

THE HONG KONG COUNCIL OF SOCIAL SERVICE
3rd Meeting of
The Standing Committee on Sector and Capacity Development (2018-19)

Date : 19 March 2019 (Tuesday)
Time : 2:30 pm – 5:30 pm
Venue : Room 103, 1/F, Duke of Windsor Social Service Building,
15 Hennessy Road, Wanchai, Hong Kong

Present:

Ms. YEUNG Kin-ha, Yvonne	Hong Kong Young Women's Christian Association
Ms. YEUNG Yee-ching, Noel	Kwun Tong Methodist Social Service
Ms. CHAN Ching-yee, Susan	Evangelical Lutheran Church Social Service – Hong Kong
Mr. AU YEUNG Wai-hong, Peter	Heep Hong Society
Ms. Judy KONG	InspiringHK Sports Foundation
Ms. LI Siu-fan, Perina	The Salvation Army
Ms. LO Ka-lok, Annie	Hong Kong Family Welfare Society
Mr. NG Wang-tsang, Andy	The Society of Rehabilitation And Crime Prevention, Hong Kong
Mr. SUEN Kwok-tung, Eddie	SAHK
Mr. TSANG Kin-ping	Hong Kong Alliance for Rare Diseases
Ms. WONG Sim-yim, Rebecca	Hong Kong Sheng Kung Hui Welfare Council Limited

Apology:

Ms. CHAN Pui-yi	Hong Kong Christian Service
Dr. LUI Wai-ling, Annissa	Hong Kong Lutheran Social Service, The Lutheran Church - Hong Kong Synod

In attendance:

Mr. Cliff CHOI (Secretary)	HKCSS
Ms. CHEUNG Lai-wah	HKCSS
Ms. Stella HO	HKCSS
Ms. Lois LAM	HKCSS
Ms. Shirley KIANG	HKCSS
Mr. Peter KWOK	HKCSS
Ms. Valerie LAU	HKCSS
Ms. Tina LEE (Recorder)	HKCSS

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

The minutes of the last meeting was confirmed.

2. Confirmation of the Agenda

The agenda was confirmed.

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

- 3.1 Ms. CHEUNG Lai-wah highlighted one sharing session on Accounting Inspection was held on 18 February 2019. The Council, with the leadership of the Sub-group on Accounting Inspection and the Specialized Committee on Sector Finance, would compile the findings and views collected, such as nature of “management letter”, classification of errors (system error/human error), interpretation issue of LSG Manual, and requests to organize sector sharing before each cycle of inspection. As follow up, formal letter would be submitted to Assistant Director of Finance Branch of the SWD.
- 3.2 Ms. Shirley KIANG updated the status of CAP system (HR and Finance System) was in testing stage and tentatively to roll out in May or June 2019.
- 3.3 Ms. Lois LAM reported numbers of subvented social worker posts and non-subvented social worker posts in subvented and non-subvented NGOs at different levels were shared with all Participating Agencies in early March. Mr. Cliff CHOI mentioned that the percentages of non-subvented posts to support the social service provision can be shown from the figures in which revealing notional staffing establishment of subvented services may need to be adjusted. Ms. Lois LAM also reported five debriefing sessions were conducted for 5 NGOs (Caritas Social Service – Children and Youth, TWGHs – Rehabilitation, Sai Kung District Community Centre, BGCA and ELCHK) from December 2018 to February 2019 at their sites re. the pilot run of the NGO Organisational Health Assessment (OHA). One extra debriefing session was conducted for TWGHs – Rehabilitation (middle management). The Seminar on “NGO OHA” was held on 5 March 2019. Summary report with consolidated results of 5 NGOs will be shared to members.
- 3.4 Ms. Valerie LAU highlighted in the Discussion Forum on Social Service Development in Greater Bay Area on 1 February 2019, representatives reflected their interest and concerns to the future collaboration with Guangdong, especially the difficulties of registration under Overseas NGO Law, as well as the financial and taxation concerns when providing services in Guangdong. Mr Patrick Nip, Secretary for Constitutional and Mainland Affairs and Dr. C. K. Law, Secretary for Labour and Welfare have attended the Forum. The Council is recruiting cases for Mr Nip to present them to officials responsible in the Greater Bay Area.
- 3.5 Ms. Stella HO reported the Council invited application for subsidies, with resources from The Community Chest, for board members and CEOs to attend the Better Boards Conference 2019 to be held in Brisbane, Australia in early August. In view of the enforcement of the Companies (Amendment) (No. 2) Ordinance 2018 from 1 February 2019, the Council invited representatives of the Companies Registry to

speak at a seminar scheduled for 29 April 2019 on “Requirements on Financial Reporting and Information Disclosure under the Companies Ordinance and the Recent Amendments”.

4. Membership Review and NGO directory webpage (MLS)

Ms. CHEUNG Lai-wah updated concerning the complicity of new agency application, ExCo delegated the Standing Committee on Sector and Capacity Development to form a Task Force to review Membership Admission Criteria and related membership issues, the first meeting of Task Force was held. After deliberation, admission criteria and a few critical issues would be examined, including Membership Eligibility Criteria, Membership Fee Adjustment, and disclosure of annual report/financial report. Since membership fee shall be payable annually in April, the proposal of Membership Fee Adjustment would be submitted to ExCo Meeting in March for endorsement.

In respect to the review on Membership Eligibility Criteria, it is foreseen that amendments, such as areas and definitions of social services to HKCSS Constitution are needed and therefore Extraordinary General Meeting would be held in November. A new NGO directory e-platform will be launched at end of 2019.

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

The consultant, appointed by the Social Welfare Department (SWD), rolled-out the questionnaire for management of the Review in March 2019. Six organizations joined the pilot to fill in the questionnaire and attended the meetings with the consultant. Concerns on the questionnaire included to request SWD to provide notional structure of central administration and direct service, subvented agencies can then fill in the top up notional staffing to show the extra resources used supporting current service workload. Besides, the sector perceived that some figures captured in the questionnaire are not necessary, such as non-LSG reserve. They also suggested that other than quantitative figures, qualitative comments should be included. Members also concerned figures analysis without organizational context may bring misleading during interpretation; and the confidentiality of sensitive figures provided by participating agencies. The Council will update the progress after briefing conducted on 27 Mar by the consultant.

The Council, with the support from the Specialized Committee on Sector Finance and its Sub-group on Cost Apportionment, is now working on sector consultation for the proposal on cost apportionment on central administration expenses and direct service costs. Three consultation sessions were held in March 2019, with over 100 representatives from subvented agencies attended and expressed their views on the cost apportionment proposal. The Council is requesting SWD to replenish the central admin percentage to subvented agencies. Percentage of cost for central admin, mechanism to allocate resources between central admin and direct service, and difficulties faced by small NGOs will be discussed further on 1 Apr meeting by Sub-group. Paper to SWD with sector views shall be submitted at end of Apr.

Ms. LO Ka-lok, Annie drew Members’ attention to the issue that provision to school social workers had not considered the costs of supervisor, supporting staff and premises. Also, Annie queried the necessity of giving names of school social workers and reporting the

funding allocation to SWD. Ms. WONG Sim-yim, Rebecca recommended to standardize the remunerations of school social workers under attachment mode and independent mode. Mr. NG Wang-tsang, Andy noted the accuracy of cost apportionment calculation in different service sectors by SWD. Ms. LI Siu-fan, Perina and Ms. YEUNG Kin-ha, Yvonne suggested standardizing the cost apportionment calculation format in each service and marking down the missing parts to request SWD to fill up the gap.

6. Continuity of SWDF (MLS)

Mr. Cliff CHOI reported SWD was preparing a paper for a new round of SWDF in 2021/22 budget plan. Cliff invited members to propose a new scope as enhancement to the new round, such as innovation and application of technology. Members suggested reengineering of processes and organizational development.

Ms. CHEUNG Lai-wah invited Members to fill in the questionnaire and provide success stories in agency organizations about SWDF usage, the material provided would be submitted to SWD for references. The Council also proposed to include non-subvented organizations in new round of SWDF.

7. IT Block Grant (Cliff + ITRC + MLS)

Mr. Cliff CHOI updated that SWD would consider reviewing the percentage allocation of Lotteries Fund Block Grant for IT maintenance. Initially, the Committee suggested advocating for the increment from existing 1.5% to 3%. Cliff invited Members to give views to justify the increment and items covered by extra sum of block grant. Members advised hardware and software systems upgrade. Since there is a trend that cloud service replacing one-off purchase of software in the IT industry, Organizations do not need to purchase hardware and software if subscribe the cloud services in long run. It is highly recommended that cloud service subscription fee could be covered in block grant.

8. Data Governance Initiatives (ITRC)

Ms. Shirley KIANG briefed Members a paper about data governance initiatives is under preparation and it will be submitted to Innovation and Technology Business Management Committee. The paper aimed to provide guidelines for NGOs to protect IT data, such as for data security for cloud and non-cloud services, legal rules and regulations, and mobile data security. After guidelines are confirmed, gaps in current NGO sector practices and guidelines could be found.

Shirley reported pilot of IT Security Audit would be started at April end. This audit is based on system security inside participating subvented agencies. Report of pilot results will be presented in paper to SWD endeavoring for more resources for larger scale audit exercise. Ms. Lois LAM remarked for non-subvented agencies, they could approach the Innovation and Technology Commission to apply the Innovation and Technology Fund for IT related initiatives.

9. Compliance Requirements for maintaining tax-exempted status of Charitable Organizations (GPP)

Ms. Stella HO reported the Seminar on "Compliance Requirements for Charities with Recognition of Tax Exemption Status under the Inland Revenue Ordinance" was held on 22 February with participation of around 200 persons. In the seminar, three speakers from the Inland Revenue Department (IRD) presented on the regulatory requirements for tax-exempt charities. With the enthusiasm received at the event, the Council is collecting questions from agency members for the IRD's reference in compiling a guide on "Frequently Asked Questions" which will be uploaded to the department's website. Ms. YEUNG Kin-ha, Yvonne remarked the interpretation of tax exemption status may infer huge differences of deficit and surplus under different scenarios. GPP's website has online materials which agencies can use them as references. Ms. Judy KONG asked if there is any pro bono legal service available for NGOs. Stella reported that GPP was liaising with the Law Society of Hong Kong for this matter.

10. Executive Training for small NGOs (HKCSSI)

Ms. Lois LAM reported that HKCSSI would launch Executive Training for small NGOs lasted for several months. Targets of this course are agency heads in small NGOs. Unlike Project Star, this course was fee charged. Preparation works were undergoing.

11. NGO Organisation Health Pilot Results (HKCSSI)

Ms. Lois LAM briefed "NGO Organisation Health Assessment Framework" (OHA) was inspired by McKinsey's Organizational Health Index (OHI) and developed with the help from ExCEL3 in the University of Hong Kong. This framework used three areas including alignment, execution and renewal to define healthiness of an organization. Nine core elements under these three areas, they are direction, coordination and control, accountability, external orientation, leadership, innovation and learning, capabilities, motivation, culture and climate.

Total number of respondents is 1267 from 5 pilot-run NGOs. After reviewed by a professor in the Hong Kong Polytechnic University, the questionnaire of NGO OHA is valid and reliable. Consolidated results were similar to the OHI questionnaire conducted in 2012. Two elements: coordination and control, and innovation and learning, have lower scores than the other elements. Newly joined and senior staff tended to rate higher scores, mid-level staff tended to rate lower scores. The platform to fill in questionnaire will be launched later. Service package for NGO OHA will be submitted to HKCSSI Steering Committee for consideration.

12. Updates on Greater Bay Area social service development (ICA)

Ms. Valerie LAU updated in the Discussion Forum on Social Service Development in Greater Bay Area on 1 February 2019, representatives reflected their interest and concerns to the future collaboration with Guangdong, especially the difficulties of registration under Overseas NGO Law, as well as the financial and taxation concerns when providing services in Guangdong. Mr Patrick Nip, Secretary for Constitutional and Mainland Affairs and Dr. C. K. Law, Secretary for Labour and Welfare and over 20 agencies attended the Forum. ICA

rendered a submission to Mr CHAN Charnwut, Bernard, a Hong Kong deputy, for presenting the concerns in the National People's Congress. Valerie consulted members if they have concerns about the Liaison Office of the Central People's Government being the recommending party to connect government officials in Guangdong for registration purpose. Members suggested the Council to collect views from agencies which have intention to do so.

13. A.O.B.

Major Renovation for Residential Care Homes using Lotteries Fund

Mr. NG Wang-tsang, Andy raised the concerns about the duration, amount, approval process and government manpower involved in all these procedures. The existing practices plus the arrangements of decanting users during renovation cannot fulfill the actual service needs.

SWD Manpower Survey

Mr. Cliff CHOI updated the SWD Manpower Survey revealed that the turnover rate of social work assistant (SWA) is quite high and diploma programme may not provide sufficient candidates for SWA vacancies. Members opined NGOs prefer to have degree holder candidates.

14. Date of next meeting

The next meeting will be held on 21 May 2019 at 2:30pm at Room 103.