

Construction Industry Council (CIC)
3rd Progress Report of Committee on Administration and Finance

Purpose

— This paper sets out the main points discussed at the 3rd Meeting of the Committee on Administration and Finance held on 24 August 2007. The record of attendance is at Annex A.

Issues Discussed

2. After some discussion, Members agreed upon the way forward on the following key issues.

A. Progress on administrative and financial matters

(I) Disclosure of interest

3. The Committee noted that the one-tier system was stipulated under the CIC Ordinance and agreed that members should be required to declare their direct or indirect pecuniary interests as and when necessary. A register of such disclosures made by CIC members would be maintained for public inspection. The meeting agreed that a set of Code of Conduct would be prepared for consideration by the Committee.

4. The meeting decided not to adopt the proposal of providing an optional registration form for members to declare any interests upon their appointment to CIC to avoid inconsistencies amongst practices to be opted by members.

5. Further advice would be sought from ICAC and Lovells on the proposed arrangements. A draft paper on disclosure of interest would be prepared for discussion and endorsement by CIC at its next meeting.

(II) Temporary accommodation for ED's Office

6. The Committee agreed to authorize the Secretariat to evaluate the quotations for the renovations works for the ED's Office which were being invited from five contractors. The Secretariat would then make recommendations for approval by the Chairman/CIC.

[Declaration of interest: Mr Billy Wong declared that, upon the Secretariat's request, he had suggested four contractors for the purpose of conducting the quotation exercise for the renovations works.]

[Post-meeting note: Subsequent to the meeting, submissions were being evaluated after the quotation exercise was closed on 24 August 2007.]

7. The meeting supported that, with technical backup which members agreed to provide, the Secretariat would conduct checking on the renovation works after their completion in about six to eight weeks' time.

8. The Committee endorsed that CIC should take out "Contractor's All Risks Insurance" and "Third Party Liability Insurance" for the renovation works which would provide coverage for the contract sum and \$10M respectively. The Secretariat would invite quotations in due course after confirming the contract sum.

(III) Financial position

9. The Committee noted the summary of monthly financial positions prepared for the period from February to 21 August 2007. The meeting was content with the time deposit arrangements. The meeting noted that sufficient cash would be available for CIC to meet its operational expenses till the end of 2007.

(IV) Procedures for obtaining legal services

10. The meeting agreed with the proposed procedures for obtaining legal advice from Lovells which had been appointed to provide legal services from 1 July 2007 to 29 February 2008. According to the agreed procedures, the subject officer should submit an assignment brief for obtaining the legal services for approval by the Chairman (or in the Chairman's absence a member) of the Committee on Administration and

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Finance before instructing the legal advisor to proceed.

[Declaration of interest: Mr Keith Kerr declared that Lovells had recently signed a lease agreement for renting an office premises in Pacific Place, which was a property managed by his company.]

(V) Logo of CIC

11. The Committee agreed that the logo design for CIC and the training establishment etc. should be considered in one package and that professional services should be hired to work out alternative design proposals for consideration by CIC members.

12. For the interim period, the meeting agreed that a simple letterhead containing the name and correspondence address of CIC (without any logo) would suffice.

(VI) Recruitment of Executive Director (ED)

13. The Committee noted that the Selection Panel had not yet reached a final decision after conducting selection interviews of the short-listed candidates on 24 August 2007. The meeting noted that the new ED would be expected to come to post by end 2007 and the organizational structure of the permanent secretariat would be determined having regard to the prospective ED's attributes and inputs.

(VII) Other posts of the permanent secretariat

14. Meanwhile, the Secretariat would start drafting respective job descriptions for other key posts of the permanent secretariat for consideration by the Committee and the prospective ED in due course.

(VII) Setting up of Amalgamation Team (A Team)

15. The Committee noted that the three Senior Executive Managers, one Executive Assistant and one General Clerk of the "A Team" had reported for duty. Detailed action plans on amalgamation would be drawn up jointly by the "A Team" and the CITA's management.

B. Formation of Construction Industry Training Board (CITB)

16. Taking note of the composition and supplementary functions which were stipulated under the CIC Ordinance, the Committee discussed the proposed logistic arrangements for the formation of CITB for endorsement by CIC:

Nomination and selection of candidates

17. The meeting supported that the Secretariat would invite industry organizations to nominate candidates for appointment to CITB for CIC's consideration. For the purpose of CITB appointment, the list specified in Schedule 2 of the CIC Ordinance would be modified to exclude employers, material suppliers and equipment suppliers, as well as the Consultant Engineering Firm Resident Site Staff Association since they were not included under the composition of CITB. On the same basis, the list would need to include training institutions and tertiary educational institutions connected with the construction industry.

18. The meeting supported that this Committee should be tasked to evaluate the candidates and that the Chairman of the Committee on Manpower Training and Development should also take part in the evaluation process. The candidates would be evaluated on the basis of a set of attributes modeled on those adopted for selecting candidates for appointment to CIC membership.

Appointment to CITB

19. The meeting supported that the chairman and members of CITB should be appointed for a term of one year with effect from 1 January 2008.

Formation of subcommittees

20. The Committee suggested that the Committee on Manpower Training and Development should be tasked to review the preliminary proposal for migration of CITA Committees to CITB. The meeting suggested that the subcommittee structure of CITB should be drawn up after having a review of the structure and operation of CITA's Committees.

Naming of Training School

21. After considering the alternative proposed options, the Committee supported that “Construction Industry Council Training Academy (CICTA)” (建造業議會訓練學院) be recommended for consideration as the name of the training establishment under CITB. Subject to CIC’s endorsement of the new name, preparation work could start for effecting changes of the names used in printed materials and signages on buildings etc. upon the amalgamation.

Working relationship with Committee on Manpower Training and Development

22. On the future working relationship between CITB and Committee on Manpower Training and Development, the Committee agreed that they should work closely together with the former focusing on training and trade testing and the latter overseeing the overall manpower training and development strategy for construction personnel. The latter might make recommendations on the overall strategy for endorsement by CIC and subsequent implementation by CITB.

Line of reporting of senior staff of CIC

23. ED/CIC would be responsible to CIC for the management, conduct and administration of the Council. The two Directors should report directly to ED/CIC. The Committee supported that the incumbent ED/CITA should be appointed as Director of Training and Trade Testing of CIC after the amalgamation.

24. The Committee agreed that there should be no direct line of reporting between the Director responsible for training and trade testing and the Chairman of CITB although they should work closely together. This would be similar to the interfaces between the Directors and chairmen of the other CIC committees.

Any other Business

Attendance by LWB's representatives

25. The Committee agreed that further consideration should be given to invite LWB's representatives to attend future meetings of CIC and CITB when matters relating to labour relations and E&M trade testing would be discussed.

Review of TOR of Committee on Manpower Training and Development

26. The Committee noted that the terms of reference of Committee on Manpower Training and Development might have to be reviewed after formation of CITB to better delineate the respective responsibilities.

Further Actions

27. The following further actions were agreed –

- (i) the Secretariat would seek ICAC and Lovell's advice on the proposed arrangements concerning disclosure of interest;
- (ii) the Secretariat would evaluate quotations received from contractors for conducting the renovation works for the ED's Office and make recommendations for approval by Chairman/CIC. Quotations would be invited from insurance service providers for the respective types of insurance coverage relating to the renovation works;
- (iii) the Secretariat would prepare draft job descriptions for other key posts of the permanent secretariat; and
- (iv) the Committee on Manpower Training and Development would review the preliminary proposal for subcommittee structure of CITB.

Committee on Administration and Finance

**3rd Meeting held on 24 August 2007 at 6:15 p.m.
in Conference Room, 2101-2106 Gloucester Tower, The Landmark**

Record of Attendance

Present

Mr Keith Kerr	Chairman
Mr Billy Wong	
Mr James Chiu	
Mr C K Mak	Permanent Secretary for the Environment, Transport and Works (Works)

In Attendance

Secretariat

Mr Jack Chan	Deputy Secretary for the Environment, Transport and Works (Works) 1 (Acting)/Principal Assistant Secretary for the Environment, Transport and Works (Works) 1
Mr K H Tao	Chief Assistant Secretary for the Environment, Transport and Works (Works) 1
Ms Cindy Kwan	Assistant Secretary for the Environment, Transport and Works (Policy & Development)