

**Construction Industry Council (CIC)**  
**2<sup>nd</sup> Progress Report of Committee on Administration and Finance**

**Purpose**

— This paper sets out the main points discussed at the 2<sup>nd</sup> Meeting of the Committee on Administration and Finance held on 29 June 2007. The record of attendance is at Annex A.

**Issues Discussed**

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

**(I) Recruitment of ED/CIC**

3. The Committee noted that the executive search agency had drawn up a preliminary list of prospective candidates and was requested to gather further information on possible candidates. The Selection Committee, comprising Chairmen of CIC and its Committees and Works Branch, would proceed with the selection process as soon as practicable.

**(II) Temporary accommodation for ED's Office**

4. The Committee noted that the Secretariat had written to ED/CITA to seek his assistance for making available the Sheung Wan Town Office for use by the new ED/CIC and his supporting staff.

[Post-meeting note: Subsequent to the meeting, ED/CITA had confirmed agreement for handing over the premises on 1 August 2007.]

5. In view of the physical constraints of the premises concerned, the Committee considered that accommodation for the Director (Training and Trade Testing) should be provided separately at the Aberdeen Centre to allow more flexibility for the layout design. The meeting agreed that the Town Office should provide office accommodation for the ED, the other new Director and their supporting staff and a meeting room. A member

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agreed to contribute the interior design proposal for the Town Office free of charge for consideration by the Committee, taking into account different views expressed by Members on the draft layout.

[Post-meeting note: Subsequent to the meeting, the member concerned visited the premises on 9 July 2007.]

6. The meeting agreed to procure the renovation works service through quotations in due course.

7. The Committee might also consider providing a more spacious office premises. The possibility of purchasing the adjoining office units might be explored.

[Post-meeting note: Subsequent to the meeting, the Chairman conducted some background research on the nearby premises.]

### **(III) Setting up of Amalgamation Team (“A Team”)**

8. The Committee noted that the recruitment of the Senior Executive Manager (SEM) posts under the Amalgamation Team (“A Team”) was being conducted by the Secretariat. The hiring of support staff for the “A Team” would be arranged shortly.

[Post-meeting note: Recruitment exercises for the SEM posts were completed successfully. The first batch of two SEMs reported duty in late July 2007 and another SEM was expected to come into post in mid August. Selection interviews for hiring of support staff were conducted in late July 2007.]

9. The meeting agreed to establish the autopay payroll function with HSBC for making salary payments and MPF contributions for CIC staff. The Committee also authorized the Secretariat to operate the Internet accounts at HSBC for the above functions.

10. For the new employees of CIC, the Committee agreed that a 5% MPF contribution should be made by CIC as the employer. The Committee also agreed to engage HSBC as the MPF service provider, having considered the relevant factors.

[Post-meeting note: Subsequent to the meeting, the MPF agreement and was signed on 29 June 2007.]

11. The meeting agreed to accept the premium proposal submitted by HSBC Insurance on the employees' compensation insurance for the transitional period before amalgamation with CITA, having regard to the rate of premium and other relevant factors. The Committee would review the employees' compensation insurance matters after the amalgamation.

[Post-meeting note: Subsequent to the meeting, the insurance agreement was signed on 10 July 2007.]

#### **(IV) Insurance Coverage for CIC**

12. The meeting agreed to accept the premium proposal submitted by HSBC Insurance on the Combined Directors & Officers (D&O) Liability and Professional Indemnity (PI) Insurance for the period from 1 July to 31 December 2007, taking into account the rate of premium and other relevant factors. The Committee would seriously reconsider the scope of insurance coverage required by CIC after the amalgamation, having regard to the existing insurance packages taken out by CITA.

[Post-meeting note: Subsequent to the meeting, the agreement was signed on 10 July 2007].

#### **(V) Hiring of Auditor**

13. The meeting agreed to accept the proposal submitted by Tony Kwok Tung Ng & Co. for preparing the auditor's report for CIC for the period from 1 February to 31 December 2007, taking into consideration the offer, the establishment and reputation of the auditing firms concerned. The Committee would review the relevant factors in the light of the wider scope of work which CIC would encompass after the amalgamation.

[Post-meeting note: Subsequent to the meeting, the engagement letter was signed on 10 July 2007].

#### **(VI) Hiring of Legal Advisors**

14. Having considered factors including the establishment and reputation, rates of legal fee, potential conflict of interests, etc., the Committee agreed to accept the offer submitted by Lovells for providing legal services to CIC for the period from July 2007 to February 2008.

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The Committee would review the relevant factors in the light of the wider scope of work which CIC would encompass after the amalgamation.

[Post-meeting note: Subsequent to the meeting, the engagement letter was signed on 10 July 2007].

### **(VII) Funding Arrangements**

15. The Committee noted that \$6.2M would be transferred from CITA to CIC early next month. The meeting recommended arranging time deposit to maximize the interest income. The Committee would scrutinize the monthly financial statements at its meetings.

[Post-meeting note: Subsequent to the meeting, the transfer of the sum to CIC was made on 3 July 2007. One-month time deposit of \$6M at HSBC started on 16 July 2007].

### **(VIII) Establishment of Web Site**

16. The Committee noted that CIC web site was being developed by the Electrical and Mechanical Services Trading Fund (EMSTF) and endorsed the proposed preliminary structure of the web site after viewing an on-line demonstration. The meeting agreed that, in addition to the agenda and papers, the minutes of the Council meetings, except those parts containing confidential information, should also be published on the web site for promoting transparency of CIC. The meeting suggested that hyperlinks be established with web sites of relevant industry bodies, including former PCICB, Works Branch, the specified bodies stipulated under the CIC Ordinance, etc.

### **Any other Business**

17. The Committee recommended that the revised version of the minutes of meetings, with members' comments on the previous draft incorporated, should be issued together with the agenda and papers for the next meeting to minimize circulation of documents.

### **Letterhead and Logo for CIC and CITB**

18. The Committee agreed that an interim design of the letterhead

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with logo for CIC should be circulated to CIC Members for endorsement. As for the future CITB, the meeting recommended that a designer would be engaged for designing its letterhead and logo. Reference would also make to existing design of certificates and other relevant documents issued by CITA.

### Requests for contribution of message, etc.

19. The Committee reached a consensus that a selective approach be adopted in handling requests from numerous industry bodies soliciting the Chairman/CIC's contribution of messages and photographs etc. for commemorative publications. The meeting agreed that consideration for acceptance should only be given to those requests made by the specified bodies stipulated under the CIC Ordinance. For exceptional cases, the Secretariat would seek further advice from the Committee.

### **Further Actions**

20. The following further actions were agreed –

- (i) the Secretariat would follow up with the respective contracts for insurance coverages, MPF schemes and hiring of auditor and legal advisor for signature by the Chairman;
- (ii) the Secretariat would seek quotations from contractors for conducting the renovation works in due course;
- (iii) the Secretariat would prepare monthly financial statements;
- (iv) the Secretariat would circulate for CIC members' endorsement the interim design of letterhead and logo for CIC. As for CITB, the Secretariat would engage a designer for designing its letterhead and logo in due course; and
- (v) the Secretariat would monitor the progress of development of the CIC web site by the EMSTF

Works Branch/DEVB  
July 2007

**Committee on Administration and Finance**

**2nd Meeting held on 29 June 2007 at 4:00 p.m.  
in Conference Room 1124, Murray Building**

**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**

Miss Janet Wong	Deputy Secretary for the Environment, Transport and Works (Works) 1
Mr Jack Chan	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)
Ms Rosanna Wong	Chief Executive Officer (Policy & Development), Environment, Transport and Works Bureau
Mr Eric Lau	Senior Executive Officer (Policy & Development), Environment, Transport and Works Bureau