



香港社會服務聯會
The Hong Kong Council of Social Service

NGOs Governance Platform

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Project Director

Sector & Capacity Development

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Good Evening 😊

- ▶ Thank you for your interests in providing support for NGOs in the social service sector.

The Hong Kong Council of Social Service

The Hong Kong Council of Social Service

- ▶ Established in 1947 and became a statutory body in 1951.
- ▶ An umbrella organization that represents Non-Governmental Social Service Organizations in Hong Kong.
- ▶ 449 Agency Members that provide about 90% of the social welfare services in Hong Kong.

The Hong Kong Council of Social Service

Our Vision

To build a social service sector that is **highly accountable, efficient, effective and responsive to social needs**, upholding the long-term sustainable development of society and the well-being of our citizens.

Our Mission

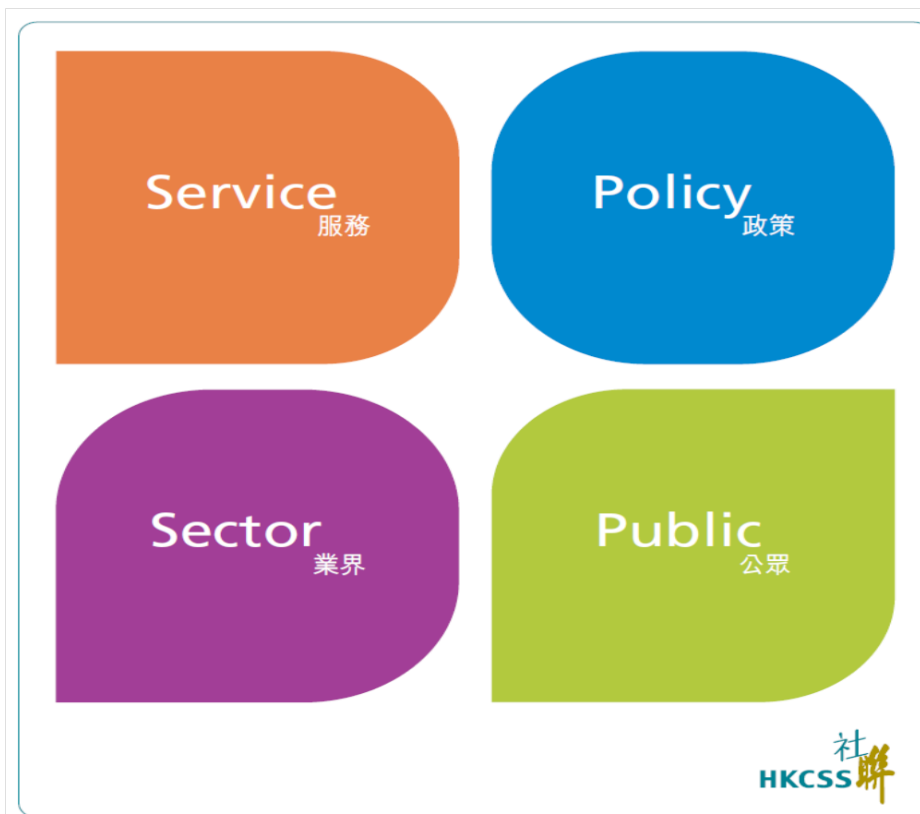
- ▶ enhancing accountability of social welfare service agencies;
- ▶ promoting improvement of social welfare services;
- ▶ facilitating agencies to better serve the community;
- ▶ advocating equality, justice, social integration and a caring society;
- ▶ setting the local welfare sector as a model of excellence in the international community.

The Hong Kong Council of Social Service

Four Core Businesses

Promote Service excellence and innovation to address social needs

Build a strong NGO sector, promote international and regional collaboration



Advocate for social justice and social development

Promote a caring society, corporate social responsibility and philanthropy

Social Welfare Development in Hong Kong

Hong Kong Government & NGOs

HK Government adopts a “small government , big society” approach in social service provision – most social welfare services are provided by NGOs

Government:

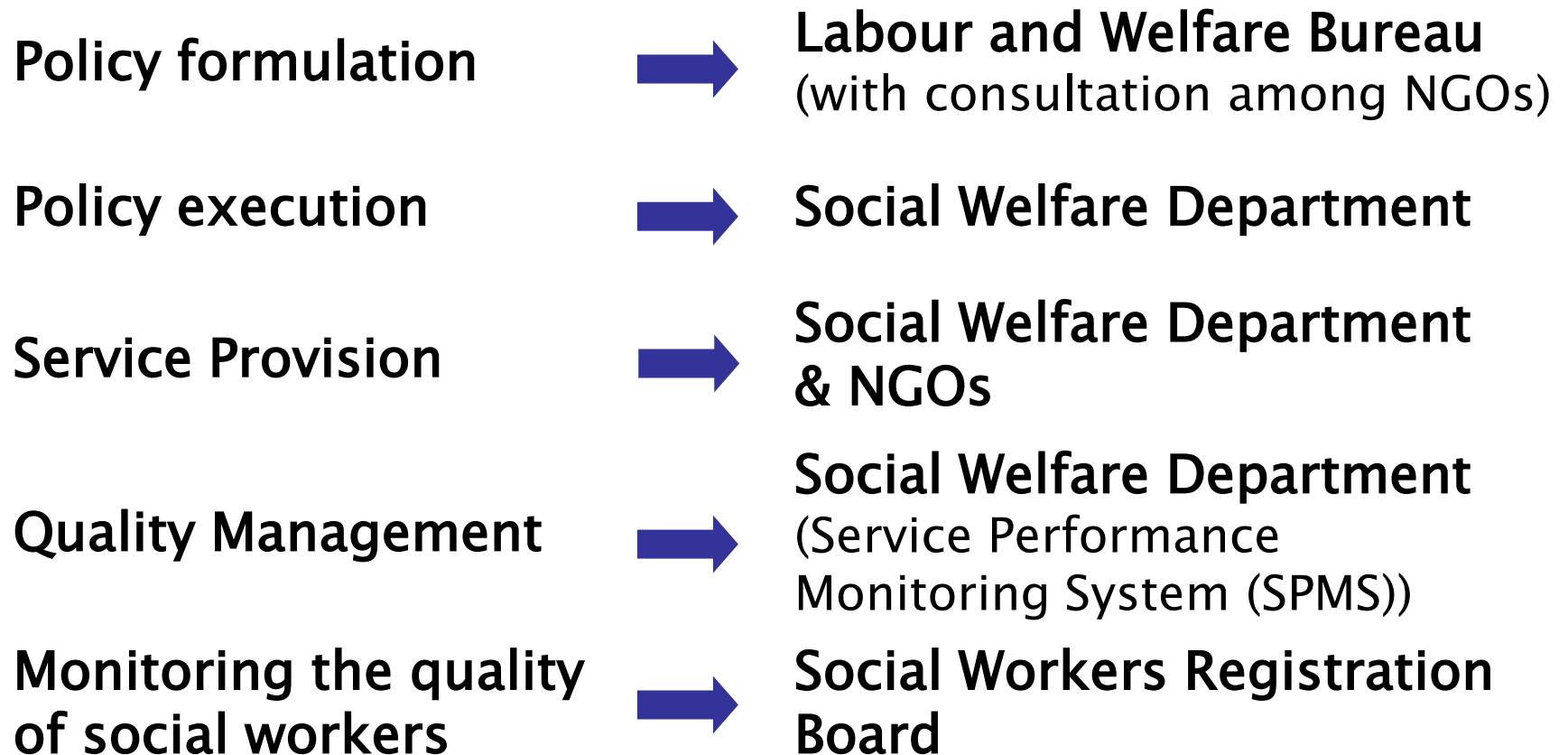
- Policy formulation
- Service planning and development
- Provide funding for social service
- Monitor NGOs' performance
- Provide part of welfare services (social protection and emergency relief)

NGOs:

- Provide quality subsidized services according to government, and develop other resources to provide non-subsidized services
- Assist in policy formulation and services planning
- Conduct feedback on service and stakeholders' needs through different exchange platforms

Social Welfare System

<http://www.swd.gov.hk/en/index/>



Budget of Recurrent Government Expenditure 2016-17

Education	21.5%
Social Welfare	19.0%
Health	16.5%
Support	14.8%
Security	11.1%
Infrastructure	6.0%
Environment & Food	4.3%
Community & External Affairs	3.5%
Economics	3.2%
Housing	0.1%

Around
HK\$66.2
billion

Social Welfare Recurrent Expenditure 2014-15 : HK\$59.7b

Social welfare expenses is the **2nd largest** category of government expenditure

Allocation of Government Budget for Social Service 2016-17

Social Welfare Service	Govt (HK\$ million)	Non-Govt (HK\$ million)	Total (HK\$ million)	%
Elderly	262	6,983	7,245	39%
Rehab & Medical Service	594	5,066	5,660	31%
Family & Child Welfare	1,082	1,981	3,063	16%
Young People	98	1,843	1,941	11%
Offenders	305	70	375	2%
Community Development	5	179	184	1%
Service operated by Govt	2,346			4%
Service operated by Non-Govt		16,122		26%
Social Security	43,165			70%

- Social Service provision by both Govt and NGOs : about HK\$18b (30%)
- Social Security : over HK\$ 43b (70%)

Development of Government Subvention Mode

1960s–70s

Government started subventing NGOs, **discretionary allowance** were provided to offset the shortfall



1980s

Standard Cost System (Subvention were granted based on NGOs actual expenditure)

2000s

Lump Sum Grant



Top 10 agencies receiving LSG (2016-17)

	Agency name	Amount (in million)
1	Tung Wah Group of Hospitals 東華三院	HK\$1,173
2	Caritas – Hong Kong 香港明愛	HK\$911
3	Po Leung Kuk 保良局	HK\$671
4	Hong Kong Sheng Kung Hui Welfare Council 香港聖公會福利協會	HK\$630
5	The Neighbourhood Advice–Action Council 鄰舍輔導會	HK\$404
6	SAHK 香港耀能協會	HK\$390
7	The Salvation Army 救世軍	HK\$387
8	Yan Chai Hospital 仁濟醫院	HK\$367
9	Fu Hong Society 扶康會	HK\$321
10	Hong Kong Christian Service 香港基督教服務處	HK\$309

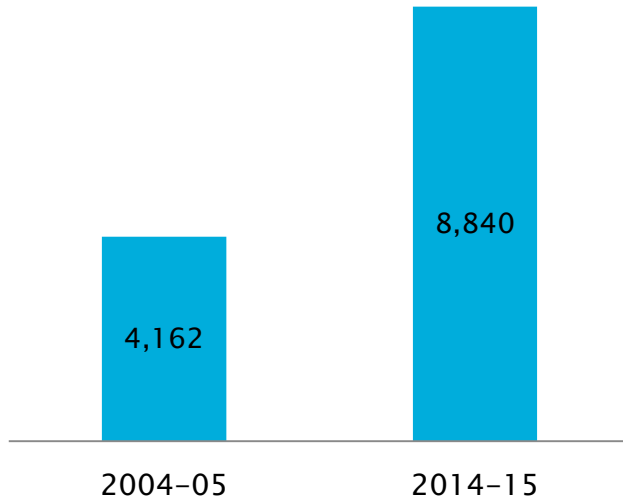
NGOs in Hong Kong

NGO sector in Hong Kong

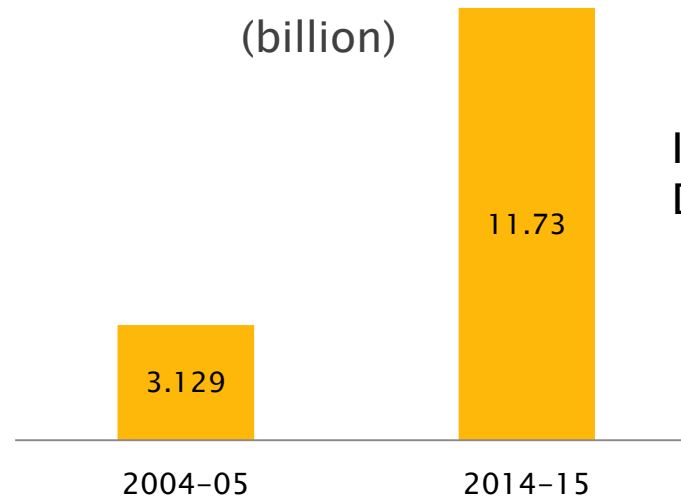
- ▶ is growing rapidly;
- ▶ is comprised of a diversity of organizations engaged in a wide range of activities;
- ▶ agencies could be incorporated through different legislations;
- ▶ organizations have their own unique background and missions.

Expanding NGO Sector

Charitable Organizations

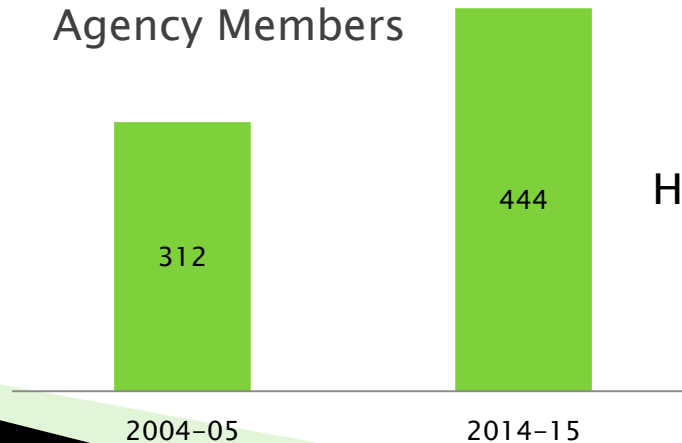


Charitable Donations (billion)



Inland Revenue
Department

Agency Members

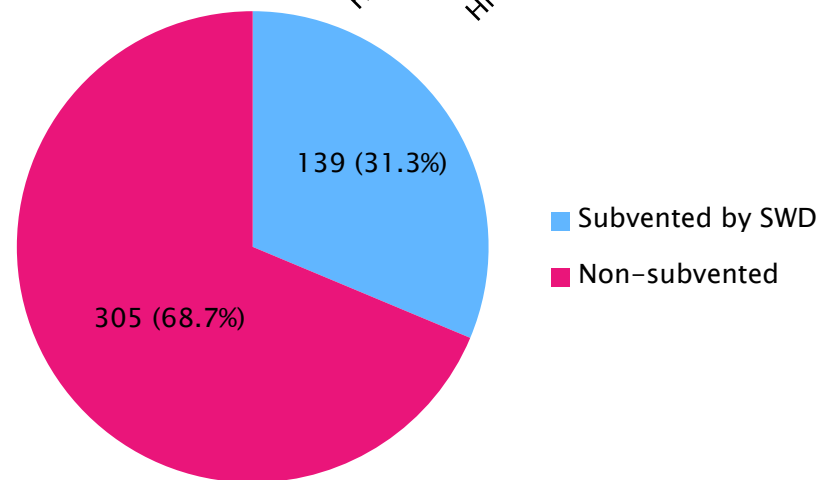
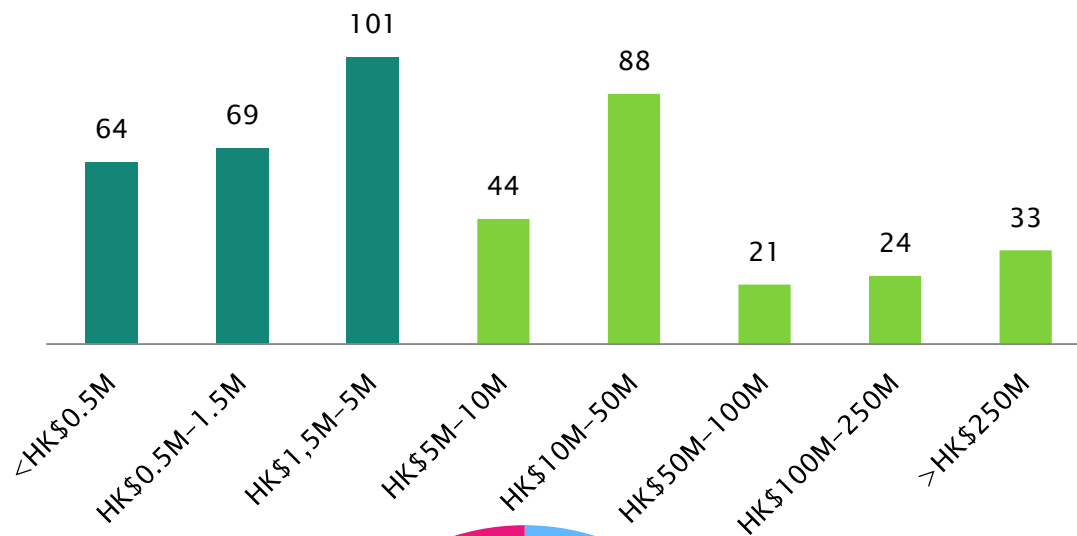


HKCSS

Different Sizes of NGOs

- ▶ 52.7% Members are Small and Medium Sized NGOs.
- ▶ 68.7% of members are not receiving subvention from SWD.
- ▶ Total expenditure of HK\$23.87billion (a year) was recorded.

Size of HKCSS Agency Members
(2014/15 annual recurrent expenditure)



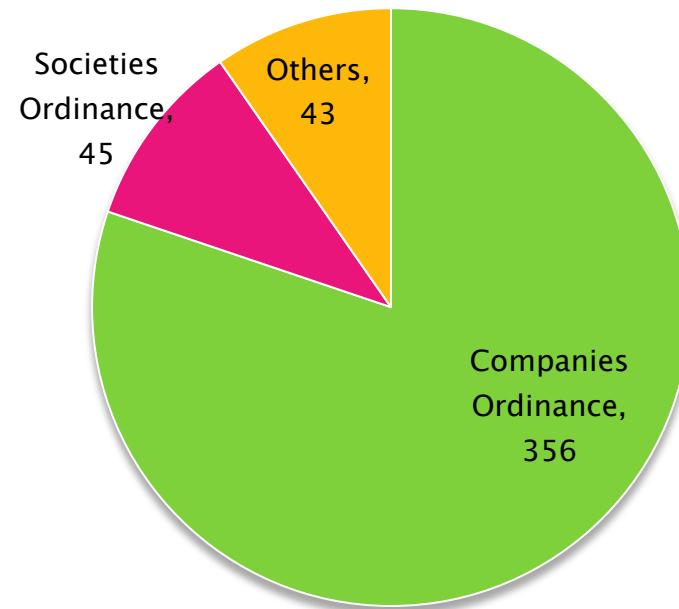
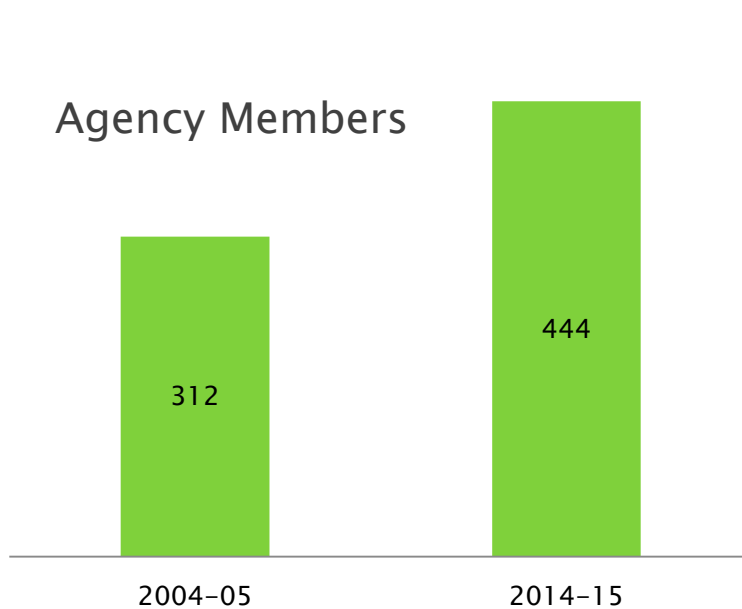
Legal Forms of NGOs in HK

Local NGOs are usually formed as:

- ▶ a company incorporated under the Companies Ordinance (limited by guarantee or by share);
- ▶ a society established under the Societies Ordinance;
- ▶ a trust;
- ▶ a statutory body established by the Hong Kong legislature

Legal Forms of HKCSS Members

HKCSS

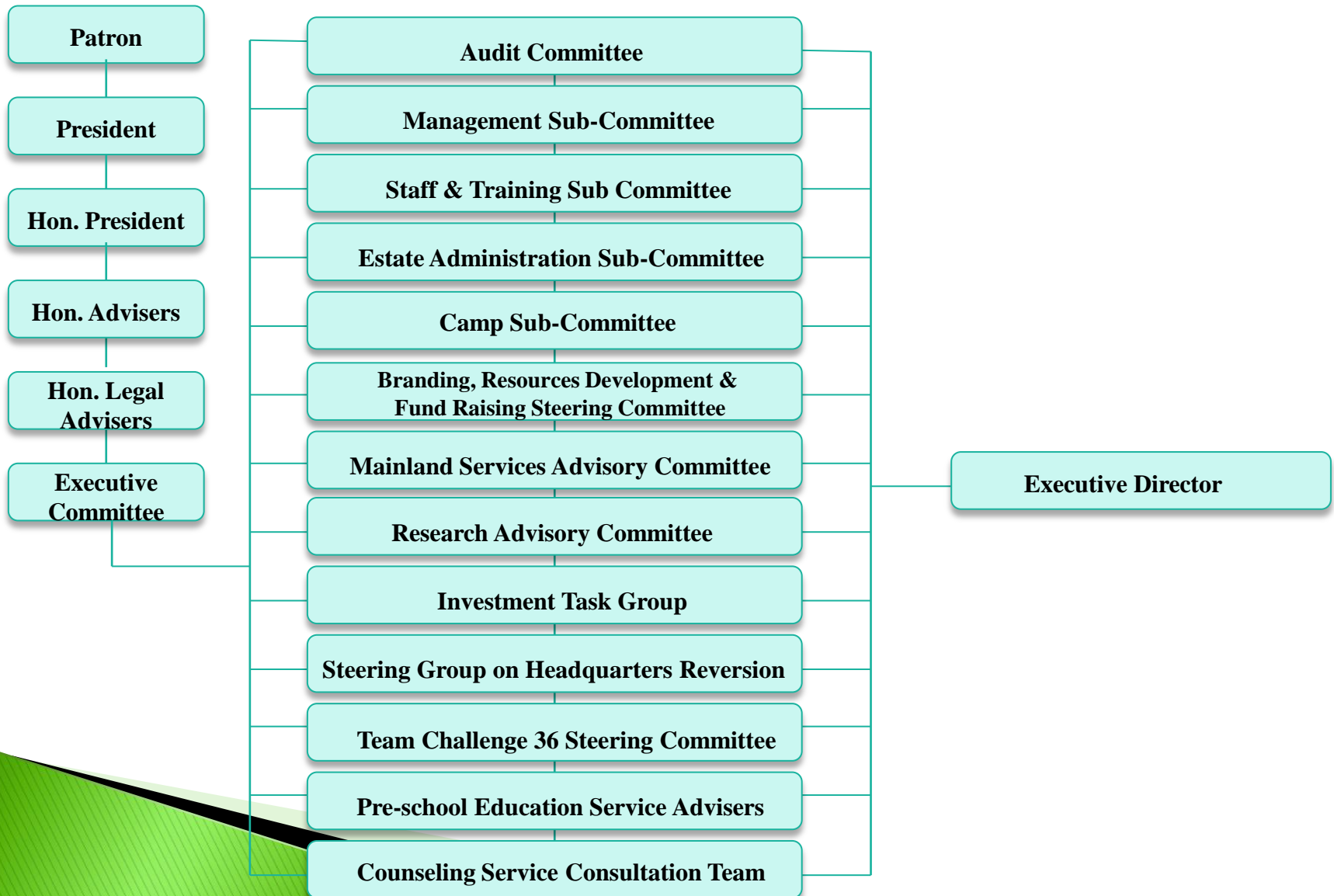


- ▶ 80% Agency Members are registered under Companies Ordinance.

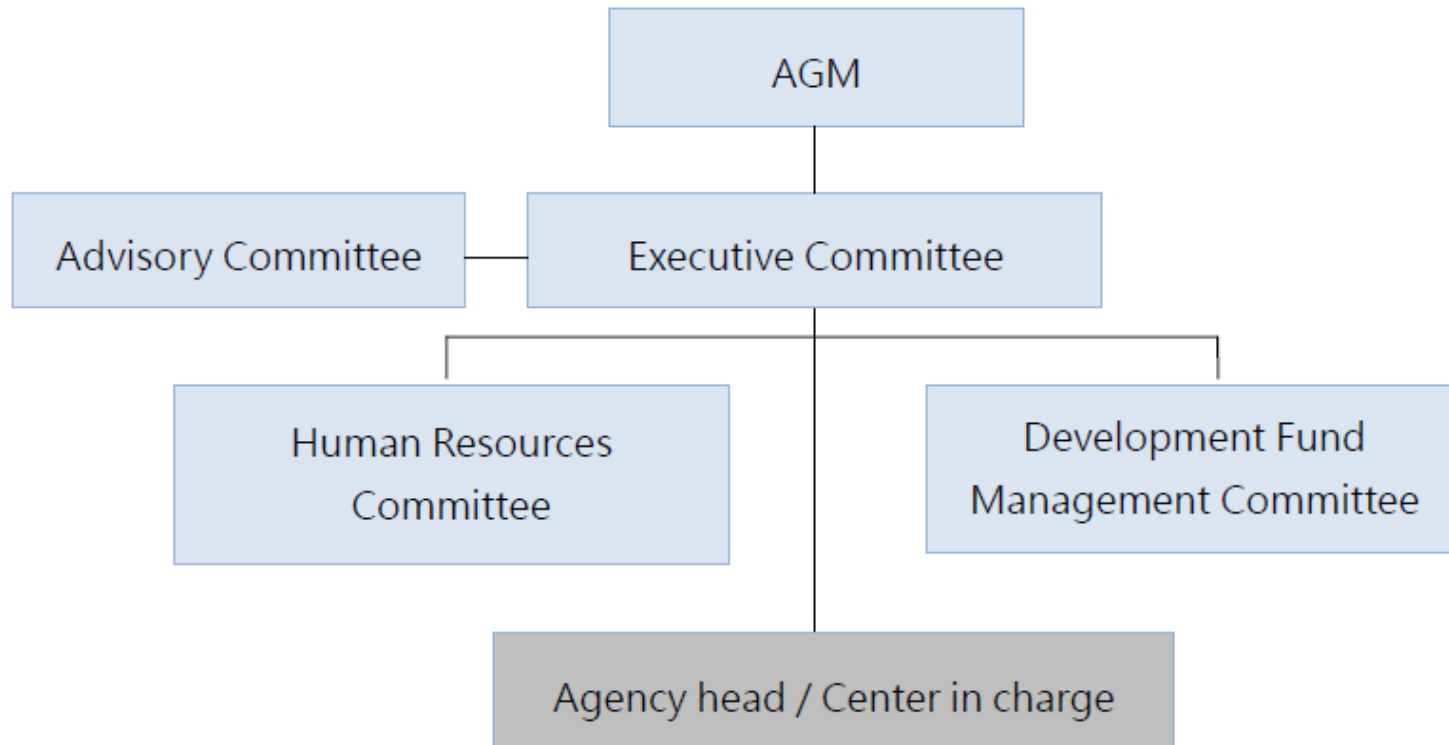
NGOs diversified in background & mission



Governance Structure of NGOs



Governance Structure of NGOs



NGOs Governance Platform Project

NGOs Governance Platform Project

Background

- ▶ NGOs board members have legal liability to comply with government's regulations and perform fraud prevention duties.
- ▶ NGOs are facing high expectation from the public on the services and performance of the agencies.
- ▶ NGOs board members have the responsibility to ensure adherence to the aims and objectives of the organization.

NGOs Governance Platform Project

Objectives

- ▶ Facilitate experience sharing and exchange among NGO governing bodies to encourage mutual learning and promote best practices.
- ▶ Develop a knowledge portal on NGO governance accessible to NGO board members so as to promote their continuous professional development.

NGOs Governance Platform Project

Awareness Building

- Board Visitation
- Newsletter

Networking

- Luncheon
- Sharing Session
- Interest Group

Capacity Building

- Seminar
- Conference
- Training Workshop
- Induction Program
- Research
- Governance Knowledge Base

NGOs Governance Platform Project

Strategic Partner

- ▶ Hong Kong Institute of Certified Public Accountants

Partners

- ▶ Independent Commission Against Corruption
- ▶ The Hong Kong Institute of Chartered Secretaries
- ▶ The Hong Kong Institute of Directors
- ▶ The Hong Kong Medical Association
- ▶ The Law Society of Hong Kong
- ▶ ExCEL3, The University of Hong Kong

Agency Visitation Program



Agency Visitation Program



Concerns raised by the NGO boards visited

Financial
planning

Risk
management

Pro bono
auditing
service

Compliance

and more...



Thank You