

THE HONG KONG COUNCIL OF SOCIAL SERVICE
2nd Meeting of
The Standing Committee on Sector and Capacity Development (2018-19)

Date : 24 January 2019 (Thursday)
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
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. Judy KONG	InspiringHK Sports Foundation
Ms. YEUNG Yee-ching, Noel	Kwun Tong Methodist Social Service
Mr. NG Wang-tsang, Andy	The Society of Rehabilitation And Crime Prevention, Hong Kong

Apology:

Ms. LI Siu-fan, Perina	The Salvation Army
Mr. TSANG Kin-ping	Hong Kong Alliance for Rare Diseases
Dr. LUI Wai-ling, Annissa	Hong Kong Lutheran Social Service, The Lutheran Church - Hong Kong Synod
Mr. SUEN Kwok-tung, Eddie	SAHK
Mr. AU YEUNG Wai-hong, Peter	Heep Hong Society

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. Valerie LAU	HKCSS
Ms. Danielle YEUNG (Recorder)	HKCSS

1. Welcome newly co-opted members

Ms. Yvonne YEUNG welcomed the newly co-opted member Ms. Judy KONG.

2. Confirmation of minutes of the last meeting (Appendix 1)

The minutes of the last meeting was confirmed.

3. Confirmation of the Agenda

The agenda was confirmed.

4. Highlights of work units (Appendix 2 – Progress Report)

4.1 Ms. CHEUNG Lai-wah highlighted on the progress of Social Welfare Department's (SWD) support on central admin costs. There will be another round of engagement for non-subsvented NGOs to provide support for seeking fundings from private funders and corporate in April. Mr. Andy Ng added that the Specialized Committee on Sector Finance suggested the Council to provide trainings for accounting staff in NGOs to create a norm on seeking central admin costs in proposals. Ms. CHAN Pui-yi mentioned that there will be a booklet issued to elaborate on the concepts of central admin. Ms. CHEUNG Lai-wah noted that there have been documentations of funders on their provision on central admin costs and in the near future, there will be a data collection from NGOs on the provision of such costs. Members agreed that the sector needs to have collective effort in putting central admin costs in all proposals in order to reach an industry standard.

4.2 Mr. Cliff CHOI reported that he has been negotiating with SWD on the disclosure of Remuneration Packages for Staff in the Top Three Tiers for the past four financial years and informed the AD that it is difficult for NGOs to backdate audited figures. The counterargument of the SWD was that it was already required in the Self-Assessment Report (SAR) to report

of figures from the past four years. Members agreed that there should be a transition grace period before actual implementation. The Council will continue to negotiate with SWD.

- 4.3 Ms. Stella HO reported that ICAC has partnered with the Council to create a simple leaflet on dealing with conflict of interests. She also updated that the Companies Registry has recently announced that Companies (Amendment) (No. 2) Ordinance 2018 (“the Amendment Ordinance”) will come into operation in February 2019. New updates included relevant accounting-related provisions, expanding the types of companies eligible for reporting exemption, and providing for miscellaneous matters in relation to various administrative, procedural and technical requirements regulating local companies and non-Hong Kong companies, for members and agencies’ attention.
- 4.4 Ms. Valerie LAU updated that the Guangdong Provincial Department of Civil Affairs (廣東省民政廳) visited the Council last month and shared a proposal on the development of the Greater Bay Area. The Council plans to draft a position paper on the social service development for the Bay Area before the Two Sessions (兩會) and submit to Liaison Office of the Central People's Government(中聯辦), 兩會 and 廣東省民政廳. The Council was also holding a public discussion on the topic where members are welcome to attend.
- 4.5 Mr. Tony LEE highlighted on the progress of the Systems Risk Assessment and Audit Project (SRAA). The funding plan will be finalized by the SWD end of January to provide free services for 22 NGOs for a server-end IT security audit. This Phase 1 will be completed within 2 years focus on issues of data leaking and security. This project will also set a benchmark for IT security for NGOs of different sizes. Upon the success of Phase 1, Phase 2 will be focused on developing templates and guidelines, as well as briefings and trainings.

Mr. Tony LEE also reported that WebOrganic is continuing to run in the form of a social enterprise, with mentorship program sponsored by Hong Kong Broadband for 40 mentors and mentees. The Center also continued to provide installment payments of computers for low income families and will expand to elderly homes and rehab centers in the future.

5. Discussion on NGOs Salary Survey Findings (HKCSSI)

Ms. Lois LAM reported that the results of the survey will be announced on January 30 for all participated agencies. The difference of this year's survey was that it was free for NGOs and in turn attracted more NGOs to participate. The survey also covered more staff levels and more job posts. The collected data were categorized into subvented and non-subvented, and social worker posts were also separated in such categories. Data for posts that strictly follow MPS was also captured. As the data requested was more complicated than previous years, the benefit package data was not collected. The results covered close to 40,000 staff in the sector and over 60% of the Council's agency members.

Mr. Cliff CHOI briefly shared the results on social worker posts and non-social workers posts for subvented and non-suvented NGOs. Broadly speaking, the results revealed that there were obvious differences of salary between subvented and non-subvented posts, and government posts; the gap was especially large for more senior posts. Implications of the results also showed that there should be LSG funding for more openings for senior staff and degree social work posts.

For future development of the survey, Members opined that there is no need to include snapshot staff. Members also agreed that the number of staff for subvented and non-subvented posts for the data collected this year should be retrieved from surveyed agencies to differentiate the exact number of posts for each category. Ms. Lois LAM will inform participated agencies and collect the data after the announcement of the initial results within February.

6. Updates on Review on Lump Sum Grant System (MLS)

Ms. CHEUNG Lai-wah updated that two discussion platform sessions on scope (g) and (h) were held for all stakeholders. She noted that there were discussions and concerns raised by management on the relevance and rationale of disclosing all information of NGOs to the public, the availability of resources from SWD for admin support to execute such disclosure, as well as the respect of autonomy for NGOs. There was consensus from Members that the review should focus on a system level rather than a management level. For the discussion with

management, front line workers and users during the sessions, management expressed that there were difficulties in involving users as users may not always understand operational documents and the key would be to understand users' perspective and rationale in such engagement. Members raised concern on the discussion questions and the agenda set by the Task Force and how opinions are gathered in these discussions to reach their recommendations for the review of BPM.

Ms. CHEUNG Lai-wah remarked that the Council will continue to hold discussion groups to keep the review on the right track of bettering the system. Mr. Cliff CHOI noted that the Specialized Committee on Sector Finance will continue to follow up on the issue and report updates during agency heads meeting. Ms. Yvonne YEUNG suggested holding more targeted discussions for Members to take more concrete plans to the Task Force.

Ms. CHEUNG Lai-wah noted that there has been progress from Sector Finance on two other issues on the Review. Initial principles were conceived for cost apportionment. For notional staffing, the working group has initiated discussions and collection of sector data, the findings could be summarized into a paper for further investigations. Mr. Cliff CHOI noted that the Council is proactive in providing advices in these two issues. Members were advised to join the small group discussions or Sector Finance meetings if they were interested in these topics.

7. Follow up on Governance Health Survey (GPP)

Mr. Cliff CHOI updated that there will be three debriefings held to announce the results of the survey. In short, the survey provided a framework for board members to review their governance health. The results reflected that the overall governance health was quite positive. There were areas identified for further development including board review and board financial support. 15 NGOs will receive in-depth debriefings by GAME. All NGOs received individual reports and have specific recommendations for them to improve governance health. Ms. Stella HO will circulate the results and presentation materials of the debriefing sessions to Members.

Ms. Yvonne YEUNG suggested integrating the results of various researches in

one document to demonstrate to the public that the sector has good corporate governance. Ms. Noel YEUNG suggested disseminating these findings in Caring Company Expo to provide rationale to the public and government on the need for central admin support. Ms. Judy KONG suggested targeting the media in disseminating information with a concise tagline. Mr. Cliff CHOI responded that the Council may target more students and do more sharing at institutions.

8. Revision on application criteria and guideline for membership application (MLS)

Ms. CHEUNG Lai-wah briefed Members that the Council would like to revise the membership application process which would involve updating the Council's Constitution on the application criteria. She would like to set up a task force within the Committee. The revision is estimated to be endorsed by ExCo in September 2019 and approved in EGM in November 2019. There would be around two to three meetings between March to June 2019. The following members agreed to join the task force:

- Ms. CHAN Ching-yee, Susan
- Ms. CHAN Pui-yi
- Ms. Judy KONG
- Ms. YEUNG Kin-ha, Yvonne

9. Update of ITRC 3 years' review plan process (ITRC)

Mr. Tony LEE reported on the 3 years' plan of ITRC with 7 aspects for development, namely IT advocacy, funding and planning of IT projects, data governance, device governance, big data analysis, future tech (i.e. AI, block chain, cloud, big data) and community broadband and tech service.

Ms. Yvonne YEUNG suggested providing support for system integration and transferrable data for elderly homes, day care/home care, and institutions within the same organization.

Ms. Judy KONG raised the issue of letting suppliers be aware of the need and demand in the NGO sector and suggested holding events to attract suppliers to provide services for NGOs. She also noted that more support is needed for non-subvented

NGOs as fundings usually do not support IT. Mr. Cliff CHOI responded that the Council has drawn the attention of SWD and government on the IT development of NGOs and there may be more support in these areas in the future. He also noted that there will be further discussions in the Extended Governance Meeting on how ITRC can support the sectors' IT development.

Ms. Lai-wah CHEUNG remarked that the Specialized Committee in Sector Finance was aware that the government has approved funding to enhance SWD's systems in collecting NGOs data. They reminded Mr. Tony LEE to pay attention in the Joint Committee on Information Technology on updates of the system design. In cases where it requires input from the sector to develop appropriate systems, the Committee should hold consultations with the sector to avoid their members make decisions behind closed doors.

10. HKCSS possible role and participation in Greater Bay Area social service development (ICA)

Ms. Valerie LAU reported that as the Council has been invited to more events about the Greater Bay Area, the ICA Steering Committee has come up with three areas that identify the Council's positioning, namely:

1. 社會組織 – facilitating cross sector collaborations
2. 社會工作 – the development of social service and social workers
3. 慈善公益 – funding and foundations support

Members opined that the three key areas have covered most of the Council's work.

11. HKCSS role in promoting professional development (multi-team)

Mr. Cliff CHOI updated that this agenda was a continued discussion from last year's Standing Committee on the role of the Council in professional development. There were two aspects of this discussion, being providing trainings for social workers, and more on the professional development side with considerations on ratio for supervisory and senior practitioners, the integration of social workers from university to organizations. Another issue was whether the Council or the Social Workers Association (SWA) should be the main provider of professional trainings. Ms. Pui-yi

CHAN noted that the SWA has had plan to develop CPD for a while. The newly elected “Social Workers Registration Board” also has shown interest in this aspect. Members opined that there should be clearer definition of professional development and that the three parties to gather to discuss on this issue.

12. A.O.B.

Newsletter Article on Reserve Survey (GPP)

Mr. Cliff CHOI asked Members for feedback on a newsletter article to be issued by the GPP team which summarized the results of the Reserve Survey published earlier in the Governance Forum. Key points of the article included the function of reserve, the international practice of reserve policies, and that Hong Kong’s NGOs have sound standard on reserve usage. Ms. Stella HO added that the final report of the survey will be circulated when Deloitte has completed it.

Issues on the Inland Revenue Department (IRD)

Ms. Yvonne YEUNG reported that there has been a few NGOs running hotels and hostels services who have been asked to file tax assessment for the past 6 years by IRD. Many concerns were raised by NGOs that if a precedent case has started, the IRD may ask many NGOs to file such assessment for all types of fee-charging business, such as social enterprises, venue rental, etc. Ms. Stella HO noted that there will be a seminar by IRD in February where members can raise questions before the seminar for IRD to address during the seminar to clarify their current tax filing practices and concepts such as definition of “trade or business” and “directly related to the NGO’s objectives”.

13. Date of next meeting

The next meeting will be on 19 March 2019 at 2:30pm at Room 103.