

**Minutes of the Eighteenth Meeting of
the Joint Committee on Information Technology (JCIT)
for the Social Welfare Sector held on 18 June 2009**

Present: Mr Stephen Fisher (Chairperson)
Mr Fung Pak-yan
Mr Fung Man-chung
Mr Lam Wai-kiu, Victor
Mrs Leung Tsang Po-wan, Paula
Mr Ma Chiu-tong, Nigel
Ir Li Wai-lim, William
Mr Man Hung-yee, Joseph
Ms Patty Wong
Dr Edith Mok
Mr Lam Bing-chun (Secretary)

Absent with apologies: Dr Law Chi-kwong
Dr Ting Wai-fong
Prof Meng Mei-ling, Helen

In attendance: Miss Ann Hon
Ms Lily Ng
Ms Mak Suk-kwan, Lorenza
Mr Timothy Cheng
Mr Leung Pui-kei
Dr John Fung (for agenda item 4 only)
Mr Edmond Keung (for agenda item 4 only)
Mr Ng Chu-kong (for agenda item 5 only)
Mr Joe Sin (for agenda item 5 only)
Mr Chan Yin-chi (for agenda item 5 only)

Opening Remarks

The Chairperson welcomed Mr Fung Pak-yan, DD(A) and Mr Fung Man-chung, P(IST), who attended the meeting for the first time.

Confirmation of Minutes of the Last Meeting

2. The minutes of the 17th Meeting were confirmed without amendment.

Matters Arising from the Minutes of the Last Meeting

Paragraph 3: The Information Technology (IT)-related Business Improvement Project (BIP)

3. The Secretary reported that since the last meeting, four proposals from the Non-governmental Organizations (NGOs) were received. The proposal on the Financial Management (FM) System submitted by the Richmond Fellowship of Hong Kong (RFHK) would be discussed at the Meeting. The other proposals, including the Bulk Purchase System submitted by the Fu Hong Society and the two proposals on the FM System and the Human Resource Management (HRM) System submitted by the Hong Kong Society for the Protection of the Children, were still under vetting.

4. The Secretary reported that there were five IT-related BIPs under implementation as at June 2009. Four of them were targeted for completion in 2009 while the Membership System for the Hong Kong Federation of Youth Groups, which was more complicated and needed more time for development, was targeted for completion in 2010.

Paragraph 28: Implementation of the Third Batch of the Core Applications Development Project (CAP) on HRM and FM for NGOs

5. The Chairperson informed Members that the progress of the Third Batch of CAP had been reported to the Lotteries Fund Advisory Committee (LFAC) at its meeting on 4 March 2009. The LFAC endorsed the recommendations made by the JCIT at its last meeting held on 17 February 2009.

Agenda Item 3 – Replacement of Personal Computers (PCs) for NGOs in the Social Welfare Sector (Paper JC 3/09)

6. The Chairperson invited Ms Lorenza Mak to present the Paper to the Members.

7. Ms Lorenza Mak highlighted the two measures, i.e. ‘One-off Grant for Replacement of PCs’ and ‘Relaxation on the Use of Block Grant for

Replacement / Upgrading of IT Equipment', in helping NGOs to upgrade their basic IT infrastructure for facilitating their IT development.

8. Miss Ann Hon supplemented that apart from the two measures mentioned in para 7 above, there would be an additional Special One-off Block Grant at 1% of NGOs' recurrent subvention in the fiscal year 2009/2010 for NGOs to carry out minor works. Therefore the NGOs would have sufficient resources to improve their IT equipment from their annual Block Grant resources.

9. Mr FUNG Pak-yan supplemented that with relaxation on the use of Block Grant for replacement/upgrading of IT equipments, NGOs could replace and upgrade their IT equipments at their own pace, hence one-off PC replacement exercises would not be required in future.

10. In response to Ms Patty Wong's enquiry, Miss Ann Hon and Ms Lorenza Mak confirmed that the NGOs had full flexibility in using the one-off grant to choose the PC hardware and software to meet their service needs. However, no additional resources would be allocated for the training on using the PC and the software.

11. Ir. William Li enquired about the ownership of the new PCs. Miss Ann Hon clarified that the new PCs belonged to the respective NGOs which were responsible for the recurrent expenses on maintenance from their own resources. If the service unit ceased operation, the PCs purchased under this replacement exercise should be re-allocated to other subvented units of the NGOs according to the LF Manual.

12. Ir. William Li and Dr Edith Mok were of the view that the scope of IT equipment should be confined to PC as well as its related software and peripherals while mobile phones with computing functionalities should be excluded.

13. Mr Joseph Man raised the concern that much of the NGOs' resources of the Block Grant, upon its relaxation of usage, would be deployed for procurement of the IT equipment and it might affect the replacement of furniture and equipment or other minor works projects. The Chairperson replied that the proposed relaxation would provide more flexibility for NGOs in utilizing their resources. He believed that the management of the NGOs would prioritize their needs prudently with the resources provided.

14. Mr Nigel Ma remarked that NGOs would mostly utilize the Block Grant to replace the existing unserviceable PCs. He supported the proposed relaxation as it provided more flexibility for NGOs to utilize their resources of the Block Grant according to their respective needs.

15. In response to Mr Joseph Man's enquiry on the proposed provisions of the PCs, Ms Lily Ng briefed Members on the calculation basis for the allocation of PCs to the NGOs. The Chairperson supplemented that NGOs had the flexibility to deploy the new PCs within their organization according to their operational needs.

16. After discussion, Members agreed to support the proposed measures to assist NGOs to replace / upgrade their PCs.

Agenda Item 4 – Evaluation of the Third Batch of the Core Applications Development Project (CAP) on Human Resource Management (HRM) and Financial Management (FM) for Non-governmental Organizations (Paper JC 4/09)

(Dr John Fung and Mr Edmond Keung were invited to join the Meeting at this juncture)

17. The Chairperson invited Dr John Fung and Mr Edmond Keung of the Information Technology Resource Centre (ITRC) of Hong Kong Council of Social Service (HKCSS) to highlight the evaluation of the Third Batch of CAP.

18. Mr Edmond Keung referred Members to the evaluation report and reported that the HKCSS had encountered similar problems in implementing the Third Batch of the CAP as in the case for the first two batches. He remarked that the social welfare sector was not yet ready to realize the benefits of the collective approach fully as indicated by the significant number of withdrawn cases. Mr Keung however supplemented that there were some successful cases for the CAP, in particular for those NGOs with strong support and commitment from the senior management.

19. In response to Dr Edith Mok's enquiry on the experience gained in implementing the CAP, Mr Edmond Keung considered that the top management of the NGOs should thoroughly understand the project and ensure their investment in both financial and manpower resources before starting the project. Dr Edith Mok added that the continuity of top management of the participating NGOs would also be a critical success factor for the project. Mr Edmond

Keung supplemented that nearly half of the NGOs withdrawn from the project had changes in the top management during the course of implementation.

20. Miss Ann Hon commented that the change of personnel in top management of the NGOs should not affect their commitment and plan for the project as their Board of Directors had endorsed the application of the BIP and should provide advice and steer in the IT development.

21. Ms Patty Wong suggested that the project for individual NGOs could be segregated into minor projects and implemented in an incremental approach. Such approach could facilitate the monitoring and mitigate the impact of the changes in top management as the new management might not need to carry on the whole project left by the predecessor but could start off their own minor projects under their direction.

22. Dr Edith Mok commented that commitment of the middle management of the participating NGOs was also important as the continuity of the project implementation could not only rely on the top management. A project manager (PM) could be appointed by the management to oversee and monitor the project. Mr Joseph Man worried that it might not be feasible for the NGOs to identify such a PM due to the heavy workload of their staff.

23. Mr Joseph Man enquired whether most of the participating NGOs were large ones. Mr Edmond Keung indicated that about two-thirds of the participating NGOs were large to medium sized NGOs although the system workflow in the Oracle System could also be streamlined for the small sized NGOs. In his contacts with the small sized NGOs, he noticed that they had difficulties in making use of the system due to their limited resources and manpower.

(Dr John Fung and Mr Edmond Keung left the Meeting at this juncture)

24. At the Chairperson's invitation, the Secretary commented that the cost effectiveness of the Third Batch of CAP was low and it was extremely difficult to develop a system that could meet the diverse needs of NGOs of different sizes and backgrounds. Based on the experience of implementing the CAP, he highlighted the following proposed directions for NGOs to implement the FM and HRM systems :

- (a) The CAP Core System could be one of the options for selection by the NGOs through open tendering;

- (b) To maintain a level playing field for all potential contractors, it was proposed that the NGOs choosing the CAP Core System could no longer enjoy the privilege of exempting the 20% contribution of the total project cost under the BIP Scheme; and
- (c) The NGOs choosing the CAP Core System would be responsible for project management and deployment of their internal resources to implement the project similar to other IT related projects supported under the BIP Scheme.

25. Regarding the Chairperson's enquiry on the present status of the project, the Secretary informed that the reimbursement of the expenditure on the project was still under processing. Once the reimbursement was settled, the project account would be closed.

26. In response to Mr Victor Lam's enquiry on whether the ITRC of the HKCSS or participating contractors in the project had the privilege or benefit in the future open tendering exercises, the Chairman affirmed that NGOs had to comply with the tendering requirements stipulated in the LF Manual and thus, the ITRC and related contractors should not have any privilege in the future tendering exercises. The Secretary supplemented that the ITRC had to invest in the customization of the core programme for individual NGOs and the copyright of the customized programme belonged to ITRC. The source code of the original HRM and FM system, on the other hand, belonged to the software supplier, the Oracle Ltd.

27. The Chairperson concluded the proposed directions for NGOs to implement the FM and HRM systems and stated that the project would be closed once the remaining reimbursement was settled.

Agenda item 4 – BIP Proposal

At the meeting, Members deliberated a BIP proposal. After discussion, members agreed to support the proposal based on the funding criteria for BIPs.

Any Other Business

28. There being no other business, the meeting was adjourned at 5:20 pm. The next meeting would be held with a date to be fixed.

Social Welfare Department
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