

**Minutes of the 28th Meeting of the
Joint Committee on Information Technology (JCIT)
for the Social Welfare Sector held on 10 May 2017**

Present : Ms Carol Yip (Chairperson)
Miss Cecilla Li
Mr Lam Bing-chun
Mrs Paula Leung
Miss Donna Chan
Ms Susanna Shen
Dr Shirley Hung
Ms Amy Fung
Mr Gordon Lo
Mr Kwok Lit-tung
Mr Michael Leung
Mr Tony Lee
Ms Winnie Tam (Secretary)

Absent with apologies: Prof Leung Kwong-sak

In attendance : Mr Wong Yuk-tong
Mr Patrick Ngai
Mr Vincent Chan

Opening Remarks

The Chairperson extended welcome to all Members, in particular two new Members, Ms Amy Fung Dun-mi, and Mr Michael Leung Kin-man. Ms Fung is the Deputy Executive Director of the Hong Kong Federation of Youth Groups, who replaced Mr James Leung as a member from the Non-government organisations (NGOs), while Mr Michael Leung is the President of the Hong Kong Computer Society, who replaced Dr. Ng Nam, as a member from public organisation. The Chairperson also informed Members that a letter had been sent to Dr Ng for appreciating his contributions in the six-year tenure which expired on 30 April 2017.

2. The Chairperson informed Members that Ms Susanna Shen, Mr Gordon Lo, Prof Leung Kwong-sak and Mr Kwok Lit-tung had kindly accepted the re-appointment as the JCIT Members for a period of two years after completion of their respective tenure.

3. The Chairperson introduced Mr Lam Bing-chun who replaced Miss Sheila Kong as Principal Social Work Officer (Information Systems and Technology). Besides, Mr Patrick Ngai would sit-in the meeting on behalf of Mr Lee Tat-hong as Acting Senior Systems Manager (Information Systems and Technology Branch) of the Social Welfare Department (SWD).

Declaration of Interest

4. Mr Lam Bing-chun briefed the meeting that JCIT had all along adopted the one-tier reporting system as stipulated in the memo issued by the Secretary for Home Affairs in 2005 for Members to declare potential conflict of interests. As JCIT played an important role in formulating information technology (IT) strategy for the social welfare sector as well as coordinating the use of Lotteries Fund for IT investment and IT projects, it would follow the current practice of the Lotteries Fund Advisory Committee (LFAC) and adopt a two-tier reporting system for Members' declaration of interest. Members were invited to make a declaration of interest by completing the "Register of Interests" after the meeting and return to the Secretariat for record purpose. Based on their return, Members might not receive the proposals and corresponding recommendations for vetting of applications under Social Welfare Development Fund (SWDF) if they had declared having interests with the concerned NGO/company involved in the applications.

5. Mr Lam furthered that Members needed to update the Register of Interests annually. The feedback form with the part for declaration of interest, which JCIT used previously, would also be slightly modified for future vetting of applications for IT projects under SWDF through circulation of papers.

6. Ms Winnie Tam reported that she had received all the declaration of interests from Members before the meeting, among which, three members had declared conflict of interest in respect of the participating NGOs under the present joint application of the Core Applications Project (CAP) Financial Management System Upgrade to be discussed in Agenda item 4. In this respect, Mr Kwok Lit-tung, being the executive committee member of Hong Kong

Council of Social Service (HKCSS) and Mr Tony Lee, being the General Manager of Information Technology Resource Centre (ITRC) of HKCSS directly involved in the CAP, would be excused from discussing the joint project, where the lead agent was HKCSS. Besides, Ms Amy Fung, being a member of the social service committee of the Methodist Church, HK, had potential conflict of interest since Kwun Tong Methodist Social Service was one of the participating NGOs in the CAP project. She would act as observer but would not vote for the vetting recommendation.

Agenda Item 1 - Confirmation of Minutes of the Last Meeting

7. The draft minutes of the 27th Meeting were sent to Members for comments on 23 May 2016. The amendment to paragraph 11 as well as textual refinement in paragraph 22 had been incorporated into the revised draft minutes which were sent to Members on 8 June 2016. The revised minutes of the 27th Meeting were confirmed with no further amendments from Members.

Agenda Item 2 - Matters Arising from the Minutes of the Last Meeting

Paragraph 20: Random checking on IT projects

8. Ms Winnie Tam reported that the enhanced monitoring through random on-site visits would be conducted from 2016-17 to 2023-24, i.e. in eight years, to cover all projects funded under the three phases of SWDF. The project with the highest amount of expenditure would automatically be selected for inspection.

9. Ms Tam supplemented that the on-site checking involved items related to IT projects, such as books of account, procurement documents, relevant policy documents and guidelines as well as the IT inventory record developed under the SWDF projects.

10. It was estimated that 64 NGOs (40%) out of around 160 NGOs receiving SWDF would be visited from 2016-17 to 2023-24. Hence, eight NGOs under Phase 1 of SWDF had been selected for on-site random inspection in 2016-17, among which six NGOs with six corresponding IT projects were inspected. The inspection result was still under analysis by the Subventions Section of SWD.

Agenda Item 3 - Progress of the IT Projects Funded under the Social Welfare Development Fund (*Paper JC 1/17*)

11. The Chairperson briefed Members that under the three phases of SWDF, SWD had received applications from 147 NGOs involving 682 IT projects, with a total amount of \$309 million. Among the four categories of IT projects, enhancement of service delivery and management capacity accounted for a significant portion of 67%. The outcome was driven by the implementation of one of the recommendations set out in the Review of the IT Strategy for the Social Welfare Sector completed in 2013 for NGOs to promote the use of new technologies for more cost-effective service delivery and better communication with service users.

12. At the invitation of the Chairperson, Mr Wong Yuk-tong briefed Members about the progress of the IT Projects funded under the Social Welfare Development Fund as depicted in the Paper JC 1/17.

13. Ms Winnie Tam added that upon the advices given by the Members in previous meetings, suggestions to the use of off-the-shelf software packages and conducting Security Risk Assessment and Audit (SRAA) had been incorporated into the “Tips for Managing IT projects under SWDF” which had been uploaded to the SWD Homepage. With the launch of SWDF e-Platform by the HKCSS in June 2014, NGOs could draw reference to IT projects with similar nature and/or cost when they planned for developing their own application system. Sharing culture was encouraged among NGOs which could make use of the SWDF e-Platform for providing relevant information of the IT initiatives for sharing with other NGOs in the welfare sector.

14. Ms Amy Fung enquired the trend, the overall landscape of IT development of the welfare sector and the impact of SWDF. She highlighted the sustainability issue when the projects were going to retire or require revamping or enhancement. She viewed that many NGOs needed guidance and consultancy services since they found it hard to obtain the right IT solution and helpful contractors. Ms Susanna Shen encouraged sharing resources using bulk purchase of off-the-shelf packages for similar projects. She also advocated cloud computing technologies as an adaptive solution to the ever-changing IT environment.

15. Mr Gordon Lo remarked that IT planning was more important than making piecemeal project in the long run. Mr Michael Leung added that timing was crucial in monitoring the project progress. Advice should be given to the NGOs at the right time before it was too late to manage the project issues. He remarked that many small-sized NGOs lacked the knowledge and sensitivity in protecting personal data and security. They needed guidance and consultancy services since they lacked IT professional to implement the IT projects.

16. Mr Gordon Lo further viewed that the current vetting time could be speeded up despite the fact that 56 projects under Phase 3 of SWDF had completed the vetting so far. Miss Donna Chan suggested that the vetting process of first-come-first served could be enhanced. On one hand, priority could be given to small-sized NGOs, where an earlier start of vetting might enable them early start of the project to reap benefits. On the other hand, project-based vetting might sometimes be more relevant than vetting by NGO as a whole in particular for those NGOs having several projects in their application.

17. Mr Tony Lee reported that they had organised various meetings with the NGOs to share the experience of IT project management. Besides, project sharing was also available in the e-Platform under SWDF. Mr Kwok Lit-tung found the sharing in the e-Platform very useful in the planning of IT projects. He cited that the e-Platform did facilitate their project planning and assist exploration of possible IT solutions. Ms Winnie Tam further reported that as of April 2017, there were 104 IT projects uploaded to the e-Platform. The figures were expected to rise as more projects would be completed in the coming months while NGOs had been requested to share their experience in IT project planning and management in the form of sharing sessions and/or by way of the e-Platform as set out in the Guidance Note to the application.

18. Mr Wong Yuk-tong remarked that application for consultancy services was allowed under Phase 3 of SWDF, for which NGOs could acquire services to formulate their IT plan. In addition, NGOs could also subscribe cloud services but they needed to be aware of the subscription fees and the subsequent recurrent cost. Moreover, shared applications were also encouraged just like the CAP project. Although applications with earlier submission date would be vetted first by the first-come-first served principle, discretion to speed up vetting certain projects could be exercised with justifications upon request.

19. Mr Lam Bing-chun viewed that a pragmatic approach had been adopted for IT development in the Social Welfare Sector. The development progressed from developing financial management system and human resources management system at the start some 15 years ago to more sophisticated IT systems after the launch of SWDF in 2010. The IT applications had then focused on enhancing service delivery, notably the workflow management and membership system. Lately, the applications had been extended to include consultancy services for formulating IT plan of individual NGO.

20. The Chairperson thanked for the contribution of each member to suggest ways to support the NGOs. She shared that measures for assisting the small-sized NGOs in implementing the IT projects and speeding up the vetting process could be explored to facilitate the timely implementation of the IT projects under SWDF.

Agenda Item 4 – Core Applications Project Financial Management System Upgrade – to be presented by the Hong Kong Council of Social Service (Paper JC 2/17)

21. The Chairperson invited the project team of HKCSS to present the joint project “CAP Financial Management System Upgrade”. Four members of the project team joined the meeting at this juncture, including Mr Edmond Keung, Deputy General Manager, Mr Ricky Fung, Senior Manager of System Development, and two Business Analysts, Mr Eldon Cheng and Mr Alex Wong.

22. Mr Ricky Fung briefed Members of the joint project by Powerpoint presentation. Upon the enquiries of Members, Mr Fung supplemented that the HKCSS had held various co-ordinating meetings with participating NGOs of last batches of CAP and as a result 8 NGOs currently using the CAP agreed to join in the system upgrade. They had signed a letter of intent and agreed to continue using Oracle as a solution. The allocation of funding among the NGOs depended on the number of staff members, workflow complexity as well as degree of customization. Besides, there would be enhancement on IT security in the upgraded system.

(The project team of HKCSS, Mr Tony Lee and Mr Kwok Lit-tung left the meeting room after the presentation and clarifications.)

23. Mr Wong Yuk-tong supplemented that while the life span of the proposed project was about eight years, the project appeared feasible and sustainable as the HKCSS had committed to provide support for at least five years.

24. The Chairperson then invited Members to advise whether they endorsed the joint application coordinated by HKCSS. Before making recommendation, Mr Gordon Lo and Mr Michael Leung remarked the need to set a realistic recurrent cost estimation and suggested that more detailed breakdown on the recurrent maintenance cost of the upgraded system should be provided by HKCSS before the application was put up for consideration of LFAC. Dr Shirley Hung was concerned about whether the project could be extended to other potential NGOs in future. Mr Gordon Lo echoed that to benefit the small NGOs, HKCSS might consider providing basic system of financial management service which might be more applicable than the complicated ones. Mr Michael Leung added that standardisation of workflow could attract the use of CAP and other IT projects in the long run. By doing so, resources would be shared and not be wasted. Miss Cecilla Li remarked that CAP was just one of the options for the participating NGOs to choose. The relaxation of funding parameters for CAP in the last JCIT meeting allowed the participating NGOs to submit application under SWDF for developing or upgrading their own financial management system. Mrs Paula Leung expressed that the project seemed to provide a technical platform with strong customization to each NGO. After sharing the views, all Members eligible for voting agreed to endorse the implementation of the joint project.

25. The Chairperson concluded that the proposed project was supported by the Members.

(Post meeting note : The detailed breakdown on the recurrent maintenance cost of the upgraded system was provided by HKCSS on 11 May 2017 and the funding application for joint project was endorsed by LFAC at its meeting on 18 May 2017)

Agenda Item 5 - Any Other Business

26. The Chairperson thanked Members for their valuable views given in the meeting. There being no other business, the meeting was adjourned at 12:00 noon.

Agenda Item 6 - Date of Next Meeting

27. The date of the next meeting would be fixed in due course.

Social Welfare Department
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