

THE HONG KONG COUNCIL OF SOCIAL SERVICE
1st Meeting of
The Standing Committee on Sector and Capacity Development (2018-19)

Date : 27 November 2018 (Tuesday)
Time : 2:30 pm – 6:00 pm
Venue : Room 1410, 14/F, Duke of Windsor Social Service Building,
15 Hennessy Road, Wanchai, Hong Kong

Present:

Ms. CHAN Ching-yee, Susan	Evangelical Lutheran Church Social Service – Hong Kong
Mr. AU YEUNG Wai-hong, Peter	Heep Hong Society
Mr. TSANG Kin-ping	Hong Kong Alliance for Rare Diseases
Ms. CHAN Pui-yi	Hong Kong Christian Service
Ms. LO Ka-lok, Annie	Hong Kong Family Welfare Society
Ms. WONG Sim-yim, Rebecca	Hong Kong Sheng Kung Hui Welfare Council Limited
Ms. YEUNG Kin-ha, Yvonne	Hong Kong Young Women’s Christian Association
Ms. YEUNG Yee-ching, Noel	Kwun Tong Methodist Social Service
Ms. LI Siu-fan, Perina	The Salvation Army

Apology:

Dr. LUI Wai-ling, Annissa	Hong Kong Lutheran Social Service, The Lutheran Church - Hong Kong Synod
Mr. SUEN Kwok-tung, Eddie	SAHK
Mr. NG Wang-tsang, Andy	The Society of Rehabilitation And Crime Prevention, Hong Kong

In attendance:

Mr. Cliff CHOI	HKCSS
Ms. CHEUNG Lai Wah (Secretary)	HKCSS
Ms. Stella HO	HKCSS
Ms. Lois LAM	HKCSS
Mr. Tony LEE	HKCSS
Ms. Hindy KAI	HKCSS
Mr. Peter KWOK (Recorder)	HKCSS

1. Welcome newly elected members

Mr. Cliff CHOI welcomed all the members and especially new members.

2. Election of Chairperson and Vice-Chairpersons

The Committee agreed that 2 Vice-Chairpersons to be elected for the term 2018-19.

Election of Chairperson

Ms. Yvonne YEUNG was nominated by Ms. CHAN Pui-yi, and seconded by Ms. Susan CHAN.

Ms. CHEUNG Lai-wah raised that, in the absence of Ms. Noel YEUNG (at that time of meeting) and Dr. Annissa LUI, Ms. Noel YEUNG would self-nominate for the election of Chairperson and was seconded by Dr. Annissa LUI.

Upon secret ballot, Ms. Yvonne YEUNG was elected as the Chairperson of the Committee for the term 2018-19.

Election of Vice-Chairpersons

Ms. CHEUNG Lai-wah raised that, in the absence of Ms. Noel YEUNG (at that time of meeting), Ms. Noel YEUNG would self-nominate for the election of Vice-Chairperson. Her nomination was seconded by Ms. Susan CHAN.

Ms. Susan CHAN was nominated by Ms. Rebecca WONG, and seconded by Ms. Perina LI.

As there was no further valid nomination received, Ms. Noel YEUNG and Ms. Susan CHAN was elected as the Vice-Chairpersons of the Committee for the term 2018-19.

3. Confirmation of the Agenda

The agenda was confirmed.

4. Confirmation of the Minutes of the Last Meeting (Appendix 1)

The minutes of the last meeting was confirmed.

5. Highlights of work units (Appendix 2)

- 5.1 Ms. CHEUNG Lai-wah made a highlight on the progress of “Project Star”. She reported that the capacity enhancement work for self-financed organizations was mainstreamed in the regular activities of the Membership Liaison and Service team and the related Advisory Committee would be discontinued. Members appreciated regularization of the work related to self-financed organizations and opined that an Advisory Committee would be beneficial in supporting such work. Ms. CHEUNG responded that the staff team would continue to engage Members and stakeholders of the sector and invite them to give advice whenever necessary.
- 5.2 Ms. Hindy KAI briefed the Members on an upcoming study visit to Jiangmen city (江門市). Follow-up efforts would be paid on engagement of participating NGOs and promoting experience sharing on overseas NGO registrations.
- 5.3 Ms. Stella HO reported recent incidents regarding inquiries from the Inland Revenue Department (IRD) to NGOs on their tax-exemption status. Members echoed that inquiries from IRD covered different areas, e.g. NGOs’ income generating businesses, whether NGOs’ activities align with their Articles of Association, central administration charging mechanism, etc. Members also raised that IRD had expressed ongoing concerns on the charitable nature of “advocacy” activities. Ms. HO suggested NGOs regularly reviewing and revising their governing instruments so as to reflect their current activities and services, and highlighted the pro-bono legal consultation project with the PILnet in which NGOs would be provided legal assistance on such aspects.
- 5.4 Mr. Tony LEE reported to the Committee on the progress of the “System Risk Assessment and Audit”. It was highlighted that a proposal had been submitted with 22 NGOs showing interest to participate and a security requirement profiling would be delivered in this project. Members shared the view that it would be important to note the differences between NGOs of different scales. Members also opined that adequate resources had to be provided by the SWD, otherwise the findings of the security audits

would hardly be beneficial to NGOs.

5.5 Ms. Lois LAM reported that as of the date of reporting, 123 NGOs had participated in the Salary Survey. Members had a discussion on information exchange between NGOs on staff remunerations. Mr. Cliff CHOI added that it would be adequate for NGOs to exchange such data as long as the information shared was historical data but not future remuneration strategies.

6. Selection of representatives to serve in various Steering Committees / Advisory Committees / Task Groups (Appendix 3)

After much deliberation, the following members of had been selected to serve / to present as a representative of the Standing Committee on Sector and Capacity Development in various Committees:

Committee(s) / Group(s)	Member(s) selected
Executive Committee	Ms. Noel YEUNG
Steering Committee on Work in Mainland China	Ms. Perina LI
HKCSS Institute Steering Committee	Ms. Rebecca WONG Ms Susan CHAN
Steering Committee on Joint Insurance Scheme	Dr. Annissa LUI
Steering Committee on NGO Governance Platform Project	Ms. Yvonne YEUNG
Innovation and Technology Business Management Committee	Mr. Peter AU YEUNG
NGOs Salary Survey Working Group	Ms. Annie LO

7. Co-option of new members and vacancy replacement mechanism

The Committee confirmed that, in case a vacancy arises mid-term for an elected Member, the seat would be filled by reference to the election result of the preceding election. The first candidate who has not yet been elected with the largest number of votes in the preceding election will be returned.

Members had suggested to co-opt member(s) from small or non-subvented NGOs. The Committee requested the HKCSS staff team to explore and make

recommendation on such co-option.

8. Insights from survey on NGOs Reserve (Appendix 4 & 5)

Mr. Cliff CHOI made a report on the survey and shared the major conclusions. He added that the HKCSS would formulate a short supplementary opinion, which would be uploaded along with the presentation files from Deloitte and HKICPA. Members exchanged views on the findings and observed that there was ongoing concerns on the Holding Account. Members opined that the Committee should advocate for more flexibility in the use of the Holding Account and agreed that relevant work be followed up by the Specialized Committee on Sector Finance.

9. Initial findings on Governance Health Survey

Mr. Cliff CHOI and Ms. Stella HO reported that 389 respondents from 77 NGOs had completed the survey questionnaire. 3 debriefing sessions would be conducted on 23, 24 and 29 January 2019. Mr. CHOI highlighted the initial observations including (1) the fundraising functions of the board of local NGOs to be enhanced, (2) the good practices of evaluation of board performance to be identified. Ms. HO added that materials presented in the debriefing sessions and the full survey report would be uploaded to the project website in Q1, 2019.

10. Updates on LSG Review and other LSG issues

LSG Review

Ms. CHEUNG Lai-wah provided updates to the Committee on LSG Review and related issues. Regarding the Review, Ms. CHEUNG told Members that the consultant, commissioned by the SWD, had met with the HKCSS staff team and some of the NGOs representatives. NGO Pain-points and prerequisites in facilitating a healthy implementation of LSG subvention systems were communicated with the consultants. With regard to notional staffing establishment, Ms. CHEUNG reported that examples were being collected from different committee representatives and NGOs and the exercise was expected to be completed in December 2018 / January 2019.

Best Practice Manual (BPM)

For BPM items, Members had been provided latest update on the implementations of the two level 1 and one level 2 items. Members shared their

observations that there was a strong intent in the SWD (in the Task Force meeting) in promoting level 2 items to level 1, based on the results of the questionnaires on LSG Review. The Committee was of the view that the results of the questionnaires should be used mainly for the Review. The level(s) of the BPM items should be determined by the corresponding working group independently and the SWD should not pre-empt the discussion of the working group.

Review Reports on Remuneration Packages for Staff in the Top Three Tiers

Mr. CHOI and Ms. CHEUNG noted the Members that SWD had decided to implement new guidelines on the Review Reports and NGOs had raised their difficulties on retrieving the 4-year financial figures for calculating the 50% threshold. Some NGOs took the view that upon voluntarily submitting the reports, it would not be necessary for them to provide the financial figures for the threshold calculation.

(Post meeting notes: The implementation of the proposed new guidelines had been postponed by the SWD according to its email sent to all subvented organizations on 29 November.)

Report on Accounting Inspection 2017-18

Ms. CHEUNG briefed the Members on the latest development on the announcement of the Report. Upon exchange of reviews with the Specialized Committee on Sector Finance, the SWD had amended the Report draft with toned down wordings. The Committee noted that the matter would be followed up by the Specialized Committee on Sector Finance.

11. Training Need Analysis for NGO sector (HKCSSI)

The item was skipped due to time constraint.

12. Nomination for Overseas Events Subsidy Application - Better Boards Conference 2019; Overseas event proposals (a) for governance and (b) for small NGOs (ICA)

The Committee combined the discussions of the two agenda items.

Ms. Stella HO provided a brief introduction on the Better Boards Conference 2019 (<https://conference.betterboards.net/>), which would be held in Brisbane,

Australia in August 2019. The Committee confirmed the nomination of the Conference for overseas events subsidy.

Ms. Hindy KAI briefed the introduced a new mechanism of inviting small NGOs to nominate events for the subsidy. Upon deliberations, the Committee confirm that nomination of overseas events of advocacy nature would be considered by the Committee despite the fact that there would be certain chance that these events be declined by SWD.

The Committee agreed to support the nominations of the 4 overseas events according to the below priority:

1. Pre-sessional Working Group and Session for CEDAW - Convention on the Elimination of All Forms of Discrimination against Women
2. 罕見疾病考察交流團
3. Women Deliver 2019 Conference
4. 第十三屆亞太區愛滋病會議

The HKCSS staff team would check on the eligibility of enrollment on the above events and ensure that the subsidy applications would be opened to Member Agencies beyond those nominator organizations.

13. Advocacy for IT Block Grant (ITRC)

Mr. Tony LEE shared with the Members the focuses of the advocacy on IT Block Grant. The following highlights were noted by the Committee:

- Dual Approach – Block Grant for supporting operational IT expenditure (annually 1.5% of annual subvention amount) & Existing funding approach for IT system development and enhancement (mixed pool of fund for IT system, staff training and research, total up to 1% of annual subvention amount);
- Designated funding for pre-project IT Planning / Business Process Reengineering
- Provision of incentive for system-sharing or joint-development / application

Members noted that the advocacy on IT Block Grant would be included in a proposal for continuation and enhancement of the Social Welfare Development Fund, which would be submitted to the SWD later.

14. Overseas event proposals (a) for governance and (b) for small NGOs

The discussion of the agenda was combined with agenda item #12.

15. Observation on new Membership Applications (Appendix 6)

Mr. Cliff CHOI and Ms. CHEUNG Lai-wah shared with the Members on the observations of recent membership applications. Upon review of the cases noted in the document, the Committee agreed that it would be necessary to revisit the management of the HKCSS' membership. Members were of the view that the approach in admissions of Member Agencies should be directed by the Executive Committee, and the Committee would propose the Executive Committee to delegate the assignment to a task force or to an appropriate Committee.

16. A. O. B.

There was no other business.

17. Date of next meeting

The meetings of the Committee had been fixed on the following months:

- January 2019
- March
- May
- July
- September

The Secretary would confirm with members the exact date, time and venue of the meetings.

(post meeting notes: meeting dates for meeting are scheduled on