' rights and benefits will not be unduly impaired;</p>	<p>(a) and (b)</p> <p>LD has formulated a contingency plan for conducting workplace inspections amidst the epidemic.</p> <p>If workplace inspections have to be suspended for adherence to the social distancing requirement, LD will request employers to submit employees' compensation insurance policies by post/fax/e-mail for checking compliance with the legislative requirements and facilitating the planning of inspections. Depending on the epidemic situation, LD will take contingency measures including launching ad hoc campaigns, rescheduling territory-wide campaigns, setting a higher target number of inspections for the campaigns, etc. upon resumption of normal operation so as to ensure that the effectiveness of law enforcement work in protecting employees' rights and benefits will not be unduly affected.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(b) explore the use of innovative measures in conducting workplace inspections that can better meet the social distancing requirement;</p>	
	<p>(c) endeavour to start Labour Inspectors (LIs)' investigation of complaints as soon as possible upon receipt of the complaints by LD;</p>	<p>Various divisions of LD receive from time to time complaints from the public which fall outside their respective purview. The divisions concerned will identify the subject matters and refer the complaints to the appropriate divisions as soon as possible. To ensure</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>that relevant complaints can be handled in a timely manner, LD has reminded all divisions through internal emails to screen and forward complaints that fall within the investigation ambit of other divisions, including the Labour Inspection Division (LID), for further action as soon as practicable.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(d) consider revising the wording of the performance target reported in the COR to avoid complainants' misunderstanding the target as "Starting investigation of complaints by LI within one week upon receipt by LD";</p>	<p>LD has refined the performance target of "Starting investigation of complaints by LI within one week upon receipt" as reported in the COR of 2022-23. A remark "Labour inspectors will start investigation within one week upon receipt of the complaint by the Labour Inspection Division" has been added to indicate that the target "within one week upon receipt" refers to receipt by LID of LD so as to avoid misunderstanding.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
	<p>(e) enhance the comprehensiveness of the workplace database to facilitate inspection planning;</p>	<p>LID of LD adopts a risk-based approach in formulating its inspection strategy. In this connection, LID has maintained a workplace database covering establishments with past violation or conviction records, complaints and referrals, new establishments, and establishments in offence-prone industries, etc.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>LD will continue to enrich and refine the workplace database through various channels such as territory-wide and district-based campaigns, detection of new workplaces or relocated establishments during routine inspections, complaints received and cases referred by other parties including complaint cases referred by the Employment Support Scheme Secretariat, information of new establishments referred by the Occupational Safety Operations Division of LD, online information, etc.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(f) promulgate guidelines on selection of workplaces of government contractors for inspection;</p>	<p>LD has reviewed the guidelines in LID's Operation Manual on selecting government service contractors for inspection and put in place, in May 2022, written guidelines with shortlisting criteria for selection of inspection targets.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
	<p>(g) enhance the comprehensiveness of the information on workplace of government contractors employing non-skilled workers to facilitate inspection planning;</p>	<p>LD has been making efforts to maintain a comprehensive database of contractors with government contracts. To this end, LD collects information on government service contracts, contractors as well as workplaces involved through various sources, e.g. notification of results of service contracts awarded from procuring B/Ds, regular collection from B/Ds of updated information on government</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>service contracts that mainly engaged non-skilled employees before launching inspection campaigns, complaints handled by LD, cases referred from B/Ds, etc. To improve the response rate from B/Ds, LD has enhanced the follow-up mechanism since November 2021 by sending email reminders to relevant B/Ds every two weeks if there is no response within the stipulated deadlines.</p> <p>Besides, LD has requested the Government Logistics Department to provide information on relevant government service contracts on a half-yearly basis since May 2022 for making cross checking with the information obtained from other sources to enhance the comprehensiveness and accuracy of the database of service contracts involving non-skilled workers.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(h) ensure that construction sites fulfilling the selection criteria laid down in LID's operation manual are duly considered and given priority in the selection of workplaces for inspection; and</p>	<p>LD has all along selected government works construction sites for inspection in accordance with the guidelines set out in LID's Operation Manual.</p> <p>LD has reviewed the guidelines and selection mechanism to ensure that construction sites fulfilling the selection criteria are duly considered and given priority for arrangement of inspection. Starting from May 2022, LD has kept detailed written records on recommendations for selection and non-selection of target contractors for inspection as well as approval by supervisors.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(i) take measures to ensure that inspections to construction sites are conducted before completion of construction works, including exploring effective measures to speed up the referral process of cases to LD.</p>	<p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p> <p>LD has introduced the following measures to ensure that inspections to construction sites are conducted before completion of the government construction works –</p> <ul style="list-style-type: none"> (i) The Housing Department (HD) has since November 2021 shortened the time for providing intelligence on non-payment of wage cases to LD to two months after the occurrence of suspected wage default incidents; (ii) LD has requested relevant government departments to provide the project completion dates in the intelligence; and (iii) LD will contact relevant departments to confirm whether the target contractors are still in operation at the construction sites before conducting inspections. <p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
<p>Para. 43 (Page 100) of the PAC Report</p>	<p>PAC strongly recommends that –</p> <p>(a) LD should review the target number of workplace inspections, given that the annual number of inspections exceeded the target number by 8% to 15% between 2016 and 2019;</p>	<p>LD reviews the target number of inspections every year and made upward revisions in 2013 and 2017. Although the annual number of inspections exceeded the target by 8% to 15% during 2016 to 2019, the numbers of inspections were affected</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>by the implementation of special work arrangements for government employees during the epidemic.</p> <p>The target number of inspections is a longer-term work indicator which is set having regard to such factors as the staffing of the LI grade, manpower requirement in light of the complexity of inspections, nature of enforcement actions, staff turnover rate and the development of the epidemic. Having taken all relevant factors into consideration, LD considers that maintaining the current target number at this stage is more appropriate.</p> <p>LD will review, from time to time, the target number of inspections and make the required adjustments when necessary.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(b) LD should conduct workplace inspections for each government service contract as far as practicable while selecting inspection targets of government service contractors based on a risk-based approach;</p>	<p>LD has reviewed the arrangements for inspecting government service contractors. For the four government departments which often engage outsourced service contracts that rely heavily on non-skilled workers (namely, the Food and Environmental Hygiene Department, LCSD, HD and Government Property Agency), LD will conduct workplace inspections for each government service contract engaged thereunder during the contract period.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>As for government service contracts of other departments, LD will continue to select inspection targets based on a risk-based approach having regard to various factors such as records of suspected offences, complaints or referrals, number of non-skilled employees involved, new service or job types involved, etc.</p> <p>As the follow-up work on this recommendation has been carried out and will be conducted on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(c) LD should explore the feasibility of establishing a notification mechanism or shared database between LD and B/Ds for the collection and exchange of intelligence on construction contractors which have a track record of non-compliance with labour legislation, and formulating a penalty mechanism to deal with such non-compliance, such as barring those contractors from participating in government construction projects for a specific period of time; and</p>	<p>LD has established notification mechanism with DEVB/works departments and the Hong Kong Housing Authority (HA) for exchange of intelligence on wage default cases under government's works contracts. The conviction records of construction contractors in relation to the labour legislation, including the EO and the Employees' Compensation Ordinance are also passed by LD to DEVB and HA for monitoring the contractors' conviction history.</p> <p>The exchange of intelligence allows works departments/HA to step in those cases at early timing for favourable resolution, and enables LD to take follow-up actions as necessary, including conducting inspections and carrying out criminal investigation.</p> <p>Besides, DEVB and HA have put in place penalty mechanisms to deal with contractors' convictions on the labour legislation, including suspension of contractors from joining tendering for works contracts.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(d) LD should review the effectiveness of its construction site inspection work in identifying cases of non-payment or late payment of wages.</p>	<p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p> <p>LD reviews and adjusts the enforcement strategy of labour inspection from time to time to ensure the effectiveness of inspection to construction sites and the related enforcement work.</p> <p>LD has introduced measures to ensure that inspections to government construction sites would be conducted before the completion of construction works. For details, please refer to the progress set out regarding para. 3.25(i) of the Audit Report above.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
<i>Prosecution action</i>		
<p>Para. 3.32 of the Audit Report</p>	<p>Audit has recommended that the Commissioner for Labour should continue to closely monitor the processing of cases for prosecution and seek DoJ's advice expeditiously with a view to ensuring that prosecution actions may be taken before bar dates.</p>	<p>LD has put in place measures to ensure that cases for prosecution are processed expeditiously and DoJ's advice, if necessary, is sought before bar dates. These measures include bringing up all outstanding cases on a monthly basis for taking necessary actions, and arranging re-deployment of staff and re-assignment of cases where appropriate.</p> <p>Since September 2021, LD has enhanced the monitoring of cases involving only continuing offences (i.e. offence cases without prosecution bar dates). The case officers will regularly keep track of any changes</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>which may affect the continuing offence status (e.g. checking with the Companies Registry and ORO at least once every three months to ascertain whether any winding-up or bankruptcy proceedings in respect of a suspect, including a company or an individual, are initiated which may result in the emergence of a bar date of an offence) so as to ensure that prosecution can be taken out in a timely manner.</p> <p>LD will review, from time to time, the effectiveness of the existing monitoring measures with a view to ensuring that prosecution will be taken out before bar dates.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
Part 4: Other issues		
<i>Handling of employees' compensation claims</i>		
<p>Para. 4.8 of the Audit Report</p>	<p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) in collaboration with the Hospital Authority, endeavour to shorten the waiting time for Employees' Compensation (Ordinary Assessment) Board (OAB) assessments, for example by making wider use of innovative measures as appropriate; and</p>	<p>To avoid unduly prolonging the waiting time for the assessments of the OAB due to suspension of face-to-face assessments amidst the epidemic, LD has continued to adopt contingency measures, including conducting OAB assessments by examining employees' medical records without the attendance of injured employees and conducting assessments through video-conferencing. Upon the implementation of the above measures, the average waiting time for OAB assessments decreased from 12.6 weeks in 2020 to 9.8 weeks in 2021 and</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>further to 8.9 weeks in the first half of 2022. LD will continue to work with the Hospital Authority to monitor the waiting time for OAB assessments at individual hospitals/specialties and review the need for implementing alternative modes of assessments.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
	<p>(b) monitor the no-show rate and consider exploring further means to address the problem of absences at OAB by employees without good reasons.</p>	<p>To address the absences of injured employees from OAB assessments without good reasons, LD continues to implement the measure of conducting assessments based on available medical records and information for those cases where injured employees have failed to attend OAB assessments more than once without good reasons. In 2021 and the first half of 2022, 110 and 31 assessments were conducted respectively in such circumstances. The percentage of injured employees' absence from OAB assessments without good reasons fell from 5.3% in 2019 to 3.7% in 2021 and further to 3.4% in the first half of 2022. LD will continue to implement this measure which is proved to be effective in reducing the no-show rate of injured employees in attending OAB assessments.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 43 (Page 102) of the PAC Report</p>	<p>PAC recommends that –</p> <p>(a) LD should study the feasibility of allowing employees to choose how to conduct OAB assessments, either at hospitals or through video conferencing/examination of employees' medical records</p>	<p>At present, injured employees either attend OAB assessments in hospitals or have assessments conducted through examination of employees' medical records by OAB (i.e. paper assessments) or video conferencing, depending on the arrangements of each hospital/specialty having regard to the prevailing circumstances. Injured employees who are arranged to attend OAB assessments in hospitals may request paper assessments if necessary, while those who are arranged to have paper assessments or assessments through video conferencing may request attendance at assessments in hospitals, subject to further arrangements. LD exercises flexibility in meeting employees' requests having regard to the circumstances of individual cases.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
<p><i>Productivity assessment</i></p>		
<p>Para. 4.16 of the Audit Report</p>	<p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) continue to monitor the number of productivity assessments conducted for employees with disabilities; and</p>	<p>LD continues to monitor the number of productivity assessments conducted for employees with disabilities, and keep relevant data and statistics to facilitate reviews and analyses.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(b) step up the publicity work on productivity assessment.	<p>LD has stepped up the publicity work on productivity assessment since the third quarter of 2022 including advertisements at vantage points such as mobile applications; online platforms; newspapers; publications of trade unions and rehabilitation organisations; major MTR stations and trains, bus and mini-bus interior and bodies; and electronic panels of shopping malls.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
<i>Publicity work on employees' rights and benefits</i>		
Para. 4.28 of the Audit Report	<p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) step up efforts in the publicity work on employees' rights and benefits under the COVID-19 epidemic, for example, by exploring more suitable channels to publicise the publications and promotional messages;</p> <p>(b) continue to keep in view the developments of the epidemic with a view to resuming physical exhibitions with suitable social distancing measures when circumstances permit; and</p>	<p>LD has stepped up efforts to promote and publicise the obligations and rights of employers and employees relating to COVID-19 through various channels and networks, including press release, LD's dedicated webpage, information flyers, publicity message of the "GovHK Notifications" mobile application, seminars, dissemination of information to stakeholders, etc.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p> <p>LD organised two physical exhibitions in December 2021 and June 2022. In view of the severity and unstable development of the fifth wave of the epidemic, LD organised three online exhibitions in March, May and July 2022.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>LD will adjust the promotional strategy and means from time to time taking into account the prevailing epidemic situation and social distancing measures.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend that this part be deleted from the next progress report.</p>
	<p>(c) endeavour to provide the publicity materials for foreign domestic helpers (FDHs) in as many languages as possible to facilitate FDHs of different nationalities to understand their rights and benefits.</p>	<p>LD endeavours to provide publicity materials for FDHs in more language versions. Among the publicity materials on LD portal for FDHs, over 80% are available in 12 languages to facilitate FDHs of different nationalities in understanding their employment rights and benefits.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
<p>Para. 43 (Page 102) of the PAC Report</p>	<p>PAC recommends that –</p> <p>(b) LD should step up publicity efforts to enhance employees' understanding of their statutory rights and benefits.</p>	<p>LD continues to promote the rights and benefits under the EO through various channels, and organise publicity campaigns for different target groups taking into account the prevailing circumstances of the employment market and labour relations scene.</p> <p>As the follow-up work on this recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>

The Mental Health Association of Hong Kong
Summary of progress in implementing Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Corporate Governance		
2.13	<p>Audit has recommended that the Mental Health Association of Hong Kong (MHAHK) should –</p> <p>(a) formulate terms of reference (TORs) for the Quality and Risk Management Sub-committee and the Journal Editorial Board and have them endorsed by the Executive Committee (ExCom), and ensure that the convenors and members of the sub-committees are well acquainted with the TORs;</p>	<p>MHAHK has formulated the TORs for the Quality and Risk Management Sub-committee and the Journal Editorial Board which were endorsed by the ExCom at its meeting on 24 February 2022. Convenors of the Sub-committees have issued the TORs to members, which would be tabled at the first meeting of Sub-committees every year to ensure that members are well acquainted with the TORs.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(b) review and revise as appropriate the TORs of panels and other sub-committees without regular meetings to more accurately reflect their roles and means to discharge their functions in lieu of regular official meetings; and</p>	<p>MHAHK has reviewed and revised the membership, roles and TORs of the Service Panel, Education Panel and Fundraising Sub-committee. The TORs of all panels and sub-committees will be reviewed every five years or whenever necessary.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(c) consider the merit of setting up an audit committee or a similar committee to deal with the review and supervision of MHAHK's financial reporting process and internal control.</p>	<p>The ExCom has assigned the Quality and Risk Management Sub-committee to deal with the review and supervision of the financial reporting process and internal control, which has been included in its TOR. The Sub-committee will meet at least three times a year and report to the ExCom direct.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
2.27	<p>Audit has recommended that MHAHK should –</p> <p>(a) take measures to ensure that the quorum requirement of meetings of committees is always met;</p> <p>(b) properly record in the minutes of meetings the granting of leave of absence to members by the ExCom in accordance with the Articles of Association;</p>	<p>The quorum requirement of meetings has been included in the TORs. A checklist has been developed and put in place to ensure that the Chairman and members of panels/sub-committees are well acquainted with the TORs.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> <p>Starting from the ExCom meeting held in November 2021, the granting of leave of absence to members by ExCom has been recorded in the minutes.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(c) consider strengthening the management of declaration of interests at meetings, particularly when the discussion items involve financial or personnel matters, and ensure that the interests declared or members' confirmations of having no interests requiring declaration are properly recorded in minutes of meetings;</p>	<p>Starting from 2021-22, all elected members of the ExCom are required to provide written declarations to the Chairperson within one month after the Annual General Meeting (AGM) every year, stating any pecuniary or other personal interests that may have conflict with their duties as an ExCom member. The Chairperson will also invite members to declare any potential conflict of interest as per the agenda items to be discussed at meeting. Any such interests declared or members' confirmation of having no interests requiring declaration will be properly recorded in the minutes of meetings. Also, the Guidelines on Declaration and Disclosure of Pecuniary or Other Personal Interests and a checklist have been developed and put in place to ensure implementation of such measures.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(d) consider the merit of extending the two-tier system of declaration of interests to panels and sub-committees; and</p>	<p>The ExCom endorsed at its meeting on 24 February 2022 the extension of the two-tier system of declaration of interests to the Personnel and Finance Sub-committee of MHAHK for a start given its discussion items involve financial and personnel matters. The two-tier system will be extended to other panels and sub-committees when necessary.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(e) review and strengthen the progress reporting on implementation of the strategic plan.	<p>A progress reporting mechanism has been developed for MHAHK's newly issued five-year strategic plan starting from 2021-22. An annual interim report and an annual summary report covering the milestones of the major achievements made will be presented at the Administration Panel meeting and the ExCom meeting respectively. The annual interim report 2021-22 was presented at the Administration Panel meeting on 28 October 2021 and the annual summary report was presented at the ExCom meeting on 24 February 2022. The implementation progress of all items under the strategic directions were reported in the aforementioned ExCom meeting for members' information.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
2.34	<p>Audit has recommended that MHAHK should –</p> <p>(a) formulate measures to encourage and facilitate members in attending the AGMs; and</p>	<p>The AGM of 2021 was held on 16 December 2021 in a hybrid mode comprising physical and online meeting to encourage and facilitate members, including overseas members, to attend the meeting. The attendance rate increased by 35% as compared to 2020. The arrangement of AGM, including measures to promote attendance, will continue to be a standing discussion item of the ExCom meeting every year. MHAHK will also consider arranging thematic talks at AGM so as to boost the attendance rate.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	(b) step up efforts in recruiting individuals who are in sympathy with the objects of MHAHK as its members.	<p>The ExCom endorsed at its meeting on 24 February 2022 that measures should be stepped up to promote its membership scheme, such as sending invitations to potential new members by the Chairman and Honorary Secretary of the ExCom at regular intervals. The Chairperson, Convenors of Sub-committees and senior management staff have also taken actions to invite suitable individuals, including sub-committee members, to become MHAHK's members. Besides, MHAHK will invite participants of its mental health seminars and programmes to become its members.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Part 3: Delivery of Mental Health Services		
3.15	<p>Audit has recommended that MHAHK should –</p> <p>(a) closely monitor the impact of the COVID-19 epidemic on its subvented services and, in consultation with Social Welfare Department (SWD), strive to attain all Output Standards (OSs)/Outcome Standards (OCs) as far as practicable;</p>	<p>In view of the epidemic situation, various kinds of group activities and mass programmes in subvented service units were suspended as advised by SWD. The special arrangements had inevitably affected these units' performance in OSs/OCs, especially for services that usually involved face-to-face contacts and group/mass programmes. With the resumption of services from 16 May 2022 onwards</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>and wider use of online means in service delivery, MHAHK has shown improvement in performance to attain the required OS/OC levels. Specifically, the number of OSs/OCs attained has been increased from 232 (85%) in 2020-21 to 253 (88%) in 2021-22. Depending on the epidemic development, the MHAHK is expected to attain all OS/OCs continuously and SWD will keep monitoring its service performance under the prevailing mechanism.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(b) in consultation with SWD, consider further measures to improve the utilisation of day care service attached to Care and Attention Home for Severely Disabled Persons (C&A/SD); and</p>	<p>MHAHK has, in consultation with SWD, implemented a series of improvement measures to enhance the utilisation of the day care service attached to C&A/SD, such as stepping up service promotion efforts, adopting an over-enrolment strategy, etc. As a result, the service utilisation was much improved in 2021-22. As compared with 2020-21, the service utilisation rate has increased by about 60%, reaching 39% in 2021-22 notwithstanding the fourths and fifth waves of the epidemic. MHAHK will continue with the improvement measures and SWD will monitor service utilisation continuously.</p>
	<p>(c) consider flexibly deploying the manpower resources between the two Integrated Community Centres for Mental Wellness (ICCMWs) with a view to balancing their workload.</p>	<p>MHAHK has reviewed the workload of the two ICCMWs concerned (including the number of cases served, programmes and membership), while expediting the recruitment process to ensure there is sufficient manpower in each ICCMW for delivery of service.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>Although the Kwun Tong team still has more members and cases per staff than the Tai Po team, the difference in terms of the number of members served per staff between the two ICCMWs has reduced from 17 in 2020-21 to 11 in 2021-22. The difference in terms of caseload per staff has also reduced from 7.8 in 2020-21 to 3.8 in 2021-22. In 2021-22, the staff of the Tai Po Team on average conducted six programmes, higher than the average of three programmes conducted by the Kwun Tong Team. That said, in considering the overall service provision, the workload of the two teams have become more balanced. The senior management of MHAHK will continue to monitor the workload of the two ICCMWs.</p>
3.16	<p>Audit has recommended that the Director of Social Welfare should review the OS on post-placement services of Supported Employment by examining its impact on user turnover at an opportune time.</p>	<p>After reviewing the post-placement service of Supported Employment, SWD has extended the service period from six to 12 months since December 2018. Due to the impact of social unrest and subsequently the COVID-19 epidemic, the service of Supported Employment had been disrupted from time to time and hence there is insufficient service data for conducting a further review at this juncture.</p> <p>Under the prevailing mechanism, SWD regularly reviews all time-defined service agreements, including Supported Employment and its post-placement service. SWD is now in the process of collecting relevant service data for facilitating the review on the OS of post-placement service, including evaluating whether the OS would have impact on user turnover, in an opportune time. SWD will proceed</p>

Para. No.	Audit's Recommendations	Progress to Date
		to conduct the review upon accumulation of sufficient service data for more comprehensive analyses.
3.22	Audit has recommended that MHAHK should continue its efforts to make wider use of innovation and technology to enhance its services, including stepping up promotion of its mobile applications and making better use of the social media platforms for publicity and education.	<p>MHAHK set up a Task Group on Information Technology and Mental Health (the Task Group) in August 2021 to propose new initiatives in adopting IT solutions to enhance services. For example, MHAHK was authorised to promote an Online Mental Health First Aid (MHFA) Standard Course by MHFA International. In November 2021, MHAHK produced two video clips about its "Counseline" Mobile Apps and advertised on the television, Facebook, and Instagram platform for publicity and mental health education. MHAHK was awarded the Outstanding Online Mental Health Training Programme 2022 under the Category of Wellness and Therapeutic by ETNet. With the ongoing steer of the Task Group, MHAHK will continue to enhance its services by making good use of innovation and technology.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Part 4: Administrative Matters		
4.14	<p>Audit has recommended that MHAHK should –</p> <p>(a) take into account the recommendations in the Lump Sum Grant (LSG) Enhancement Review Report and Audit's comments in improving the management of reserves, including better alignment with</p>	<p>The planning and management of LSG reserves and Provident Fund (PF) reserves is a standing agenda item to be discussed at the first Personnel and Finance Sub-committee meeting every year. Financial Update is another standing report item in every meeting of</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>Best Practice Manual (BPM) and better utilisation and disclosure of the Holding Account;</p>	<p>the ExCom, under which the Director will report the updated fund balance and movement. It was endorsed by the ExCom at its meeting on 24 February 2022 that PF reserve could be used to make an injection to the Mandatory Provident Fund of staff and LSG reserves could be used to disburse special anti-epidemic allowances to staff. In addition, a checklist has been developed as a mechanism to ensure that the use of LSG and PF reserves are put up for discussion every year. MHAHK will make use of the provision provided by SWD to carry out actuarial service to assist the ExCom in long-term financial planning to improve the management of reserves. The actuarial service will commence within September 2022 and complete within 2022-23.</p>
	<p>(b) take measures to enhance controls on accounting and financial management, making reference to the related advice stipulated in LSG Manual; and</p>	<p>MHAHK has taken follow-up actions as advised by SWD in accounting inspections and in accordance with the LSG Manual, such as revising financial forms and incorporating appropriate controls in its internal guidelines. The Quality and Risk Management Sub-committee has been assigned to deal with the review and supervision of the financial reporting process and implementation of internal controls to ensure compliance with the LSG Manual.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(c) take measures to ensure that there is no cross-subsidisation between Funding and Service Agreement (FSA) and non-FSA activities, including devising a mechanism to apportion expenditure between the two types of activities, and keep in view SWD's guidelines and consult SWD if needed in devising the apportionment mechanism.</p>	<p>MHAHK has made rectifications to record the income and expenditure of FSA and non-FSA activities separately with different account/project codes. SWD's advice to develop a methodology on cost apportionment of non-FSA activities has also been adopted. The adjustments will be duly reflected in the Annual Financial Report (AFR) for 2021-22.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
4.25	<p>Audit has recommended that MHAHK should –</p> <p>(a) take measures to enhance human resources management to tackle the challenge of staff shortage, taking into account the recommendations in the LSG Enhancement Review Report;</p>	<p>The Personnel and Finance Sub-Committee would systematically review the manpower situation on a yearly basis among other related issues. In 2020-21, while civil service pay was frozen, MHAHK offered an increase in allowance for the post of Service Assistant (Care), which often faced recruitment difficulties. The strategies of tackling staff shortage will continue to be discussed under the Personnel and Finance Sub-committee which is tasked to handle personnel matters including personnel policies and staff welfare, staff management, staff recruitment and deployment, staff training and development.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(b) regularly review the succession plan in accordance with LSG Manual;	<p>In September 2019, a two-year “managerial staff talent training programme” was arranged for 22 selected staff members with high potential in management to provide them with experiential trainings supported by a mentorship scheme. Nine of them were eventually promoted or transferred to take up management roles. MHAHK will review the need for organising the next batch of training programmes, with a view to building a sustainable talent pool and ensuring an orderly succession. Personnel and Finance Sub-committee meeting will review the succession plan regularly.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	(c) make wider use of online platforms in providing staff training; and	<p>Prior to 2021, only less than 5% of the staff training programmes were conducted through online means. In 2021, about 28% of staff training programmes were conducted in online or hybrid mode. The exact format of training, either face-to-face or online mode, depends on the nature and objectives of the programme. The Personnel and Finance Sub-committee will continue to explore more training opportunities for staff and discuss the effectiveness of staff training regularly.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(d) continue to provide managerial training with a view to strengthening management capability, and include capacity building sessions to raise corruption prevention awareness among staff.</p>	<p>MHAHK conducted seven managerial training programmes in 2021, such as inviting a Senior Community Relations Officer of ICAC to deliver a talk on corruption prevention to all managerial staff. A Senior Training Officer of the Equal Opportunities Commission was also invited to deliver a talk on the Discrimination Ordinance and Human Relation Management. Staff training is a major area of concern of the ExCom. Chief Officers will regularly report the progress of staff training to the ExCom.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
4.38	<p>Audit has recommended that MHAHK should –</p> <p>(a) obtain written approval from the landlord of the premises in Tai Po regarding the use of venues for activities other than those stated in the tenancy agreement;</p> <p>(b) ensure that the laid-down procurement guidelines are complied with by all Agreement Service Units, and in the event that there are justifiable reasons for deviations from the requirements, endorsement is obtained from an appropriate level of authority;</p>	<p>As there is no material change in MHAHK's service nature, the Housing Department has confirmed no adverse comments on the change of the use of relevant premises from "self-financing service for ex-mentally ill persons" to "self-financing and subsidised service for ex-mentally ill persons".</p> <p>As the follow-up action has been completed, we recommend that this part be deleted from the next progress report.</p> <p>MHAHK has updated the procurement guidelines on items requiring quotations and set out clearly that approval for deviations has to be obtained from a higher level of authority (i.e. the ExCom or Director) to ensure compliance.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(c) step up efforts in achieving full implementation of BPM and ensure that information communicated to the staff, service users and the public on the progress of the implementation of BPM are consistent with that reported to SWD in the self-assessment checklists;</p>	<p>MHAHK had taken on board the advice of SWD and stepped up efforts with a view to achieving full implementation of the BPM. SWD conducted on-site assessments in December 2021 and May 2022, and concluded that MHAHK had complied with the relevant requirements in line with the self-assessment checklists.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(d) ensure that the income and expenditure of all FSA activities and FSA related activities are included in AFR; and</p>	<p>Rectifications have been made by MHAHK to include the income and expenditure of all FSA and FSA-related activities in the AFR starting from 2020-21.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(e) specify the SWD website address linking to its latest AFR in the Annual Report.</p>	<p>MHAHK had already specified the SWD website address linking to its latest AFR in the Annual Report 2020-21.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Youth College
Progress in implementing Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Management of Training Programmes		
<i>Enrolment of students</i>		
2.9(a)	Audit has recommended that ED, Vocational Training Council (VTC) should take measures to avoid significant over/under-enrolments to minimise the possible negative impacts on the training programmes.	VTC has taken measures to improve programme planning and student enrolment. Principals of Youth College (YC) campuses and programme teams have reviewed the programmes' planned places and formulated admission strategies. Industry manpower needs and the enrolment rates of relevant programmes in recent years have been examined and taken as a reference for programme and admission planning in order to minimise significant over/under enrolments. Since the 2021/22 Academic Year (AY), YC has been reviewing the planned places for all programmes having regard to the admission figures in recent years and has made suitable adjustments, including reducing the planned places for some programmes while increasing those of popular programmes. With the improvement measures, the overall situation has improved significantly. The number of programmes with under/over-enrolment by more than 10% has decreased from 89% of all programmes in the 2021/22 AY to 50% in the 2022/23 AY. VTC will continue to conduct programme planning exercises to review the planned places of the programmes on an annual basis.
2.9(b)	Audit has recommended that ED, VTC should plan the number of places as accurately as possible taking into account the over/under-enrolment of the training programmes in previous years.	
2.9(c)	Audit has recommended that ED, VTC should for training programmes with significant decrease in student enrollment, identify the reasons for the decrease and take appropriate measures to address the issue.	

Para. No.	Audit's Recommendations	Progress to Date
		<p>For training programmes with significant decrease in student enrolment, programme leaders have discussed with relevant stakeholders to identify the reasons and reviewed the curricula to fit the needs of the industries. VTC completed the review of the programme curricula in June 2022 and will continue to update and improve the programme contents.</p> <p>As the recommendations have been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
<i>Programme Performance</i>		
2.18(a)	<p>Audit has recommended that ED, VTC should step up efforts to enhance performance of training programmes which have not met the targets for enrolment rate, retention rate or employment rate or have shown a declining trend in performance.</p>	<p>VTC has reviewed and examined the performance of relevant programmes and stepped up measures to enhance programme performance. Programme leaders of programmes which have not met the targets or have shown a declining trend in performance are required to review and look into the reasons behind, as well as propose improvement measures and report progress to the Programme Board in each semester.</p> <p>VTC has also implemented improvement measures including enrichment of online teaching materials, provision of more remedial classes for students in need, and delivery of training tool sets to students of certain programmes during the remote learning period to facilitate their online learning at home.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>With the improvement measures taken, the overall passing rate increased from 92% in the 2019/2020 AY to 95% in the 2020/2021 AY. The overall student satisfaction rates also increased from 7.60 in the 2019/2020 AY to 7.79 in the 2020/2021 AY.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
2.18(b)	<p>Audit has recommended that ED, VTC should take measures to collect employers' views on more graduates in the Survey of Employers' Views.</p>	<p>VTC has strengthened measures to encourage employers' participation in the Employers' Survey since 2021. These include arranging briefings for final-year students to encourage them to give consent on inviting their employers to participate in the survey. VTC also reviewed and improved the layout of the online survey form in January 2022 to facilitate graduates to fill in company information. Moreover, teachers have made follow-up calls to enhance communication with graduates in case the employers' information is incomplete or inaccurate. In June 2022, teachers made over 100 follow-up calls to graduates. With the implementation of the improvement measures above, the percentage of graduates who gave consent to contact their respective employers increased from 31% in 2021 to 35% in 2022.</p> <p>While the willingness of individual students and/or their employers to join the survey will be respected, VTC will continue with its best efforts to encourage them to provide feedback.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
Workplace learning		
2.29(a)	<p>Audit has recommended that ED, VTC should take measures to encourage more employers to join Workplace Learning and Assessment (WLA).</p>	<p>VTC has arranged over 20 visits to employers and trade organisations since November 2021 to promote WLA. The number of employers joining WLA increased from 49 in the 2020/21 AY to 76 in the 2021/22 AY. VTC will continue to work with various parties, and promote and encourage more employers to join WLA through the Training Boards, industrial partners and other different channels.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
2.29(b)	<p>Audit has recommended that ED, VTC should explore the merits and feasibility of extending Earn & Learn (E&L) Scheme and WLA to more full-time Diploma of Vocational Education (DVE) programmes for S3-S5 school leavers.</p>	<p>VTC has explored the feasibility of extending E&L Scheme and WLA to more full-time programmes. Since the 2019/20 AY, YC has extended WLA to eight additional DVE full-time programmes under E&L Scheme. YC plans to extend E&L Scheme and WLA to another three full-time DVE programmes by the 2024/25 AY. YC will continue to explore the feasibility of extending E&L Scheme and WLA to more DVE programmes for S3 to S5 school leavers.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
2.29(c)	Audit has recommended that ED, VTC should take measures to ensure that the academic qualifications of WLA assessors are properly assessed.	<p>VTC has strengthened the mechanism so that the academic qualifications of WLA assessors are properly assessed. Since 2021, the academic qualifications of WLA assessors have been cross-checked against the Qualifications Register and submitted to DVE Programme Board for consideration.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
Part 3: Campus Management		
3.13(a)	Audit has recommended that ED, VTC should explore ways to improve the utilisation of teaching and learning facilities e.g. by rationalising the facilities with low utilisation.	<p>YC has reviewed the usage of the teaching facilities and implemented measures such as introducing a digital management system since the 2021/22 AY for better monitoring the utilisation rate. With timely access to the utilisation situation, YC can better monitor and plan the use of various facilities.</p> <p>YC has also been upgrading campus facilities to support technology-enhanced learning, Project-based Learning (PBL) and development of new programmes. For example, some of the facilities at YC have been converted to project laboratories to support the implementation of PBL in response to teaching and learning needs; renovation works have been conducted in other YC campuses to meet the needs of the flexible/diverse teaching and learning modes for DVE programmes; some classrooms with relatively low utilisation rate in YC (e.g. Kowloon Bay) will be upgraded and converted into purpose-built workshops with new equipment installed in order to support</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>the launch of a new DVE programme on Food Technology and Nutrition, etc. VTC is also exploring the possibility of upgrading the language laboratory with a more flexible design so as to increase the utilisation rate.</p> <p>VTC will continue to monitor the usage of the teaching facilities in different YC campuses and take measures to ensure effective utilisation, such as upgrading some training facilities of single-purpose usage to multi-purpose training facilities, taking into consideration teaching and learning needs and resources available.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
3.13(b)	<p>Audit has recommended that ED, VTC should take measures to ensure that guidelines on hire of facilities are complied with.</p>	<p>To strengthen staff training, YC arranged a number of briefing sessions in December 2021 and March 2022 to explain and remind staff of the guidelines and procedures on hire of venues and facilities. VTC has also enhanced the relevant monitoring and verification mechanisms to ensure compliance with the relevant guidelines. For example, an additional requirement is introduced under which designated staff of YC at supervisory level would check the applications to ensure compliance, before seeking Campus Principal's approval on the hire of venues and facilities. VTC will review the guidelines on hire of accommodation annually, and remind staff members of the updates and the need to adhere strictly to the guidelines before the start of each AY.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
3.13(c)	<p>Audit has recommended that ED, VTC should take measures to ensure that entries in the physical fitness room log books are properly completed by users.</p>	<p>VTC has replaced the hardcopy fitness room log books with electronic-record (e-record) forms so that users can input information properly and consistency of information can be ensured. VTC piloted the e-record form successfully in the 2021/22 AY and has fully implemented this measure in all YC fitness rooms starting from the 2022/23 AY.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
3.21(a)	<p>Audit has recommended that ED, VTC should rationalise the variations in the requirements on accident reporting and investigations, and health and safety inspections stipulated in the Campus Safety Management Manuals of different campuses.</p>	<p>YC reviewed the Campus Safety Management Manuals and rationalised and aligned the prevailing practices and workflows across all YC campuses in March 2022. After the review, VTC has updated 11 items on the Campus Safety Management Manuals.</p> <p>In addition to the rationalisation, the Estates, Health and Safety Division of VTC has reviewed and updated the relevant sections of VTC's Safety Management Framework, including the specific rules and regulations as well as the legal requirements which the YC campuses must strictly comply with. The Safety, Health & Environment Central Committee of VTC approved the updated sections in the Framework in July 2022. Subsequently, YC updated the Campus Safety</p>
3.21(b)	<p>Audit has recommended that ED, VTC should take measures to ensure that requirements stipulated in the Campus Safety Management Manuals are compatible with the Safety Management Framework and legal requirements.</p>	
3.21(c)	<p>Audit has recommended that ED, VTC should take measures to ensure that requirements stipulated in the</p>	

Para. No.	Audit's Recommendations	Progress to Date
	<p>Safety Management Framework and the Campus Safety Management Manuals are complied with.</p>	<p>Management Manuals for individual YC campuses in August 2022 for implementation with effect from the 2022/2023 AY.</p> <p>YC subsequently arranged a briefing session in August 2022 to remind staff of the latest updates and requirements stipulated in the Safety Management framework and the Campus Safety Management Manuals. Besides, YC has included “Campus Safety and Health” as a standing agenda item in the YC campus management meeting to facilitate monitoring and ensure that the relevant requirements are complied with.</p> <p>As the recommendations have been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
<p>3.26</p>	<p>Audit has recommended that ED, VTC should step up efforts in facilitating the achievement of environmental targets.</p>	<p>With effect from 1 June 2022, the Corporate Environmental Office of VTC has expanded its scope of functions and has been renamed as the Corporate Environmental and Sustainable Development Office (CESDO).</p> <p>The change of name aims to better reflect the broader scope of functions of the CESDO, which has gradually expanded from coordination of environmental-related educational activities to cover sustainable development, the implementation of the Carbon Neutrality Plan for VTC in response to the Government’s proactive strategies and measures on reducing carbon emissions to attain carbon neutrality before 2050, as well as the Smart and Green Campus Development Initiative outlined in VTC’s Strategic Plan.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>The CESDO has devised strategies on raising awareness of environmental conservation, promoted and implemented measures on smart and green campuses, and assisted students and staff in building a sustainable low-carbon environment. In particular, since the 2020/21 AY, YC has stepped up efforts in facilitating the achievement of environmental targets, such as replacement of traditional light fittings with energy-saving LED lights, installation of water flow controllers, use of e-form to collect students' feedback, paperless meetings, etc.</p> <p>VTC also joined the Carbon Neutrality Partnership of the then ENB in October 2021 and formulated the action plan in April 2022 to deepen and accelerate the pace in pursuing low-carbon transformation.</p> <p>With the enhanced efforts of the CESDO and YC, all YC campuses have met the environmental targets of reduction in water, electricity and paper consumptions (including use of recycled paper) in the 2020/21 AY.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
Part 4: Other Administrative Issues		
4.14(a)	<p>Audit has recommended that ED, VTC should step up efforts in encouraging staff to actively participate in continuous and professional development (CPD) training and activities and attain not less than 40 CPD hours in each CPD cycle.</p>	<p>The management of YC formulates staff development strategies and approves the annual staff development plans which sets out the concrete plan on measures to enhance the knowledge and skills of YC staff.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>VTC's corporate units such as Centre for Learning and Teaching and Human Resources Division (HRD) organise various training courses regularly for VTC staff to enhance their professional development and work efficiency. To provide greater flexibility and encourage staff participation in trainings, VTC has, on top of face-to-face training courses, arranged a variety of online/mixed-mode staff training and development programmes in the past two years. YC has also arranged more internal training courses for staff in the 2021/22 AY, such as Artificial Intelligence training workshops and student counselling training in order to support their handling of student cases.</p> <p>In addition, YC encourages its staff to initiate different CPD activities in accordance with their personal professional development and operational needs of YC.</p> <p>On the CPD hours of staff, VTC has put in place a system to record the participation hours of staff in CPD (including staff of YC). Direct supervisors also need to monitor the training progress of individual colleagues on an ongoing basis, and work with them in drawing up training and development plans during their annual performance reviews, as well as offer advice and recommendations on training courses. Management of YC has reminded supervisors to monitor and review the CPD progress with their subordinates and will continue to do so regularly.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>With the improvement measures, the number of staff who had achieved the CPD target increased from 82% in the 2020/21 AY to 87% in the 2021/22 AY.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
4.14(b)	<p>Audit has recommended that ED, VTC should process applications for further employment of staff beyond the age of 60 in a timely manner and take measures to ensure that the requirements stipulated in VTC guidelines are complied with.</p>	<p>The HRD of VTC reviewed and revised the memorandum template for recommending further appointment beyond the age of 60 in August 2022. The criteria to assess the applications are stated clearly in the revised form which could facilitate the processing of applications in a timely manner and ensure that the requirements stipulated in VTC guidelines are complied with.</p> <p>In addition, the HRD organised a briefing session in August 2022 to apprise staff members of the revised form and remind them to adhere to the requirements of the guidelines. The HRD will continue to remind colleagues to observe the guidelines at annual briefing sessions.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
4.14(c)	<p>Audit has recommended that ED, VTC should enhance the guidelines on prolonged acting appointments and take measures to ensure that prolonged acting appointments are avoided as far as practicable.</p>	<p>The HRD of VTC reviewed and revised the guidelines on prolonged acting appointments, and uploaded the guidelines onto the staff intranet for reference in September 2022.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>The HRD organised a briefing session in August 2022 for Heads of Operating Units and staff members to introduce the revised guidelines. The HRD will continue to remind colleagues to observe the guidelines at annual briefing sessions.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
4.14(d)	<p>Audit has recommended that ED, VTC should take measures to ensure that results of sexual conviction record checks for new recruits in teaching positions are documented according to the requirements stipulated in VTC guidelines.</p>	<p>YC arranged for the relevant staff two briefing sessions in December 2021 and March 2022 on the checking mechanism and proper documentation procedures for hiring new recruits in teaching positions, and reminded staff of the need for strict compliance with the corporate operational guidelines.</p> <p>YC has also enhanced the checking mechanism since December 2021 by arranging for designated staff of YC to review and verify the checking so as to ensure that checking has been conducted properly and the check records have been duly filed in the forms provided by VTC's HRD before the issuance of appointment letters. YC will continue to remind colleagues to strictly follow the guidelines before the commencement of each AY.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
4.30(a)	<p>Audit has recommended that ED, VTC should take measures to ensure that annual stocking exercises are conducted in a timely manner and stocktaking reports are submitted before the deadlines.</p>	<p>Before conducting the annual stocktaking exercise for the Financial Year (FY) 2021-22, YC conducted a preparatory meeting in November 2021 to remind all YC campuses to strictly follow the relevant guidelines and conduct the annual stocktaking exercise in a timely manner.</p> <p>A new reporting requirement has been put in place whereby YC campuses are required to submit a summary on the annual stocktaking exercise to the management of YC after each exercise to confirm that the exercise has been conducted in a timely manner. All YC campuses submitted the first summary in March 2022 and completed the stocktaking exercise on time.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
4.30(b)	<p>Audit has recommended that ED, VTC should issue guidelines on the criteria for classifying store items as valuable and attractive stores and take measures to ensure that the requirement for conducting full stocktaking exercise on all valuable and attractive stores is complied with.</p>	<p>The Finance & Supplies Division of VTC issued a circular on “Valuable and Attractive Stores” in December 2021, setting out the definition of “valuable and attractive stores” and their related specific stores management measures.</p> <p>YC campuses have subsequently reviewed and drawn up the lists of valuable and attractive stores items for their own campuses in accordance with the criteria set out in the above Supplies Circular. Same as the reporting requirement for the annual stocktaking exercises, YC campuses are required to submit a summary on the annual stocktaking exercise on valuable and attractive stores to the management of YC every year to confirm that the</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>exercise has been duly. All campuses submitted the first summary in March 2022.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
4.30(c)	<p>Audit has recommended that ED, VTC should take measures to ensure that surprise stock and security checks are conducted and the results are properly recorded in the surprise inspection books.</p>	<p>YC arranged a briefing session in November 2021 to explain and remind relevant staff of the guidelines on store management and relevant security measures. All YC campuses have conducted surprise checks in the 2021/22 AY and will submit the relevant summary to management of YC in October 2022 to report on the surprise checks conducted. YC will continue to remind staff to conduct surprise checks and review the stock checks arrangements as appropriate.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
4.30(d)	<p>Audit has recommended that ED, VTC should take measures to ensure that the schedules of discrepancies and applications for write-off of lost stores are submitted in a timely manner.</p>	<p>YC arranged a briefing session in November 2021 to explain and remind relevant staff of the guidelines on store management. During the annual stocktaking exercise for the FY 2021-22, all YC campuses have submitted a list of discrepancies and an application for writing off lost stores in a timely manner. YC will remind staff of and review the arrangements for lost stores every year.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.
4.36(a)	Audit has recommended that ED, VTC should review the reasons for the variations among the eight campuses in the number of students activities and the number of activity-hours, and take measures to rationalise the variations where necessary to ensure that the needs of the students of every campus are fully met.	To enable students to enjoy a vibrant school life, YC organises various types of student activities every year, such as sports events and online events, for students to join according to their interests. Owing to the differences in student numbers and study modes, YC campuses will, having regard to their individual circumstances, formulate their own specific plans. To illustrate, some YC campuses only offer full-time programmes while the others offer both full-time and part-time programmes, and the needs and hours spent on student activities for part-time students differ considerably from those of full-time students. Hence, SDO will give due regard to the varying circumstances of YC campuses when setting targets in terms of number and hours of student activities for YC campuses. SDO will also continue to monitor and review the situation, and adjust activity plans taking into consideration the changing needs of students and formulate improvement measures for future activities.
4.36(b)	Audit has recommended that ED, VTC should set target number of participants for the student activities organised by the Student Development Offices (SDO) where appropriate.	
4.36(c)	Audit has recommended that ED, VTC should for the student activities with participation rates significantly below targets, ascertain the reasons and draw on the experience gained with a view to improving future activities.	
4.36(d)	Audit has recommended that ED, VTC should conduct evaluations of the student activities organised by the SDO, wherever appropriate.	On evaluations of student activities, SDO collects views from students on the activities through different means, including gauging views from student representatives and arranging consultation meetings. Starting from the 2021/22 AY, SDO also conducts evaluations via electronic means, and creates e-Forms with Quick Response

Para. No.	Audit's Recommendations	Progress to Date
		<p>codes for use. In addition, SDO collects information about new students' interests in and needs for student activities by means of surveys during the orientation starting from the 2021/22 AY. Upon implementation of these measures, the response rates of the survey have increased and YC campuses are able to take follow-up actions in a more timely manner.</p> <p>As the recommendations have been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
