

**THE GOVERNANCE AND MANAGEMENT OF
RADIO TELEVISION HONG KONG**

REVIEW REPORT

**Commerce and Economic Development Bureau
February 2021**

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CHAPTER 1. THE REVIEW

Background

1.1 Under the Charter of Radio Television Hong Kong (the Charter) promulgated by the Government in August 2010 (*Appendix 1.1*), Radio Television Hong Kong (RTHK) is a public service broadcaster (PSB) while maintaining its status as a government department under the policy purview and housekeeping oversight of the Commerce and Economic Development Bureau (CEDB). The Charter sets out RTHK's public purposes and mission as the PSB in Hong Kong. It also prescribes RTHK's relationship with CEDB and the Board of Advisors, as well as the role of the Communications Authority¹ (CA) in content regulation for RTHK's programming.

1.2 Apart from being the Editor-in-chief of RTHK, the Director of Broadcasting carries the responsibilities of both a Head of Department and the Controlling Officer for Head 160 – RTHK. These responsibilities are reflected in the Charter, which requires the Director of Broadcasting to ensure the provision and establishment of a cost-effective organisation for the efficient delivery of RTHK's public purposes and mission, improve in-house systems and structures to maximise value and effectiveness of available resources, and ensure compliance with all applicable government rules and regulations.

1.3 In March 2018, the Audit Commission conducted a value for money audit on RTHK's operations. The Audit Commission's findings and recommendations, which related to RTHK's low television (TV) ratings and public awareness, programme performance evaluation, procurement of survey services and engagement of contract staff/service providers, were set out in Chapter 5 of the Director of Audit's Report No. 71 (Audit Report No. 71) submitted to the Legislative Council (LegCo) in October 2018. RTHK accepted all the recommendations in the Audit Report. It has been taking follow-up action under CEDB's steer and reporting the implementation progress to the Public Accounts Committee of the LegCo in accordance with the established mechanism.

1.4 In May 2020, CEDB submitted a paper entitled "The Governance and Management of Radio Television Hong Kong" to the LegCo Panel on Information Technology and Broadcasting for discussion. The paper mentioned that while RTHK had completed the follow-up action on a variety of recommendations in the Audit Report, a number of actions concerning the review on the commissioning arrangements for TV programmes, the procurement of the Television Programme Appreciation Index Survey and the Radio Audience Survey, and the evaluation of TV programmes were still underway.

1.5 The paper also mentioned that the programme contents of RTHK had led to public concerns and discussions, including public complaints to the CA against some RTHK programmes for their biased stance and inaccurate/partial contents. The CA decided to give a serious warning to RTHK on 20 April 2020 regarding the TV programme "Pentaprism" broadcast on 20 November 2019, and asked RTHK to observe closely the relevant provisions of the Generic Code of Practice on Television Programme Standards. Furthermore, another

¹ The Communications Authority was established on 1 April 2012 to take over the powers and functions of the Broadcasting Authority. Accordingly, all references to the "Broadcasting Authority" in the Charter, if mentioned in this report, are changed to the "Communications Authority".

programme “Headliner” broadcast on 14 February 2020 was given a “warning” by the CA on 19 May 2020.

1.6 In view of the wide public concern about RTHK’s programmes, the large number of complaints lodged against the department recently and repeated breaches of the relevant codes of practice, CEDB as the housekeeping bureau sees the need for a more critical review of RTHK’s governance and management. CEDB announced on 28 May 2020 that a dedicated team (Review Team) would be established to conduct an internal review on the governance and management of RTHK with the objective of ensuring the department’s full observance of the requirements stipulated in the Charter, other applicable rules and regulations and relevant codes of practice. Review Team carried out the review from July 2020 to January 2021.

Review Scope

1.7 The scope of the review is as follows:

- (a) to review RTHK’s administration, including financial control, human resources management and procurement matters to ensure that its manpower and resource deployment complies with all applicable Government rules and regulations, and that such deployment is made for the effective delivery of services under programme areas as set out in paragraphs 17 to 20 of the Charter, and where necessary, to identify scope for improvement;
- (b) to review RTHK’s progress of implementing the recommendations of the Report No. 71 of the Director of Audit, including the need for a transparent and objective system for setting performance targets and benchmarks for measuring results; and
- (c) to review RTHK’s overall management systems, processes and practices, making reference to best practices of other PSBs, to ensure full compliance with the Charter and the codes of practice on programming standards issued by the CA.

Review Approach

1.8 The review focused on the governance and management of RTHK in reflection of its dual role as both a PSB under the Charter and a government department. Sound governance, compliance and risk management are the guiding principles that underpin this review.

1.9 Governance refers to the processes by which RTHK is directed, controlled and held to account. Good corporate governance means that RTHK’s stakeholders, including CEDB, the Board of Advisors, the CA, the general public, RTHK staff and its business partners, can rely on the broadcaster to deliver its public purposes and mission professionally, with integrity, transparency and accountability. This is pivotal to RTHK’s credibility, success and sustainability as a PSB and a government department.

1.10 Compliance refers to conformance with applicable laws, policies, rules, regulations as well as departmental instructions. It is of fundamental importance to foster a culture of compliance and accountability in the department and ensure prompt rectification of any identified gaps.

1.11 Effective risk management should inform RTHK's strategic planning and day-to-day operation. By managing the risks it faces to an acceptable level, there would be more assurance over RTHK's achievement of its strategic and operational objectives.

1.12 Review Team has examined how RTHK performs in practice against the requirements laid down in the Charter and in light of the principles of sound governance, compliance and risk management. The major findings and identified areas for improvement are set out in this report.

1.13 In carrying out the review, Review Team has scrutinised the prevailing organisational arrangements, systems, mechanisms, work processes and resource deployment related to the delivery of RTHK's core business functions and departmental management, based on an examination of departmental records and responses to Review Team's information requests, discussions with the departmental team as well as sample checks of relevant processes and transactions. In addition, Review Team has made reference to the findings and recommendations of a variety of surveys and audits conducted by relevant government authorities² as well as Systems Review Unit in RTHK in recent years. Having regard to the uniqueness of RTHK as a PSB, Review Team has also conducted desktop research on practices adopted/promulgated by some PSBs and their regulators/oversight entities elsewhere.

RTHK's Progress in Implementing the Recommendations in the Audit Report No. 71

1.14 In relation to (b) of the review scope as set out in paragraph 1.7 above, the progress made by RTHK in implementing the recommendations in the Audit Report No. 71, as reported by the Government in the periodic updates submitted to the Public Accounts Committee, is summarised in *Appendix 1.2*. Areas/issues that were further examined in the course of the review are cross-referenced to the relevant chapters of this report.

² These government authorities include the Audit Commission, the Treasury, GLD, OGCIO, ICAC, etc. Review Team has also consulted relevant authorities on applicable rules and regulations as well as good practices in the areas under their respective purviews.

CHAPTER 2. OVERVIEW OF RTHK

2.1 The Government commenced its radio broadcasting service in 1928. In 1948, the station became known as Radio Hong Kong, which became a government department in 1954. In 1976, the department was renamed Radio Television Hong Kong (RTHK) to reflect its new involvement in television (TV) programme production.

Charter of RTHK

2.2 Under the Charter of RTHK (the Charter) promulgated in August 2010, RTHK is designated as the public service broadcaster (PSB) in Hong Kong while maintaining its status as a government department. It is the only local broadcaster that provides radio, TV and new media services.

2.3 As the PSB in Hong Kong, RTHK is required under the Charter to fulfil the following public purposes:

- (a) sustain citizenship and civil society, and this involves (i) promoting understanding of our community, our nation and the world through accurate and impartial news, information, perspectives and analyses; (ii) promoting understanding of the concept of “One Country, Two Systems” and its implementation in Hong Kong; and (iii) engendering a sense of citizenship and national identity through programmes that contribute to the understanding of our community and nation;
- (b) provide an open platform for the free exchange of views without fear or favour¹;
- (c) encourage social inclusion and pluralism¹;
- (d) promote education and learning¹; and
- (e) stimulate creativity and excellence to enrich the multi-cultural life of Hong Kong people¹.

2.4 The Charter states that RTHK’s mission is to:

- (a) inform, educate and entertain members of the public through multi-media programming;
- (b) provide timely, impartial coverage of local, national and global events and issues;
- (c) deliver programming which contributes to the openness and cultural diversity of Hong Kong;
- (d) provide a platform for the Government and the community to discuss public policies and express views thereon without fear or favour; and
- (e) serve a broad spectrum of audiences and cater to the needs of minority interest groups.

¹ See paragraph 4 of the Charter for further details.

2.5 The Charter provides for RTHK's editorial independence and stipulates the editorial principles to be observed by RTHK. It sets out RTHK's key programme areas of activities, the modes of service delivery as well as the arrangements for conducting performance evaluation and promoting operational transparency. Besides, it prescribes RTHK's relationship with the Commerce and Economic Development Bureau (CEDB) and the Board of Advisors, as well as the Communications Authority (CA)'s role in regulating RTHK's programme content through complaints handling.

2.6 The Charter provides for a governance structure which involves:

- (a) the Secretary for Commerce and Economic Development, who provides policy guidance and support to RTHK;
- (b) the Director of Broadcasting, who is the Editor-in-chief in RTHK and is accountable for the effective operation and management of the department; and
- (c) the Board of Advisors, which advises the Director of Broadcasting on the services of RTHK, in particular on editorial principles, programing standards and quality of RTHK programming.

Relevant provisions in the Charter are set out in *Appendix 2.1*.

2.7 As a government department under the policy purview and housekeeping oversight of CEDB, RTHK and its staff are subject to all applicable government rules and regulations, including those on financial control, human resources management and procurement matters.

RTHK's Developments since the Signing of the Charter

2.8 Upon the promulgation of the Charter in August 2010, RTHK has been specifically tasked to provide dedicated digital radio and TV channels as platforms for more local original content production, make use of its allocated spectrum to relay national radio and TV programmes to enhance understanding about developments in the Mainland, and provide a platform for community participation in broadcasting. Milestone developments in RTHK since August 2010 are set out in the ensuing paragraphs.

Radio Services

2.9 RTHK's radio services offer a variety of programmes for all walks of life through its FM and AM channels. RTHK plans to provide 61 320 hours of radio transmission in 2020-21.

2.10 With the allocation of the necessary spectrum frequency, RTHK operated five digital audio broadcasting channels from mid-September 2012 to early September 2017. The service was terminated after a Government review of the development, future demand and prospect of the service.

2.11 In December 2012, pursuant to the public purposes stipulated in the Charter, RTHK launched the Community Involvement Broadcasting Service (CIBS) to provide a platform for community and ethnic minority organisations as well as individuals to participate in radio

broadcasting, with airtime allotted and funding provided to successful applicants.

2.12 Since 2016, to strengthen synergy between RTHK's TV and radio services, "Radio on TV" programmes² are simulcast on RTHK's selected radio channels, RTHK TV31 and TV32.

2.13 Currently, RTHK operates three FM channels (viz. Channels 1, 2 and 4) and four AM channels (viz. Channels 3, 5, 6 and 7) as follows:

- (a) Channel 1 (Cantonese): news, information and general programming;
- (b) Channel 2 (Cantonese): entertainment and popular music, promotion of youth, family and community projects;
- (c) Channel 3 (English): news, information and general programming;
- (d) Channel 4 (English and Cantonese): serious music and fine arts;
- (e) Channel 5 (Cantonese): elderly, cultural and education;
- (f) Channel 6 (Putonghua and Cantonese): relay of China National Radio – Hong Kong Edition; and
- (g) Channel 7 (Putonghua and other languages): general programming, news and finance, and CIBS.

2.14 The modes of programme production include in-house production, community involvement through CIBS, acquisition and relay (including programmes from other broadcasters, soccer matches, concerts, selected meetings of the Legislative Council (LegCo), etc.).

TV Services

2.15 Since the signing of the Charter, RTHK has gradually evolved from a production house of a variety of programmes, including public affairs programmes, educational programmes, infotainment programmes, etc. for airing on licensed commercial TV stations³ to a more comprehensive TV broadcaster. The total hours of first-run programmes broadcast on RTHK's TV services increased from 577.3 hours in 2009-10 to 1 775.6 hours in 2019-20. RTHK plans to provide 26 280 hours of TV transmission in 2020-21.

2.16 In January 2014, RTHK started to operate three digital terrestrial television (DTT) channels. It gradually extended its broadcast to round-the-clock. In July 2014, RTHK obtained approval from the Finance Committee of the LegCo to undertake a technical project

² Such as 千禧年代, 精靈一點, 星期六問責 and 投資新世代.

³ The broadcast arrangement was first made upon mutual agreement between RTHK and other commercial broadcasters on a voluntary basis in the 1970s. Since 1990, free TV licensees had been required to broadcast RTHK programmes as part of their obligations under their licences, mainly because RTHK did not operate its own TV channels at the time. In March 2020, the CA lifted the mandatory requirement upon free TV licensees to broadcast RTHK programmes since the public may continue to view such programmes through RTHK's own free TV channels as well as online platforms.

at an estimated cost of \$64.2 million for establishing 22 new transmission stations to enhance its DTT coverage from the then 75% of the Hong Kong population to 99%. On 2 April 2016, RTHK took over the analogue TV channels vacated by the Asia Television Limited upon cessation of its free TV services, and proceeded with the simulcast of programmes on two analogue TV channels (TV31A and TV33A). By April 2019, the overall coverage of RTHK's DTT channels has reached 99% of the Hong Kong population, which is on par with that of other commercial broadcasters. With the implementation of full digital TV broadcast from 1 December 2020, RTHK's two analogue TV channels ceased to operate.

2.17 Currently, RTHK operates the following three DTT channels:

- (a) RTHK TV 31: general programming on current affairs, education, arts and culture and minority interests, comprising programmes produced in-house, commissioned programmes, acquired programmes and education programmes;
- (b) RTHK TV 32: covering live events (including LegCo meetings; local, Mainland and international news; press conferences; international sports highlights and local sports competitions; and live events of public interest) and providing the latest traffic information, weather forecasts, news updates and video segments; and
- (c) RTHK TV 33: relaying programmes of China Central Television Channel 1.

2.18 The programmes broadcast are a mix of in-house productions, acquired programmes, commissioned programmes and co-productions.

New Media Services

2.19 RTHK leverages on various platforms in the new media to extend its reach to the audience. Its official website, "rthk.hk", provides simulcast of AM and FM radio channels as well as Chinese and English TV programmes. Other online services include on-demand archives of most radio, TV and news programmes broadcast within the past 12 months, and original web contents. The number of daily visits to "rthk.hk" increased from 230 000 in 2009-10 to 670 000 in 2019-20. In addition, RTHK operates seven mobile applications (namely, "RTHK On The Go", "RTHK Screen", "RTHK Mine", "RTHK News", "RTHK Vox", "RTHK Memory" and "Chinese History—the Flourishing Age") and on social media (such as YouTube, Facebook and Twitter).

Shifting Audience Behaviour

2.20 Free radio and TV services had been the major sources of infotainment for many years, before the emergence of Internet-based infotainment media. The convergence of new media with traditional media has lowered the barriers of entry into the media market and resulted in an expansion of content on multiple platforms and a proliferation of choices for audiences.

Expenditure and Revenue

2.21 RTHK's total expenditure rose from \$469.9 million in 2010-11 to an estimated expenditure of \$1,046.3 million in 2020-21, representing an increase of 122.7%. The actual/estimated expenditure in the three years up to 2020-21 is summarised in Table 2.1.

Table 2.1 Actual/estimated total expenditure of RTHK in 2018-19 to 2020-21

Programme	2018-19 (Actual) (\$ million)	2019-20 (Actual) ⁴ (\$ million)	2020-21 (Original Estimate) (\$ million)
(1) Radio	402.2	412.4	420.3
(2) Public Affairs and General TV Programme	563.9	556.1	581.2
(3) School Education Television (ETV) Programme ⁵	27.4	28.0	---
(4) New Media	44.1	45.2	44.8
Total:	1,037.6	1,041.7	1,046.3

Source: Controlling Officer's Report 2020-21 for Head 160 – RTHK and FRU in RTHK

2.22 RTHK's revenue comprises income from sponsorship, content licensing and other miscellaneous items. \$25.2 million and \$12.5 million in revenue were recorded in 2018-19 and 2019-20 respectively. The estimated revenue for 2020-21 is \$11.5 million.

Organisational Structure

2.23 As at 1 August 2020, there were 735 civil service posts on RTHK's establishment, comprising eight directorate and 727 non-directorate posts. Apart from civil servants, RTHK also engages non-civil service personnel (including staff engaged on Non-Civil Service Contract terms and Post-retirement Service Contract staff), freelance service providers, as well as temporary manpower through the procurement of service contracts to meet its operational needs.

2.24 RTHK's services to the public are delivered principally by Radio and Corporate Programming Division, Television and Corporate Businesses Division and Production Services Division. The organisation chart of RTHK is at *Appendix 2.2*.

⁴ As advised by FRU in RTHK and subject to finalisation.

⁵ Pursuant to the recommendations in the Audit Report No. 71 to review RTHK's production of ETV programmes, the annual financial provision to RTHK for the production of ETV programmes and Programme (3) has ceased with effect from 2020-21.

CHAPTER 3. MECHANISMS FOR EDITORIAL MANAGEMENT AND COMPLAINTS HANDLING

Highlights

H.1 Review Team noted that public service broadcasters (PSBs) in other places have put in place robust systems and mechanisms for the management of the editorial process and complaints handling to underscore good governance and risk management. PSBs are commonly governed by a Charter/legislation, which is supplemented by policy guidelines or guidance notes setting out in detail the standards expected of everyone involved in the production of the PSBs' content, with well-defined editorial obligations and responsibilities at each tier of editorial and programme staff for all types of production. To ensure compliance with their editorial principles, policies and standards, PSBs maintain a clearly articulated mechanism for editorial management, including the standard editorial processes, documentation requirements as well as procedures for the Editors-in-chief and senior staff to provide steer, guidance and advice. Production teams are also required to comply with mandatory referral systems for seeking management steer/expert advice to cater for difficult/contentious/sensitive content. Review Team further noted that these PSBs treat public complaints on editorial issues seriously and transparently, with carefully designed frameworks, safeguards and procedures to ensure that cases are handled objectively and impartially. The mechanisms for editorial management and complaints handling are important tools for PSBs to manage risks and to ensure editorial compliance and content quality.

H.2 Review Team has found that in the case of RTHK:

- (a) There is no well-defined and properly documented editorial processes. Clear editorial accountability is lacking. Editorial decisions rest principally with individual production officers/team heads (generally at the Senior Programme Officer (SPO) level) based on their own judgment. The Editor-in-chief and senior management have been put in a passive position in the programme production process;
- (b) The "upward referral" and "mandatory referral" mechanisms for dealing with difficult/contentious/sensitive editorial issues operate largely through verbal communication. There is no documentation requirement for consultation with senior management or legal advice sought prior to, during and after production, or prior to broadcast;
- (c) The Charter, the Producers' Guidelines and the CA's codes of practice on programme standards provide the key parameters for editorial decision-making in RTHK. However, RTHK has not effectively set out or explained, through any comprehensive policy documentation, how these important requirements and editorial standards should be interpreted and applied in actual practice;
- (d) The handling of editorial complaints lacks transparency and objectivity. As a result of insufficient effective monitoring and involvement at supervisory/senior management levels, there is no assurance that public complaints received by RTHK

have all been investigated properly and handled impartially. Reporting to the Board of Advisors and the Commerce and Economic Development Bureau (CEDB) on complaints handling is inadequate; and

- (e) It has not actively sought advice from the Board of Advisors on matters pertaining to editorial principles, programming standards and programming quality as required under the Charter.

H.3 Review Team recommends that RTHK should strengthen its editorial management system and complaints handling mechanism in accordance with the requirements of the Charter. Specifically, RTHK should:

- (a) put in place a robust and transparent editorial process (including an effective mandatory referral system to deal with difficult/contentious/sensitive editorial issues), with clearly defined editorial responsibilities at each editorial level and highlighting the decision-making role of the Editor-in-chief and his directorate staff, so as to maintain a high level of professionalism as required under the Charter;
- (b) benchmark with PSBs elsewhere with a view to constructing a comprehensive set of editorial policies and guidelines with direct reference to the Charter, the Producers' Guidelines and relevant codes of practice issued by the CA for compliance by all its staff and contracted/commissioned service providers. These policies and publications should be regularly reviewed and published to enhance transparency;
- (c) implement an editorial review mechanism through engaging internal or external independent reviewers to regularly assess the programme standards and quality in RTHK in order to enhance editorial accountability and drive continuous improvement;
- (d) strengthen editorial training for all programme producers, including in-house staff and contracted/commissioned service providers;
- (e) enhance its complaints handling mechanism to ensure objectivity and impartiality, with special emphasis on editorial complaints, bringing in high-level involvement in responding to significant cases. In the interest of transparency, complaint procedures, statistics and findings should be easily accessible to the public;
- (f) establish a more proactive and collaborative partnership with the Board of Advisors in line with its roles as specified in the Charter in advising the Director of Broadcasting on all matters pertaining to editorial principles, programming standards and quality of RTHK programming as well as public complaints relating to these matters; and
- (g) embed risk management in the editorial processes and instil risk management awareness among all involved in content production so as to better fulfil its obligations under the Charter as a PSB.

Relevant Provisions in the Charter

3.1 The Charter requires RTHK to provide to Hong Kong people editorially independent, professional and high-quality radio, television (TV) and new media services, and to adhere to the following editorial principles:

- (a) be accurate and authoritative in the information that it disseminates;
- (b) be impartial in the views it reflects, and even-handed with all those who seek to express their views via the public service broadcasting platform;
- (c) be immune from commercial, political and/or other influences; and
- (d) uphold the highest professional standards of journalism.

3.2 The Director of Broadcasting is responsible for ensuring that a system of editorial control in accordance with the Producers' Guidelines of RTHK is in place to provide accurate, impartial and objective news, public affairs and general programming that inform, educate and entertain the public. He is also responsible for putting in place an effective mechanism to comply with the relevant codes of practice on programming standards issued by the CA. As the Editor-in-chief, the Director of Broadcasting makes the final editorial decisions in RTHK and is accountable for editorial decisions taken by RTHK programme producers.

3.3 In addition, the Director of Broadcasting is responsible for putting in place an effective mechanism to deal with public complaints and setting up appropriate channels to receive public views and comments. In parallel, the CA investigates all complaints received from the public and the Office of the Communications Authority against any programme broadcast on RTHK's platforms or supplied by RTHK for broadcasting by licensed broadcasters in Hong Kong, and may impose appropriate sanctions on RTHK if a complaint is substantiated. RTHK is required to set out in its annual report details on complaints handling.

3.4 The Board of Advisors advises the Director of Broadcasting on matters pertaining to editorial principles, programming standards and quality of RTHK programming, and receives reports on complaints against editorial principles, programming standards and quality of RTHK programming. The Director of Broadcasting may seek the Board's advice on such matters. He should give due weight and consideration to all advice provided by the Board, and report and explain the reasons for not following such advice.

3.5 Relevant provisions in the Charter on the respective roles and functions of the Director of Broadcasting, the Board of Advisors and the CA in relation to editorial control and compliance as well as complaints handling are extracted at *Appendix 3.1*.

RTHK's Producers' Guidelines and the CA's Codes of Practice

3.6 The Producers' Guidelines is a codification of the editorial experience and judgment of RTHK's programme makers over the years, founded on the belief that "there can never be editorial autonomy without responsibility, freedom without restraint". It is a public statement of RTHK's values and standards and how RTHK expects its programme makers to achieve them. The Producers' Guidelines was promulgated in 1998 and last updated in 2015 following a review.

3.7 Editorial responsibility in RTHK rests with the editorial chain of staff at different levels for making editorial judgements. The Producers' Guidelines sets out a consultation and referral system (known as "upward referral") to help programme producers arrive at decisions about difficult editorial issues. Even when specific editorial guidance is not being sought, programmes which are controversial or likely to have an out of the ordinary impact in the community must be brought to the immediate attention of line managers, who in turn are required to report to more senior staff. The idea is that the more important and contentious the issue, the higher up it should be referred. The Producers' Guidelines lists seven specific situations¹ that must be referred (known as "mandatory referral") to a Principal Programme Officer (PPO) (e.g. Chief Assignment Editor) or above or discussed in advance at editorial or senior staff meetings.

3.8 RTHK's editorial principles are stated in the Producers' Guidelines². The Producers' Guidelines also gives guidance on various issues of programme production³. The same editorial standards that currently apply to RTHK's conventional media also apply to those produced for new media. Programme producers are responsible for ensuring that the material they post on the web is accurate, suitable and relevant, and the establishment of any link on the RTHK website would not damage the organisation's reputation.

3.9 In addition to the Producers' Guidelines, RTHK is also required to comply with the Generic Code of Practice on Television Programme Standards and the Radio Code of Practice on Programme Standards issued by the CA. These codes set out the general programme standards on TV and radio programme production that licensed broadcasters as well as RTHK should observe. RTHK also abides by other codes of practice applicable to broadcasters regarding advertising and technical standards.

(A) Programme/Content Production in RTHK

Radio Programmes

3.10 RTHK's radio programmes are mainly in-house production, supplemented by the Community Involvement Broadcasting Service (CIBS) programmes, acquired programmes and relayed broadcast⁴. The number of output hours analysed by source for 2019-20 is shown in Table 3.1.

¹ The seven situations are: (a) broadcasting any interviews with criminals and people sought by the police; (b) any proposal to grant anonymity to anyone trying to evade the law; (c) payment to criminals or former criminals; (d) broadcasting any surreptitious recording originally made for note-taking purposes; (e) disclosing details of kidnapping or serious crime which have been obtained surreptitiously or unofficially; (f) requests from outside parties to see or obtain untransmitted recorded material; and (g) commissioning of opinion polls on any political issue.

² The topics covered include "Accuracy", "Impartiality", "Taste and Decency", "Violence", "Conflicts of Interest", "Fairness to interviewees" and "Respect for Privacy".

³ The topics covered include "News, Current Affairs and Information Programmes", "Interviewing", "Editing", "Reporting Crime", "Demonstrations and Public Disturbances", etc.

⁴ This includes relays from other broadcasters and relays on soccer matches, concerts, church services and selected meetings of the LegCo.

Table 3.1 RTHK's output hours of radio programmes analysed by source (2019-20)

Source	No. of output hours (%) [*]
In-house production	47 712 (77.8%)
Acquired programmes	776 (1.3%)
CIBS programmes	844 (1.4%)
Relayed programmes	11 988 (19.5%)
Total:	61 320 (100%)

Source: RTHK

In-house Production

3.11 In 2019-20, 9 900 hours of news programmes were produced. The newsroom in RTHK operates round-the-clock. Editors meet twice a day, one in the morning and one in the afternoon, to decide on assignments, editorial issues and the priorities of news items in the newscasts.

3.12 In 2019-20, the programme output of radio programmes on information, arts, culture and education, music, entertainment, etc. totalled 47 712 hours. Review Team was informed that the generic programme production workflow, including editorial supervision, for different radio programme genres is not documented. A brief description of the production workflow provided by RTHK is at *Appendix 3.2*.

3.13 Radio Senior Staff Meetings are held on a bi-weekly basis to discuss and coordinate the administrative, technical, programme and project issues of the Radio and Corporate Programming (R&CP) Division. These meetings are chaired by Assistant Director (R&CP) and attended by all radio channel and unit heads⁵ and representatives from Corporate Communications and Standards Unit (CC&SU), New Media Unit and the technical support team. The Director of Broadcasting chairs a weekly Programme Meeting⁶ for programme teams to present new programmes, projects and initiatives. He also chairs a weekly Editorial Meeting⁷ for news and programme teams to report and discuss programming and editorial issues for the following week.

Acquired Programmes and CIBS Programmes

3.14 These two types of programmes constituted 2.7% of RTHK's total radio output hours in 2019-20. For acquired programmes, individual members of the in-house Acquired Programme Committee will identify promising programmes from different sources for assessment by the Committee, which will take into account the requirement of meeting RTHK's editorial standards and technical specifications as well as concept and idea, presentation skills, etc. In 2019-20, the programme output was 776 hours.

3.15 CIBS provides a platform for community groups, non-government organisations and

⁵ Ranked at PPO or above.

⁶ All directorate officers of, as well as representatives from, programme production divisions/units attend this meeting.

⁷ The meeting is attended by all directorate officers and heads of/representatives from the news and programme production units.

the underprivileged to participate in broadcasting. CIBS Facilitators are assigned for individual CIBS programmes, and they examine the programme output before broadcast to ensure compliance with relevant programming standards requirements. In 2019-20, CIBS output totalled 844 hours.

Relayed Programmes

3.16 RTHK Radio 6 relays China National Radio – Hong Kong edition. In 2019-20, the total programme output of relayed programmes was 11 988 hours.

TV Programmes

3.17 RTHK’s TV programme production comprises mainly in-house production, supplemented by acquired programmes, commissioned programmes, relayed broadcast and co-production. The number of first-run output hours analysed by source for 2019-20 is shown in Table 3.2.

Table 3.2 RTHK’s first-run output hours of TV programmes analysed by source (2019-20)

Source*	No. of first-run output hours (%)
In-house production	1 357.3 (76%)
Acquired programmes	348.6 (20%)
Commissioned programmes	45.7 (3%)
Co-production	24 (1%)
Total:	1 775.6 (100%)

* Different from the calculation method for radio services, RTHK does not categorise relay hours as output hours for TV services.

Source: RTHK

In-house Production

3.18 A broad range of TV programmes on different topics (such as current affairs, Mainland affairs, civic education, arts and culture) and targeting different audiences (such as youth, children and special interest groups) are produced by Public and Current Affairs Section, Infotainment and Variety Section, and Education and Recreation Section. In 2019-20, their programme output totalled 1 357.3 hours. As in the case of radio programmes, Review Team was informed that the generic production workflow, including editorial supervision, for different TV programme genres is not documented. The generic production workflow provided by RTHK at *Appendix 3.2* applies generally to different TV genres.

3.19 Review Team was informed that various meetings are held in the course of day-to-day operation to ensure programme quality and editorial quality. Bi-weekly TV Senior Staff Meetings are held to facilitate management-level discussion on programming, technical and administrative issues. These meetings are chaired by Assistant Director (Television and Corporate Businesses) and attended by TV programme staff (ranked at PPO and above) and CC&SU staff. Matters concerning TV programmes are also discussed at the weekly Programme Meeting and Editorial Meeting chaired by the Director of Broadcasting.

Acquired Programmes

3.20 Acquired programmes covering a wide range of themes (e.g. international current affairs, social trends, history, culture, travel, science, music, performing arts and animations) contributed 348.6 TV output hours in 2019-20. Acquisition and Corporate Development Unit selects programmes for assessment by the Acquired Programme Committee in accordance with specified criteria, including the mandatory requirement of meeting RTHK's editorial standards and technical specifications as well as other factors such as concept and idea, presentation skills, informative and educational values, etc.

Commissioned Programmes

3.21 RTHK operates a scheme for commissioning private production houses to produce TV programmes through calls for applications. The scheme provides an open platform for independent producers to display their creativity, thereby helping nurture Hong Kong's independent TV programme production industry. The types of TV programme commissioned by RTHK are drama, documentary and new TV format.

3.22 In 2019-20, RTHK commissioned 31 projects with 45.7 output hours⁸. Under the Commissioning Agreement signed with RTHK, the commissioning contractor is required to ensure that the TV programme complies with the editorial and ethical standards in Hong Kong. Both the Producers' Guidelines and the CA's Generic Code of Practice on Television Programme Standards apply to commissioned programmes. The commissioning editors monitor project progress through five production milestones⁹ and ensure editorial compliance before broadcast.

Online Content

3.23 To optimise the use of news materials, the video news team produces news programmes and live feeds of news coverage, including special events and press conferences, for broadcast on RTHK TV31, TV32 and various online platforms. Programme/content producers in RTHK are editorially responsible for materials broadcast/available on RTHK's online platforms (such as the rthk.hk website, and RTHK's mobile apps and social media), in the same manner as radio and TV programmes, and these materials are subject to other arrangements as stipulated in the Producers' Guidelines.

Findings

3.24 RTHK's credibility as a PSB depends on its ability to deliver its public purposes and mission as specified in the Charter while upholding the editorial principles of accuracy, impartiality, being immune from external influences and upholding the highest professional standards of journalism. Its reputation as a trusted and valued broadcaster is directly related to the quality of its programming and content creation.

⁸ These figures reflect the respective numbers of programmes and output hours commissioned in 2019-20. These programmes may not be completed for broadcast in the same year.

⁹ The five production milestones are signing of contract, completion of treatment and shooting script, completion of fine cut, material delivery, and submission of audited report.

3.25 Under the Charter, the Director of Broadcasting as the Editor-in-chief is responsible for making the final editorial decisions in RTHK and is accountable for editorial decisions taken by RTHK programme producers. RTHK should have in place a robust system that provides the mechanisms, processes and procedures for the Director of Broadcasting and his senior directorate/editorial staff to manage editorial accountability and compliance. However, it is not evident from the information available to Review Team that such a critical system is in place to ensure RTHK's fulfilment of the requirements stipulated in the Charter of providing "accurate, impartial and objective news, public affairs and general programming that inform, educate and entertain the public"¹⁰, in full compliance with relevant editorial principles¹¹, the Producers' Guidelines and the codes of practice issued by the CA¹². Specifically:

- (a) There is no well-defined and properly documented editorial processes for the production of different types of content, with a clear allocation of roles and responsibilities (and therefore accountability) among those involved at different stages of the content production process (whether in-house staff or commissioned/contracted service providers). Instructions and guidance from supervisors are usually given orally on the job. Editorial decision-making rests principally with individual production officers/team heads (generally at the SPO level) based on their own judgment. The Editor-in-chief and senior management have been put in a passive position in the programme production process;
- (b) Although there are "upward referral" and "mandatory referral" mechanisms for dealing with difficult/contentious/sensitive editorial issues, they operate largely through verbal communication. Documentation is not currently required regarding consultation with management or legal advice sought prior to, during and after production, or prior to broadcast. Although there are regular meetings at different levels involving directorate officers ranked at Assistant Director of Broadcasting or above (see paragraphs 3.13 and 3.19 above), important editorial decisions do not seem to have been documented;
- (c) RTHK has not put in place a compliance mechanism for quality assurance during the pre-broadcast and post-broadcast stages in order to minimise editorial risks (such as handling of conflicts of interest situations and on matters of accuracy or impartiality). The same risks arise under various contractual arrangements that RTHK enters into with Category II service providers, commissioning contractors for TV programmes and CIBS Producers;
- (d) The Charter, the Producers' Guidelines and the CA's codes of practice on programme standards provide the key parameters for editorial decision-making in RTHK. However, RTHK has not effectively set out or explained, through any comprehensive policy documentation, how these important requirements and editorial standards should be interpreted and applied in actual practice;

¹⁰ See paragraph 8 of the Charter.

¹¹ See paragraph 7 of the Charter.

¹² In its decision on public complaints against RTHK's TV programme "Pentaprism" broadcast on 20 November 2019, the CA also commented that RTHK failed to show in its representations what it had specifically done or what compliance/quality control processes were in place.

- (e) There is insufficient emphasis on editorial training. The reference materials on editorial subjects posted on the RTHK Intranet are not kept up-to-date, nor are they analysed and organised in a user-friendly manner to assist comprehension;
- (f) Lessons learnt from substantiated complaints and serious breaches of editorial standards and policies are not captured/reflected in materials for wide dissemination among those involved in editorial supervision, programme production and content creation. Effort to make systemic improvements is not evident; and
- (g) It does not appear that the Director of Broadcasting has actively sought advice from the Board of Advisors on matters pertaining to editorial principles, programming standards and quality of RTHK programming as required under the Charter, based on the meeting records of the Board of Advisors in recent years. There is room for enhanced communication and partnership with the Board in this regard so that members can provide timely advice.

(B) Complaints Handling in RTHK

Public Complaints Lodged with RTHK

3.26 The public may provide feedback (including enquiries, compliments, opinion/suggestions and complaints¹³) to RTHK directly through different channels. RTHK categorised a “programme-related” complaint as a complaint related to any RTHK radio, TV or new media programme/service. RTHK received approximately 29 000 programme-related complaints in 2019-20¹⁴.

3.27 Head/Corporate Communications and Standards (H/CC&S), as the Corporate Complaints Liaison Officer, assigns programme-related public complaints received centrally, monitors progress and reports regularly at the senior management meetings. All programme-related complaints received centrally by RTHK are captured in the E-register of Public Feedback. The time limits for replying to complaints follow the Government-wide standard.

3.28 Each section/unit designates an officer at the PPO level as the Complaints Handling Officer to take action on individual cases having regard to their nature and gravity. According to the departmental procedures, the Complaints Handling Officer may need to bring a programme-related complaint to the attention of more senior officers to decide whether it is necessary to assign another section or a senior officer to handle the complaint, if the original Complaints Handling Officer is himself the Executive Producer, so as to ensure fair and transparent handling. No case was processed under this procedure in the past two years.

¹³ RTHK follows the definition of “complaint” in the Government’s General Circular No. 24/2016, viz. “an expression of dissatisfaction by the public with a public policy or service or the way in which a policy is implemented or service is delivered, including staff attitude, irrespective of the complaint channel used”. Under the departmental procedures, where it is difficult to differentiate between a complaint and an opinion/a suggestion for service improvement, the case officer may either try to seek clarification with the person concerned on his/her intention or simply treat the expression as a complaint if it is a negative feedback. If the person wants his expression to be treated as a complaint, it should be handled as such. The Departmental Secretary in RTHK is the Departmental Complaints Liaison Officer.

¹⁴ For comparison, RTHK received about 150 and 1 370 programme-related complaints respectively in 2018-19 and 2020-21 (up to January 2021).

3.29 Requests from complainants for reviews/appeals are normally first submitted to the line supervisor of the relevant Complaints Handling Officer and may be further escalated where necessary to the Complaints Review Board chaired by the Deputy Director of Broadcasting. From April 2019 to October 2020, ten review/appeal cases and one repeated complaint were handled under this mechanism.

Public Complaints Lodged with the CA

3.30 Pursuant to the Charter, the public may lodge complaints with the CA against any programme broadcast on RTHK's platforms or supplied by RTHK for broadcasting by licensed broadcasters in Hong Kong. The CA deals with those complaints in accordance with established rules and practices, and may impose appropriate sanctions on RTHK where cases are substantiated¹⁵. In 2019-20 and 2020-21 (up to January 2021), the CA received a total of 1 137 complaint cases against RTHK's programmes (involving 12 352 complaints). During this period, 7 complaint cases (involving 3 699 complaints) were ruled to be substantiated by the CA¹⁶. The CA issued a "serious warning" and a "warning" to RTHK in April and September 2020 respectively covering five episodes of its programme *Pentaprisms*, and a "warning" and "strong advice" in May 2020 and January 2021 respectively covering four episodes of its programme *Headliner*. Both programmes were produced by Public and Current Affairs Section.

Reports to the Board of Advisors

3.31 At the bi-monthly meetings of the Board of Advisors, RTHK provides updates on complaints dealt with by the CA and the Director-General of Communications. The updates present information on cases ruled to be substantiated by the CA and the Director-General of Communications. A sample is at *Appendix 3.3*.

Findings

3.32 Having regard to the requirements stipulated in the Charter and benchmarking with the good practices on complaints handling within the Government, Review Team has identified the following deficiencies in RTHK's prevailing mechanism for handling programme-related complaints:

- (a) There is insufficient transparency in RTHK's complaint channels. There is no explanation on how public complaints are handled by RTHK (such as performance pledges and the appeal mechanism), nor any mention that the public may also lodge complaints with the CA;
- (b) The classification of complaints as "programme-related" is too broad and too loose, failing to differentiate which ones are editorially related (whether relating to editorial principles/standards such as accuracy or impartiality or editorial policy);

¹⁵ Including an order to issue a public apology and/or to make appropriate corrections.

¹⁶ Excluding those cases dealt with by the Director-General of Communications acting under the CA's delegated authority and those cases being processed.

- (c) The prevailing mechanism allows a complaint to be investigated, and the investigation outcome endorsed, by the same case officer or division/section producing the programme under complaint, regardless of the nature or gravity of the complaint. Nor is there any monitoring mechanism to ensure that the promulgated referral arrangements are strictly observed. There is no assurance that public complaints received by RTHK have all been investigated properly and handled impartially;
- (d) The E-register of Public Feedback has only limited functions and is administratively cumbersome to operate. The system can only generate summaries of basic statistics, which are unable to support meaningful discussion by senior management. Complaints lodged with the CA are not captured in the system;
- (e) The monthly summary of public feedback received by RTHK and presented by H/CC&S to senior management contains only statistics by feedback type and feedback channel, without any information on the follow-up action for substantiated cases¹⁷. There are no management highlights, nor any analysis of trends or areas requiring attention¹⁸. RTHK does not submit regular reports to CEDB on public complaints received, nor is CEDB kept informed of cases that may warrant policy changes or formulation of new policies;
- (f) The written complaint updates submitted to the Board of Advisors do not cover all complaints against editorial principles, programming standards and quality of RTHK programming. They mention only cases considered by the CA and the Director-General of Communications, and only limited information is provided (e.g. in respect of cases considered by the Director-General of Communications, only a breakdown by type of sanction is provided). Cases received and dealt with by RTHK direct are not reported to the Board of Advisors. The advisory role of the Board of Advisors with regard to complaints handling, as specified in the Charter, has been undermined in the absence of quality complaints reporting and analyses from RTHK;
- (g) RTHK's Annual Report only provides superficial figures and data, which are not sufficiently informative for the public and stakeholders to obtain a clear picture of how complaints are handled by RTHK. For example, the Annual Report 2019-20 only sets out the total caseload of public opinion/suggestions, complaints and enquiries received and the number of public complaints ruled substantiated by the CA, without case details. Information on the follow-up actions taken on individual substantiated cases (e.g. clarifications and corrections) is not easily accessible to the public¹⁹; and
- (h) There is a lack of rigorous procedures in handling public complaints referred from the CA. Investigation of such cases (including preparation of responses to the CA and seeking of legal advice) is not properly documented.

¹⁷ RTHK advised that H/CC&S provides the case summary verbally.

¹⁸ General Circular No. 24/2016 requires B/Ds to analyse the complaint statistics for trends which may identify systemic weaknesses and suggest the need for changes.

¹⁹ In its decision on public complaints against RTHK's TV programme "Pentaprism" broadcast on 20 November 2019, the CA commented that "RTHK could have issued subsequent official clarifications, corrections and supplementary information/details to rectify those inconsistencies, contradictions or confusions in its programmes, but none of the above was done".

(C) Practices Adopted by Other PSBs

3.33 Review Team has conducted desktop research on the practices adopted by selected PSBs elsewhere (namely, the Australian Broadcasting Corporation (ABC)²⁰, the British Broadcasting Corporation (BBC)²¹ and the Canadian Broadcasting Corporation (CBC)²²) in managing their editorial processes and handling editorial complaints. The major findings are summarised in *Appendix 3.4*.

3.34 In essence, all PSBs under research have developed a comprehensive documentation on interpreting and implementing their editorial policies and guidelines. The documentation comprises policy statements outlining principles and standards, supplemented by guidance notes on additional information on implementation, corporate policies on code of conduct, journalistic standards and practices and programming policies, etc. They have set out clear compliance obligations in their editorial processes, including mandatory referrals, pre-broadcast review, commissioning internal and external reviewers for programme review, content review, ‘air checks’ of on-air staff, or evaluating compliance through an independent ombudsman system. PSBs normally differentiate between editorial and non-editorial complaints, in case of the former, they adopt a transparent approach by publishing the details of the complaints, including the findings and actions taken, regularly on its websites and/or in annual reports. They also have a correction/clarification webpage.

(D) Recommendations

3.35 RTHK’s existing editorial processes are seriously inadequate to ensure the compliance of its programmes and content with the requirements of the Charter, the Producers’ Guidelines and the codes of practice issued by the CA. Review Team’s recommendations on improvement measures are set out in paragraphs 3.36 to 3.41 below.

3.36 To enhance editorial governance, RTHK should urgently put in place a robust and transparent editorial process and mandatory referral system, with clearly defined editorial responsibilities and accountability at each editorial level and highlighting the decision-making role of the Editor-in-chief in the system, so as to maintain a high level of professionalism in fulfilling its obligations as a PSB under the Charter. This is particularly important to ensure proper handling of sensitive/controversial issues in programme production, especially in relation to news and current affairs programmes. In doing so, RTHK should benchmark its system and mechanisms with the practices adopted by other PSBs as set out in *Appendix 3.4*.

²⁰ Founded in 1929, the ABC is Australia’s national public broadcaster. The ABC Charter, set out in the ABC Act, requires the Corporation to provide informative, entertaining and educational services that reflect the breadth of the nation. The ABC runs four TV channels, ten radio channels and a wide range of online and mobile services.

²¹ Established in 1922, the BBC in the UK is the world’s oldest PSB. Operating under a Royal Charter, the BBC provides a broad portfolio of radio, TV and digital services.

²² The CBC was founded in 1936, with its mandate and governance framework stipulated in the Broadcasting Act. It operates under a licensing regime. In this report, “CBC” refers to the unit of the corporation producing English content. It operates five TV channels, four radio networks and a range of digital services.

3.37 A comprehensive set of editorial policies and guidelines should be constructed with direct reference to the Charter, the Producers' Guidelines and the CA's codes of practice to help all RTHK employees and its service providers acquire a comprehensive and consistent understanding of RTHK's editorial policies, standards and requirements. Regular reviews should be conducted on these policies and guidelines to keep abreast of the changing media environment and community expectations. To enhance transparency, RTHK's editorial policies and guidelines, codes of conduct, etc. should be publicly accessible. Editorial training should be strengthened in this connection. In addition, steps should be taken to ensure that lessons learnt from substantiated complaints, particularly serious breaches of editorial standards and policies, are captured in RTHK's institutional knowledge.

3.38 To enhance accountability and drive continuous improvement, RTHK should consider introducing an editorial review mechanism through engaging internal or external independent reviewers to regularly assess its programme standards and quality.

3.39 In addition, the Director of Broadcasting should establish a more proactive and collaborative partnership with the Board of Advisors, in line with the latter's roles as specified in the Charter in providing advice on areas pertaining to editorial principles, programming standards and quality of RTHK programming as well as public complaints relating to those matters.

3.40 The handling of public complaints, especially those relating to editorial matters, should be enhanced because public complaint is a useful indicator of editorial compliance and content quality. There is much room for improvement regarding proper documentation, objectivity in case handling, high-level involvement in significant cases as well as seeking systemic improvements in light of investigation findings. The complaint procedures and case findings should be published conspicuously on RTHK's website and other platforms. An e-form²³ should be provided to facilitate lodging of public complaints and subsequent case handling.

3.41 To manage editorial risks, RTHK should embed risk management in its editorial processes and cultivate a risk management culture among all its staff. Risk mitigation measures should be put in place and updated regularly. Risk assessment guidance should be issued to cover, for example, avoidance of conflicts of interest, performing outside work, code of conduct, use of social media, and participation in political events. The guidance should be applicable to RTHK employees as well as contracted/commissioned service providers.

²³ The use of e-form will facilitate complaints handling for both complainants and handling officers. It is more convenient for complainants who prefer a written format. The handling officer will also be able to promptly receive the complaints, which may be automatically categorised and assigned, thus enhancing operational efficiency.

CHAPTER 4. PERFORMANCE MEASUREMENT AND EVALUATION

Highlights

H.1 Performance measurement/evaluation is an important instrument of good governance. It facilitates the evaluation of efficiency and effectiveness in service provision, and demonstrates to the public what they are getting for the public resources deployed by RTHK for its service delivery. It also supports informed decision-making by the management in achieving RTHK's public purposes, mission, and key policy/business objectives. Reporting of performance results both internally and to the public enhances transparency and accountability.

H.2 All public service broadcasters (PSBs) under research by Review Team conduct performance measurement/evaluation regularly. Detailed measurement results are published in their annual reports. The measurement yardsticks adopted by all three PSBs are directly related to each of the public purposes and mission set out in their respective Charters/legislation or the key business objectives outlined in their corporate strategies/plans. Their annual reports carry survey findings on community perception/satisfaction level towards the extent the respective PSBs have fulfilled their PSB obligations/strategic objectives. Operational performance results, such as audience share and reach, are also reported.

H.3 RTHK is both a PSB and a government department. As the Controlling Officer of a government department, the Director of Broadcasting is accountable for the public funds allocated to RTHK and is required to report the departmental performance against performance targets/indicators in the Controlling Officer's Report. Furthermore, under the Charter of RTHK (the Charter), RTHK is required to prepare an annual plan and publish an annual report to set out, among others, its achievements in performance evaluation. RTHK is also required to review quarterly and annually with the Commerce and Economic Development Bureau (CEDB) its achievement of agreed performance targets.

H.4 RTHK is required under the Charter to submit reports to the Board of Advisors on public opinion surveys regularly conducted by RTHK to track how well RTHK programming meets up to audience expectations as well as reports on the performance evaluation of RTHK and the department's compliance with performance evaluation indicators.

H.5 Benchmarking with other PSBs and having regard to the requirements of the Charter, Review Team noted that there are fundamental deficiencies in RTHK's performance measurement/evaluation mechanism and performance reporting arrangements:

- (a) Unlike other PSBs, the performance measures used by RTHK have not been organised to directly relate to each of the public purposes and mission as set out in the Charter. The public is, thus, unable to judge the extent to which RTHK has fulfilled the requirements of the Charter and public funds have been well spent in this regard;
- (b) The performance evaluation findings provided by RTHK in the Controlling Officer's Report and the annual report, as well as its reports to the Board of Advisors, are

mostly quantitative and output-based (such as output hours and audience reach percentages) or lists of programmes/content made/to be released. Although the Board of Advisors has been commissioning public opinion surveys since 2012 to gauge public views on RTHK's performance in relation to its public purposes and mission, RTHK has not utilised such data or publish them as key performance indicators (KPIs) for evaluating its compliance with the Charter requirements;

- (c) RTHK lacks expertise and coordination across divisions/sections in the area of obtaining audience feedback and performance measurement (e.g. cross-media audience measurement, questionnaire design, audience survey, etc.);
- (d) Containing only very limited performance evaluation information, RTHK's annual report does not meet the reporting requirement under the Charter. Besides, RTHK's annual plan does not address the areas required to be reported at year-end in the annual report; and
- (e) RTHK has not hitherto provided detailed reports with management analyses that would enable the Board of Advisors to tender meaningful advice to the Director of Broadcasting on the relevant aspects of RTHK's service delivery. Information submitted to CEDB for the quarterly and annual reviews is also limited and unfocused.

H.6 Review Team recommends that there is a need for RTHK to take prompt action to address the aforementioned deficiencies by setting more meaningful performance targets/indicators to facilitate evaluation of the extent of its achievement of the public purposes and mission stipulated in the Charter. Review Team further recommends a proposed performance measurement and evaluation framework for RTHK to better align its performance measurement/evaluation with the requirements under the Charter. The performance results should be comprehensively reported to CEDB and the Board of Advisors and, through the timely publication of the annual report, to the public.

H.7 Review Team also recommends that RTHK produce a more detailed annual plan, outlining its strategy for achieving the public purposes and mission stipulated in the Charter with well-defined annual performance targets/indicators to facilitate evaluation of its achievements for reporting in the annual report.

H.8 RTHK itself and the wider public could then objectively assess RTHK's performance by reference to the results presented in RTHK's annual report. Relevant stakeholders, including CEDB and the Board of Advisors, could more meaningfully contribute towards the betterment of RTHK through provision of appropriate policy guidance and support to the department and advice to the Director of Broadcasting.

H.9 Review Team has also examined the performance measurement and evaluation mechanism in RTHK at the project/activity level, namely in respect of the Community Involvement Broadcasting Service (CIBS) and commissioned television (TV) programmes, and has identified a number of areas for improvement.

Need for Performance Measurement and Evaluation

4.1 An effective performance measurement and evaluation system¹ contributes to good governance and management of RTHK as a PSB and a government department. It enhances transparency and accountability, facilitates the evaluation of efficiency and effectiveness, and demonstrates to the public what they are getting for the public resources deployed by RTHK for its service delivery. It also supports informed decision-making by RTHK, assists RTHK's evaluation of the extent to which it is achieving its key policy/business objectives, and enables RTHK to learn how to refine its service delivery for continuous improvement.

4.2 A "performance target" refers to a measurable level of performance targeted for attainment, whereas a "performance indicator" is used for monitoring a particular aspect of performance without setting a quantified target. Setting appropriate and challenging performance targets that are linked to RTHK's obligations under the Charter and its business objectives can lead to enhanced departmental performance and accountability.

4.3 Performance measures could be quantitative² or qualitative³ in nature. They may relate to inputs (e.g. staff costs and programme costs), throughputs (e.g. processing time for applications/complaints), outputs (e.g. hours of programmes produced) or outcomes (e.g. audience reach of radio, TV and online content). Apart from measuring efficiency and effectiveness in service delivery, performance can also be measured in terms of customer perception/satisfaction. Such public feedback can be collected through surveys, online questionnaires and focus group discussions.

(A) Performance Measurement and Evaluation in RTHK

4.4 The Charter requires the setting of performance targets, which will identify the efficiency and effectiveness of resources deployed to the programme areas for achieving the public purposes and mission under the Charter and assess whether value for money is achieved⁴. The Charter further requires that "in order to provide a basis for public scrutiny of the extent to which RTHK delivers its public service mission and returns value for the public money it expends, RTHK should set clear targets, develop measurable performance evaluation indicators and conduct regular assessments"⁵. For the sake of transparency, the Charter stipulates that "RTHK should produce an annual report for public inspection", and "the annual report should set out details on RTHK's operation in the past year, its performance pledges,

¹ The Efficiency Office has introduced a balanced scorecard approach for performance measurement in B/Ds with reference to a range of measures encompassing internal processes, financial management, customer perspectives, organisational capabilities, etc.

² For a PSB, aspects of performance that could be measured by quantitative means include, for example, total number of transmission hours, hours of programmes produced in-house, commissioned and acquired programmes relative to the total, and audience reach per channel.

³ Examples of qualitative evaluation but expressed in percentage terms: (a) audience who consider the PSB has delivered impartial/accurate news and information; (b) audience who agree that the PSB has engendered a sense of citizenship and national identity; and (c) audience who agree that the PSB has encouraged social inclusion and pluralism.

⁴ See paragraph 11(d) of the Charter.

⁵ See paragraph 33 of the Charter.

the extent to which it has met its public purposes and mission, programming objectives, ... compliance in the areas of corporate governance and accountability...⁶.

4.5 The Director of Broadcasting is required to conduct quarterly and annual reviews on RTHK’s performance with CEDB. Requirements for performance reporting to the Board of Advisors, CEDB and the public are also specified in the Charter. Relevant provisions in the Charter are at *Appendix 4.1*.

4.6 In the public funding context, the Director of Broadcasting is accountable as a Controlling Officer for expenditure under Head 160 – RTHK. The Controlling Officer’s Report presents the aim, key areas of work and performance targets and indicators for the respective programme areas as well as the expenditure information on RTHK under the General Revenue Account. A wide range of performance targets and indicators are published in the Controlling Officer’s Report.

Overview of RTHK’s Prevailing Performance Measures

4.7 RTHK publishes its key performance information in four documents annually, namely (a) the Controlling Officer’s Report for Head 160 – RTHK, (b) RTHK Performance Pledge, (c) RTHK Annual Plan, and (d) RTHK Annual Report. The key performance measures published in the 2020-21 Controlling Officer’s Report for Head 160 – RTHK⁷, “RTHK Performance Pledge 2020-21”, “RTHK Annual Plan 2020-21” and “RTHK Annual Report 2019-20” are summarised in Table 4.1.

Table 4.1 Key performance measures of RTHK

Performance Measures		Target/ Indicator (as defined by RTHK)	2020-21 COR* for Head 160	Performance Pledge 2020-21	Annual Plan 2020-21	Annual Report 2019-20
Radio Services						
1.	Total hours of transmission/ output	Target	✓	✓	✓	✓
2.	Hours of transmission per channel	Indicator	✓			
3.	Hours of news programming output	Target		✓		
		Indicator	✓			

⁶ See paragraphs 35 and 36 of the Charter.

⁷ In response to the recommendations in the Audit Report No. 71 in respect of performance evaluation, RTHK has reviewed its performance targets and indicators for inclusion in the Controlling Officer’s Report and made the following changes in the 2020-21 Controlling Officer’s Report:

- *Programme Area (1): Radio* – revising the performance target from “advice on radio reception within eight working days (%)” to “total hours of transmission”, and adding a new indicator on “hours of CIBS programmes produced”; and
- *Programme Area (2): Public Affairs and General Television Programme* – revising the performance target from “total hours of output” to “total hours of transmission”, rephrasing the indicators from “total hours of output” to “total hours of first-run programmes”, and adding several new indicators on “transmission hours on DTT per programme staff”, “audience reach”, “average TV ratings”, “highest TV ratings”, etc.

Performance Measures		Target/ Indicator (as defined by RTHK)	2020-21 COR* for Head 160	Performance Pledge 2020-21	Annual Plan 2020-21	Annual Report 2019-20
4.	Hours of CIBS programmes produced	Indicator	✓			✓
5.	Cost per transmission hour excluding Newsroom and CIBS (\$) per channel	Indicator	✓			
6.	No. of listeners	Indicator	✓			
7.	Cost per listener (\$)	Indicator	✓			
8.	Audience reach per channel (%/no.)	Indicator	✓			
9.	Total radio listenership (past 7 days)	Indicator	✓			
10.	Minority audience compared with total audience (%)	Indicator	✓			
11.	No. of substantiated complaints	Indicator	✓			✓ [#]
12.	Transmission hours per programme staff	Target		✓		
		Indicator	✓			
13.	No. of community/ educational projects organised	Target		✓		✓ [^]
		Indicator	✓			
14.	Radio hours devoted to public affairs phone-in discussion	Indicator	✓			
15.	% of main types of programmes by channel	Indicator			✓	
16.	% of programming output by programme nature	Indicator			✓	
<i>Sub-total:</i>			<i>14</i>	<i>4</i>	<i>3</i>	<i>4^{#^}</i>
TV Services						
1.	Total hours of transmission	Target	✓		✓	✓
2.	Total hours of first-run programmes	Target		✓		✓
		Indicator	✓			
3.	Hours of transmission – DTT per channel	Indicator	✓			
4.	Transmission hours on DTT per programme staff	Target		✓		
		Indicator	✓			
5.	Cost per transmission hour on DTT (\$)	Indicator	✓			
6.	Major official public events – no. of events	Indicator	✓			✓
7.	Major official public events – no. of hours of events	Indicator	✓			

Performance Measures		Target/ Indicator (as defined by RTHK)	2020-21 COR* for Head 160	Performance Pledge 2020-21	Annual Plan 2020-21	Annual Report 2019-20
8.	Major official public events – no. of hours of pool signal provided to media	Indicator	✓			✓
9.	Distribution of content by programming nature (%)	Indicator	✓		✓	
10.	Audience reach per channel	Indicator	✓			
11.	Average TV ratings per channel	Indicator	✓			
12.	Highest TV ratings per channel	Indicator	✓			
13.	No. of substantiated complaints	Indicator	✓			✓ [#]
14.	No. of community/ educational projects organised	Target		✓		✓ [^]
		Indicator	✓			
15.	TVAI Survey: RTHK average	Indicator	✓			
16.	TVAI Survey: no. of RTHK programmes in the top 20 list	Indicator	✓			
<i>Sub-total:</i>			<i>16</i>	<i>3</i>	<i>2</i>	<i>4^{# ^}</i>
New Media Services						
1.	rthk.hk: provision of 24-hour continuous streaming service (%)	Target	✓			
2.	rthk.hk - daily live streaming (Radio and TV)	Target		✓		✓
		Indicator	✓			
3.	rthk.hk - daily archive access	Indicator	✓			✓
4.	rthk.hk - daily visits	Target		✓		✓
		Indicator	✓			
5.	No. of podcasts available	Indicator	✓			
6.	- audio programmes (%)	Indicator	✓			
7.	- video programmes (%)	Indicator	✓			
8.	Daily access of news pages	Indicator	✓			
9.	Distribution of online media by platform type (%)	Indicator			✓	
10.	RTHK On The Go: no. of downloads	Indicator				✓
11.	RTHK Screen: no. of downloads	Indicator				✓
12.	RTHK Mine: no. of downloads	Indicator				✓

Performance Measures		Target/ Indicator (as defined by RTHK)	2020-21 COR* for Head 160	Performance Pledge 2020-21	Annual Plan 2020-21	Annual Report 2019-20
13.	RTHK News: no. of downloads	Indicator				✓
14.	RTHK YouTube Channel: no. of subscribers	Indicator				✓
15.	RTHK Facebook: no. of followers	Indicator				✓
16.	RTHK VNEWS Facebook: no. of followers	Indicator				✓
<i>Sub-total:</i>			8	2	1	10
Others						
1.	No. of public feedback, complaints and enquiries handled by CC&SU	Indicator				✓
2.	No. of station visits	Indicator				✓
3.	No. of awards and recognition	Indicator				✓
<i>Sub-total:</i>			0	0	0	3
Total:		Target	3	9	2	6
		Indicator	35	-	4	15

* "COR" refers to the Controlling Officer's Report.

This indicator covers only the number of substantiated cases ruled by the CA. The number of substantiated complaints for radio services and the number of substantiated complaints for TV services are shown as a combined indicator for radio and TV services in the Annual Report. For the purpose of calculating the sub-total and the total in Table 4.1, the combined indicator is counted under the "Radio Services" section.

^ The Annual Report shows the total number of community/educational projects organised by RTHK as an overall target. For the purpose of calculating the sub-total and the total in Table 4.1, this overall target is counted under the "Radio Services" section.

Source: Analysis of RTHK records

Means of Collection of Performance Measurement Data

4.8 RTHK conducts a variety of audience measurement and stakeholder engagement activities⁸ to collect audience and public feedback on its service performance. In addition, internal performance information⁹ is compiled by the respective sections/units. The means through which RTHK collects performance information on its programme production are set out in paragraphs 4.9 to 4.17 below.

Radio Services

4.9 **Radio Audience Survey (RAS):** It aims to collect data on the listenership,

⁸ These activities include audience surveys, opinion surveys, focus group discussions and performance evaluation questionnaires.

⁹ Such information includes financial and manpower information, output of programme production and complaint statistics.

appreciation index, awareness level and image perception of RTHK's radio programmes. In response to the recommendations in the Director of Audit's Report No. 71 (Audit Report No. 71) on the procurement of RAS, a new survey methodology different from that for the RAS 2018 was adopted in the RAS 2020. Data for two new performance indicators (namely, the share of total listening time per channel and the appreciation indices of individual radio channels) were collected in the survey and will be reported in the Controlling Officer's Report from 2021-22 onwards.

4.10 CIBS Focus Group Survey: In response to the recommendations in the Audit Report No. 71, RTHK plans to conduct a focus group survey on CIBS every two years to collect feedback from CIBS applicants as well as audience on CIBS programmes, and to analyse the views gathered to assist future planning. In end 2019, RTHK commissioned a focus group survey to cover programmes in Quarter 13 to Quarter 24¹⁰.

4.11 Other public feedback channels: The Radio and Corporate Programming (R&CP) Division also organises focus group discussions, online questionnaire surveys, an offline questionnaire in Fine Music Magazine and Channel Head's Hotlines to gauge listeners' feedback for Radio 3, Radio 4, Radio 5 and the Putonghua Channel.

TV Services

4.12 Television Programme Appreciation Index (TVAI) and Audience Survey: Starting from the TVAI and Audience Survey 2020¹¹, RTHK has improved the survey design to collect viewership figures across selected platforms (e.g. TV set, computer and mobile phone/tablet) for RTHK and other local TV channels on an annual basis. In response to the recommendations in the Audit Report No. 71, the survey will also collect the public appreciation level for selected TV programmes broadcast by RTHK, viewership of TV programmes commissioned and acquired by RTHK, audience feedback on RTHK's cultural and educational TV programmes, and public awareness of RTHK's TV Commissioning Scheme. The final report for the 2020 survey is expected to be available in early 2021.

4.13 Digital Terrestrial Television (DTT) Penetration Survey: In response to the recommendations in the Audit Report No. 71, RTHK commissioned a one-off DTT survey in November 2019 to collect information on the audience's viewing habits and preferences in watching RTHK TV programmes, their expectation towards and evaluation of its TV programmes, ways of watching RTHK TV programmes, the profile of RTHK's TV audienceship, etc. It is expected that the survey findings would assist RTHK in ascertaining the reasons for the low ratings of its programmes and measuring the number of households having access to RTHK's channels but not watching its TV programmes. Such information would enable RTHK to conduct more meaningful performance evaluation for its TV services. The final survey report is expected to be available in early 2021.

¹⁰ A focus group survey covering programmes in Quarter 1 to Quarter 12 was conducted in 2014. According to the findings of the 2019 focus group survey, CIBS could provide a unique and effective platform for participants to take part in broadcasting services and reach out to the community. In light of the recommendations in the survey report, RTHK has streamlined the application procedures, revised the selection criteria, simplified the procedures for public voting on the applications received by RTHK and enhanced the publicity of CIBS.

¹¹ Before the TVAI and Audience Survey in 2020, a quarterly TVAI Survey was conducted mainly to collect data on the public awareness level and the appreciation indices of selected local TV programmes, including programmes produced in-house by RTHK.

4.14 **TV Audience Measurement Survey:** The industry-sponsored survey provides data on the audience reach of a TV channel/programme by measuring the number of persons who have watched at least one minute of a TV channel or programme real time on air during a specific period of time. RTHK procures the daily TV audience reach data for all its programmes in each quarter-hour.

4.15 **Commissioned TV Programmes Focus Group Study:** In response to the recommendations in the Audit Report No. 71, RTHK has commenced to conduct a focus group study on its commissioned TV programmes. The first focus group survey was conducted in 2019.

New Media Services

4.16 **Web analytics and social media analytics:** New Media Unit prepares a Monthly Media Access Report, which contains month-on-month comparisons and analysis of the access rates of RTHK programmes available on RTHK's own website (rthk.hk) and mobile apps, for reference by senior management and division/section heads. RTHK is also exploring the use of social media analytics tools to measure the exposure of RTHK products on digital news platform and social media.

Public Opinion Survey Commissioned by the Board of Advisors

4.17 Since 2012, the Board of Advisors has been commissioning a "Survey on the Public Image of RTHK" periodically to collect public views and expectations on RTHK with regard to its public purposes and mission under the Charter. The survey also tracks and measures the public's usage of RTHK's radio, TV and new media services. The last survey was conducted in 2018. Survey findings are discussed at the meetings of the Board of Advisors and published on the Board's website.

Performance Monitoring and Evaluation

4.18 At the corporate level, RTHK carries out in-year monitoring and evaluation of its performance at various senior management meetings. In addition, the Charter requires quarterly and annual reviews to be conducted between CEDB and the Director of Broadcasting on RTHK's progress in achieving/achievement of the agreed performance targets.

4.19 At the programme level, R&CP Division and Television and Corporate Businesses (TV&CB) Division hold Performance Evaluation Meetings and Programme Evaluation Meetings respectively, as part of the annual planning process to review the performance of individual radio and TV programmes in light of the results of various audience surveys and public feedback collected through various channels. Programme performance is also deliberated internally throughout the year.

4.20 Currently, audience measurement is performed by R&CP Division, TV&CB Division and New Media Synergy and Support Section separately with respect to the content they produce and the service platforms they are in charge of. Relevant activities (e.g. procurement of survey services, organisation of hotlines to obtain direct audience feedback and data interpretation) are handled by the respective sections/units, with variations in data quality and the relevance of the measurement outcomes to future planning.

Performance Reporting

Reporting Requirements under the Charter

4.21 Under the Charter, RTHK is required to prepare an annual plan in consultation with the Board of Advisors and CEDB¹². In addition, it is required to produce an annual report for public inspection within six months after the end of the year reported on¹³.

4.22 RTHK is also required to provide to the Board of Advisors reports on public opinion surveys regularly conducted as well as reports on the performance evaluation of RTHK and the department's compliance with performance evaluation indicators. The Board of Advisors advises the Director of Broadcasting on the adoption of appropriate performance evaluation indicators and ways to improve service delivery¹⁴.

4.23 The Board of Advisors meets every two months. "Updates on Programmes" (see sample at *Appendix 4.2*) is one of the regular items for reporting to the Board of Advisors on the latest programmes and projects produced/undertaken by RTHK's radio, TV and new media services. Other subjects such as findings of public opinion surveys conducted by RTHK and RTHK's Annual Report are reported to the Board of Advisors in the course of the year.

Reporting in the Controlling Officer's Report

4.24 As a Controlling Officer, the Director of Broadcasting reports on RTHK's financial performance, sets out the extent of RTHK's achievement of its performance targets, and tracks RTHK's performance annually in the Controlling Officer's Report for Head 160 – RTHK.

Performance Pledges

4.25 According to Civil Service Bureau Circular No. 7/2009, bureaux/departments (B/Ds) should report on the achievement of their past performance against set targets and planned improvements. RTHK has not hitherto published such assessments. Although performance achievements are published in the RTHK Annual Report, they are not labelled as achievements against RTHK's performance pledges nor are they aligned with the performance measures published in the RTHK Performance Pledge. For example, RTHK's achievements in respect of the performance pledges concerning the "number of hours of news programme output" and the "number of transmission hours per programme staff" are not reflected in the Annual Report.

Findings and Recommendations

4.26 There is scope for improvement in various respects in RTHK's performance measurement and evaluation, performance reporting and transparency. Review Team's major findings and recommendations are set out in paragraphs 4.27 to 4.35 below.

4.27 Review Team considers that RTHK should make more purposeful use of audience

¹² See paragraph 31 of the Charter.

¹³ See paragraph 35 of the Charter.

¹⁴ See paragraph 13(d) of the Charter.

research and audience measurement tools to inform its business decision-making with a view to driving continuous improvement. For example, the Appreciation Indices collected from the TVAI Survey on selected TV programmes of RTHK have long been used by RTHK for measuring its programme quality. Yet, RTHK has not developed a comprehensive performance measurement system to reflect its level of performance in relation to RTHK's obligations set out in paragraphs 4, 5 and 18 to 20 of the Charter since its signing in 2010. Although public opinion surveys on RTHK's achievement of its public purposes and mission have been conducted since 2012, RTHK has not utilised these data or published them as KPIs for evaluating its performance.

4.28 Review Team noted that most of RTHK's existing performance measures are output-based performance indicators. The three performance targets presented in the 2020-21 Controlling Officer's Report for Head 160 – RTHK (namely “total hours of transmission” for Programme (1) Radio (61 320 hours), “total hours of transmission” for Programme (2) Public Affairs and General Television Programme (26 280 hours), and “rthk.hk – provision of 24-hour continuous streaming service (%)” for Programme (4) New Media (100%)) merely reflect the round-the-clock nature of RTHK's media services. They do not offer any meaningful insights into RTHK's extent of achievement towards its public purposes and mission under the Charter, nor do they measure the efficiency and effectiveness in RTHK's use of public resources in its service delivery. Besides, there is inconsistency between RTHK's Controlling Officer's Report and the RTHK Performance Pledge in defining a performance measure as a “target” or “indicator”.

4.29 Review Team noted that due to technological limitations, currently RTHK is unable to obtain cross-media audience measurement data for its programmes that are available on both conventional channels and new media platforms¹⁵.

4.30 Audience research and analysis has become an increasingly sophisticated tool to measure changing levels of audience consumption and behaviours¹⁶. Review Team observed that there is a general lack of expertise and coordination across divisions/sections in RTHK in the areas of audience research and performance measurement, such as formulation of a corporate audience research and measurement plan, alignment of the research/survey objectives, improvement of the measurement methodologies and questionnaire design in light of experience, adoption of new measurement technologies, performance monitoring and evaluation of service providers as well as training for RTHK staff.

4.31 Review Team further observed that while RTHK's quarterly performance in relation to selected performance targets/indicators (e.g. hours of output for each radio channel, hours of radio news programming output, hours of CIBS programmes produced, hours of TV first-run programmes, hours of TV output per section and daily visits and page view on rthk.hk) is

¹⁵ Other PSBs are making headway in cross-media audience measurement. For example, in the BBC, a measurement tool named “Compass” is used to measure the performance of the BBC's services across all platforms with audience interactions. For the ABC, a variety of data sources (including data obtained by conventional audience measurement tools as well as digital analytics data) are used for cross-media measurement.

¹⁶ Drawing on the experience of the BBC, its dedicated team for audience research and measurement is responsible for designing surveys, collecting audience data and monitoring audience performance in respect of the BBC's TV, radio and online media services. The team provides audience data and insights to support performance measurement/evaluation as well as decision-making across the corporation.

presented in its regular reports submitted to CEDB, such information does not support effective performance evaluation. Moreover, there are no management highlights to enable CEDB to grasp the progress of RTHK's achievement of key performance targets.

4.32 Review Team further noted that RTHK's Annual Report does not currently cover in full all the areas specified in paragraph 36 of the Charter. While setting out the production of a variety of content for delivery via RTHK's radio, TV and new media services, the Annual Report does not explain the extent to which such content production has fulfilled RTHK's public purposes, mission and programming objectives. Nor does it evaluate RTHK's achievement of its performance targets or explain the actions to be taken to address areas requiring improvement. There is also insufficient information on the department's compliance in respect of corporate governance and accountability, and the handling of public complaints.

4.33 In addition, RTHK's Annual Plan currently does not address the areas to be reported on in RTHK's Annual Report. Such a disparity in content between the two documents makes it difficult for the public to objectively evaluate RTHK's performance.

4.34 Review Team further noted that the "Updates on Programmes" regularly submitted by RTHK to the Board of Advisors merely list new programmes and projects produced/undertaken by its radio, TV and new media services. These updates do not facilitate meaningful discussion by the Board. Likewise, for the other subjects reported to the Board of Advisors, there is a lack of sufficient information, analysis and management highlights to assist the Board's deliberations and tendering of advice to RTHK.

4.35 Review Team recommends that RTHK should:

- (a) develop a comprehensive performance measurement and evaluation system, supported by appropriate performance targets/indicators, to reflect its level of performance in respect of its public purposes and mission as well as programming objectives under the Charter;
- (b) improve the use of audience research and audience measurement tools for informed decision-making with a view to driving continuous improvement;
- (c) rationalise the choice of performance targets/indicators presented in the Controlling Officer's Report, the RTHK Performance Pledge, the RTHK Annual Plan and the RTHK Annual Report;
- (d) enhance its digital analytics capability for measuring and evaluating its cross-media performance;
- (e) revamp the format and content presentation of the quarterly and annual review reports submitted to CEDB; and
- (f) strengthen the reporting to the Board of Advisors on public opinion surveys regularly conducted by RTHK and on RTHK's performance evaluation, as required by the Charter.

(B) Practices Adopted by other PSBs

4.36 Review Team has conducted desktop research on the practices adopted by selected PSBs elsewhere (namely, the Australian Broadcasting Corporation (ABC), the British Broadcasting Corporation (BBC)¹⁷ and the Canadian Broadcasting Corporation (CBC)). The major findings are summarised in *Appendix 4.3*.

4.37 Review Team noted that all three PSBs adopt a comprehensive performance measurement and evaluation framework, which includes a range of performance measures to measure effectiveness, efficiency, productivity, quality, etc. It is particularly noteworthy that the performance measures used by all three PSBs relate directly to their specified mission and public purposes and/or strategic business priorities.

(C) Proposed Performance Measurement and Evaluation Framework for RTHK

Performance Measurement and Evaluation at the Corporate Level

4.38 The practices adopted by other PSBs provide a point of reference for Review Team to evaluate the recent progress made by RTHK on its performance measurement and evaluation.

4.39 RTHK has adopted a performance measurement and evaluation framework based on the Controlling Officer's Report, with numerical performance data (such as cost of inputs, outputs and audience evaluation data) in respect of each of its key programme areas. Nevertheless, since the signing of the Charter in 2010, RTHK has not made adjustments to its performance measurement and evaluation framework by linking it with the public purposes, mission and programme objectives under the Charter. As a result, it is not possible to objectively evaluate the extent of RTHK's achievement of its Charter obligations as there are insufficient relevant performance targets/indicators to assist such evaluation. There is also a lack of indicators for measuring the efficiency and effectiveness in the use of resources deployed to RTHK's core business activities or audience perception of the extent of RTHK's fulfilment of its Charter obligations. Without such information, an assessment of the value for money achieved for the public resources deployed by RTHK cannot be made.

4.40 Review Team proposes a new performance measurement and evaluation framework as set out in Figure 4.1. It comprises the following three components:

- (a) **Objective:** The objective of RTHK is to fulfil the public purposes, mission and programming objectives under the Charter¹⁸;
- (b) **Performance dimensions:** In order to meet the requirements of paragraph 11(d) of the Charter which states that performance targets should be set to identify the efficiency and effectiveness of resources deployed to the programme areas for achieving the public purposes and mission and assess whether value for money is achieved, the

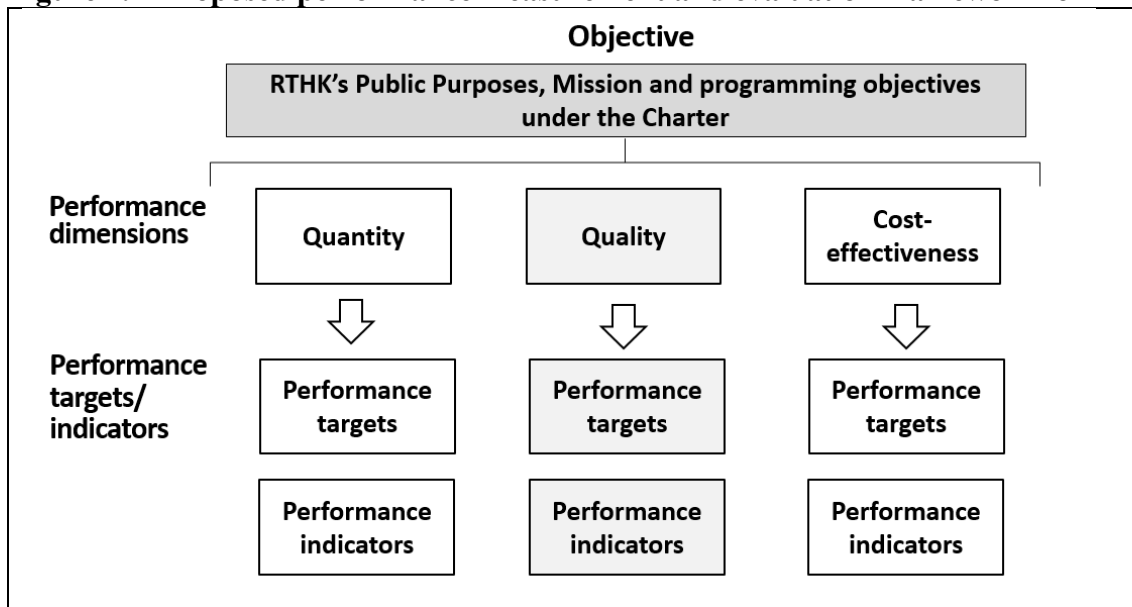
¹⁷ In respect of the BBC, Review Team has also researched on the practices adopted by Ofcom in evaluating the BBC's performance.

¹⁸ As stipulated in paragraphs 4, 5 and 18 to 20 of the Charter.

following three performance dimensions are proposed to give a balanced overall picture of RTHK’s performance in its key activities:

- (i) *Quantity*: evaluating the availability and consumption of RTHK’s services;
 - (ii) *Quality*: evaluating the quality and audience perception of RTHK’s programmes; and
 - (iii) *Cost-effectiveness*: evaluating the cost-effectiveness of resources deployed to RTHK’s core business areas and activities; and
- (c) **Performance Targets/Indicators**: targets should be set on the quantified level of performance that RTHK aims to achieve; and indicators should be used for monitoring progress made in respect of different aspects of performance.

Figure 4.1 Proposed performance measurement and evaluation framework for RTHK



4.41 Figures 4.2 and 4.3 illustrate how to evaluate RTHK’s performance, using the proposed performance measurement and evaluation framework (examples of performance targets and indicators are for illustration only).

Figure 4.2 Evaluation of RTHK’s performance in fulfilling the public purpose stipulated in paragraph 4(a)(i) of the Charter using the proposed framework: an illustration

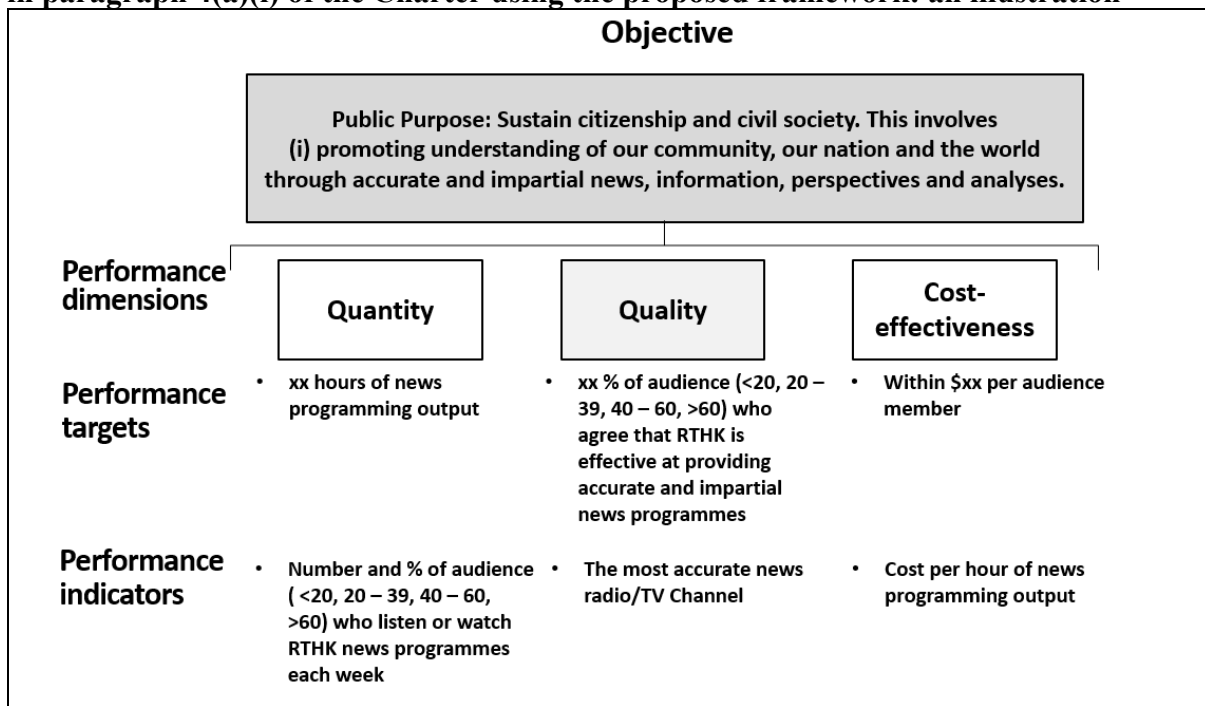
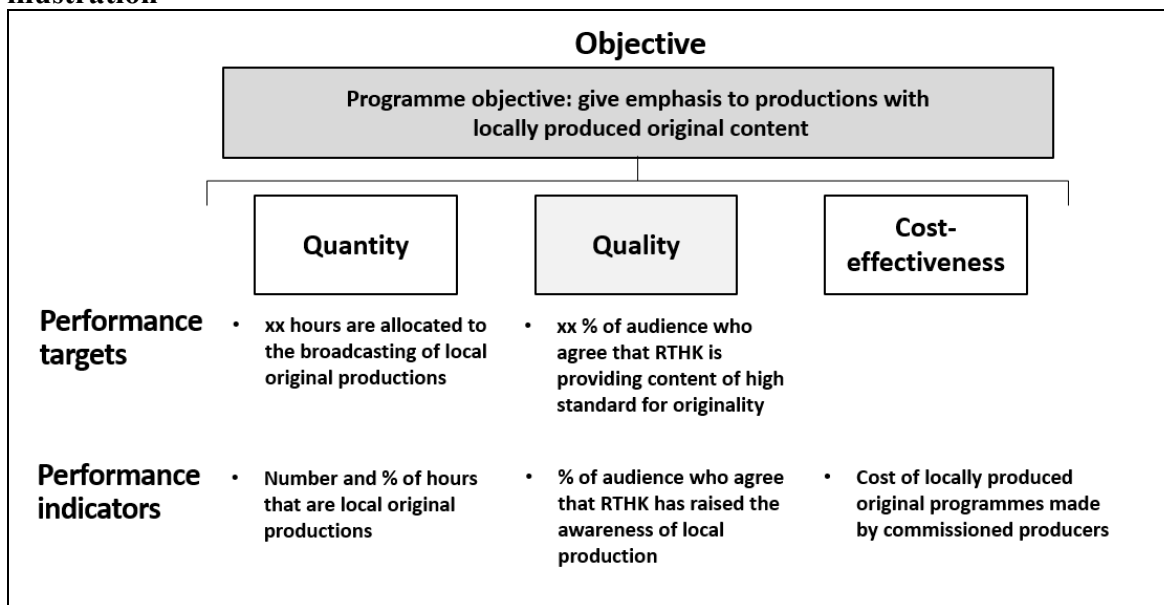


Figure 4.3 Evaluation of RTHK’s performance in meeting the programming objective stipulated in paragraph 18(b)(vi) of the Charter using the proposed framework: an illustration



4.42 The proposed performance measurement and evaluation framework would facilitate management by results in a manner that is more oriented to what is produced and what is achieved throughout RTHK. It would improve monitoring and evaluation of RTHK’s performance to drive continuous improvement. By aligning internal performance reporting to CEDB and the Board of Advisors with external reporting to the public, it would enhance the transparency of RTHK’s performance achievements and the evaluation process against the requirements under the Charter.

4.43 Review Team recommends that RTHK should:

- (a) benchmarking with other PSBs, review its existing performance measurement yardsticks;
- (b) consider adopting the proposed performance measurement and evaluation framework to better align its performance measurement and reporting with the requirements stipulated in the Charter;
- (c) produce a more detailed annual plan to outline a strategy for achieving each of the public purposes and mission stipulated in the Charter, supported by a resource deployment plan for each of its programme areas as well as well-defined annual targets and indicators for performance measurement and evaluation in terms of efficiency, effectiveness, community perception and value for money; and
- (d) produce a more detailed annual report in accordance with the specific requirements of the Charter.

Performance Measurement and Evaluation at the Project/Activity Level

4.44 Performance measurement and evaluation is a useful management tool at not only the corporate level, but also the project/activity level. Review Team has examined performance measurement and evaluation issues concerning CIBS and commissioned TV programmes in RTHK.

CIBS

4.45 CIBS aims at encouraging the participation of community and ethnic minority organisations as well as individuals in broadcasting, with a view to promoting social gains. In 2020-21, \$10 million in recurrent expenditure was allocated to RTHK to provide funding to successful applicants for producing an estimated total of 884 hours of programmes under CIBS¹⁹.

4.46 Operationally, RTHK invites applications in May and November every year from organisations and individuals with no experience in broadcasting, with each round covering specific themes (such as education, art & culture, social services & innovation, politics & economy, industries & creativity, health, environment, religion & philosophy, science & technology, sports & recreation and district affairs), the theme of ethnic minorities and “free topic”. RTHK has set up a CIBS Selection Committee, comprising seven non-official members²⁰, for selecting successful applications. From December 2012 to October 2020, RTHK received a total of 2 169 applications in 16 rounds of applications for 32 quarters of

¹⁹ When it was set up in 2012, CIBS was supported by the Community Involvement Broadcasting Fund with a capital allocation of \$45 million. As at 31 March 2020, around \$40.5 million had been spent. The Fund has been subsumed under Head 160 – RTHK Recurrent Expenditure Subhead 000 Operational expenses with effect from 2020-21. The provision in 2020-21 is \$10 million.

²⁰ Members of the CIBS Selection Committee include academics on communications or broadcasting, experts from different fields drawn from the RTHK Programme Advisory Panel and one member familiar with ethnic minorities issues. Depending on the designated programme themes for each round of applications, the Director of Broadcasting will draw from the RTHK Programme Advisory Panel a few members whose expertise is relevant to the assessment involved.

CIBS programmes. With 565 successful applications, the overall success rate is 26%. RTHK assigns a Programme Officer²¹ (known as “CIBS Facilitator”) for each successful applicant (known as “CIBS Producer”) to monitor the completion of the programme.

4.47 Review Team has examined the implementation of CIBS to assess the extent to which the objectives of the scheme have been achieved in an efficient and effective manner. Of the various findings, Review Team noted, for example, that the percentage of applicants who were selected repeatedly was relatively high. This does not seem to align with the objectives of the scheme. Review Team recommends RTHK to review the selection criteria to accord priority to applicants who have not been selected before so as to promote wider community involvement in the scheme and thus allow more social gains to be realised.

4.48 In addition, Review Team recommends RTHK to track improvement in this regard, for example, by monitoring the number of first-time CIBS applicants, the number of first-time CIBS Producers, the number of persons participating in CIBS programmes for the first time (including production crew and guests) and the number of persons participating in radio broadcasting for the first time.

4.49 In completing the application form, applicants are currently required to provide information on two expected deliverables (namely, “community involvement”²² and “talent nurturing”²³) and other additional information as considered appropriate²⁴. Review Team noted that, qualitatively, these expected deliverables do not fully meet the objective of the recommendations in the Audit Report No. 71 (viz. “require the CIBS applicants to set expected deliverables that are measurable and evaluate achievements of the expected deliverables”). Review Team recommends that applicants should be required to provide more meaningful expected deliverables that are measurable as well as input on the two principal assessment criteria of “social gains”²⁵ and “feasibility”²⁶ for their proposals. This would facilitate both application assessment and project performance evaluation.

4.50 Review Team further noted that the CIBS Producer and the CIBS Facilitator are required to each complete a CIBS Evaluation Report upon project completion. The evaluation report includes a score for “overall performance”, but the form does not spell out the consideration criteria in deciding the score nor are justifications required for the score given. This would give rise to inconsistency in the evaluation standards applied and, in the absence of detailed comments, impede meaningful performance evaluation. Review Team

²¹ Ranked at APO or above.

²² “Community involvement” refers to the number of persons participating in the programme, including production crew and guests. RTHK requires CIBS applicants to provide this input, in response to the recommendations in the Audit Report No. 71.

²³ “Talent nurturing” refers to the number of persons participating in radio broadcasting for the first time. RTHK requires CIBS applicants to provide this input, in response to the recommendations in the Audit Report No. 71.

²⁴ Most applicants did not provide additional information in their application forms.

²⁵ Such as plurality, diversity, social inclusion and mutual respect.

²⁶ Such as the applicant’s organisational ability, project feasibility in terms of resource availability, anticipated problems and risks.

recommends RTHK to review the CIBS project evaluation form and give clear guidance on the assessment criteria.

4.51 Currently, RTHK invites listeners to provide their views on CIBS programmes by completing an online questionnaire at CIBS website²⁷. Review Team recommends RTHK to consider tracking the listeners' feedback on the social gains attained as well as the satisfaction level of individual programmes for performance evaluation purpose, and arranging an automatic pop-up of the feedback questionnaire every time after a listener has listened to a CIBS programme online in order to collect more audience feedback.

Commissioned TV Programmes

4.52 The objectives of the commissioning of TV programmes are to provide an open platform for independent producers to exhibit their creativity and to help build up Hong Kong's independent TV programme production industry. Review Team has examined the performance measurement and evaluation mechanism in respect of RTHK's commissioned TV programmes.

4.53 The number of output hours for TV commissioned programmes was 45.7 hours in 2019-20. The planned output hours in 2020-21 and 2021-22 are 49 and 51 hours respectively. The contracted amount for TV commissioning in 2019-20 was about \$10 million. As a government department, performance measurement and evaluation is critical in order to ascertain the value achieved for the resource deployment.

Scheme design

4.54 Review Team considers that a clear commissioning strategy should be established and reviewed from time to time. For example, Review Team noted that RTHK introduced "New TV Format" as a new genre for the scheme in the last season of 2019. Each project comprises a 6-episode series on a topic chosen by the applicant²⁸. Although it is a free-topic format, "relevancy to the theme" is one of the criteria for assessing applications. Without further elaboration on this criterion, it is unclear to applicants what RTHK is looking for and this may lead to different interpretations by the assessment team in evaluating the applications. According to RTHK, no application has been awarded under this genre so far.

Programme implementation

4.55 In response to the recommendations in the Audit Report No. 71, RTHK has introduced improvement measures to more closely monitor the production progress of commissioned TV programmes. This notwithstanding, Review Team noted that delays²⁹ have continued in selected projects, resulting in delays in the completion of programme production and the

²⁷ RTHK introduced the online questionnaire at the CIBS website in March 2019, in response to the recommendation in paragraph 2.54 (d) of the Audit Report No. 71.

²⁸ For reference, in the case of the ABC, it has set up a Content Ideas Lab to pilot new content formats, distribution methods and ways of working. This approach would ensure that the pilot new content formats would align to the commissioning strategy, audience research and trends.

²⁹ A total of seven commissioned projects were completed in 2019-20. Of these projects, three had delay in one stage and one project had delays in three stages.

closing of project accounts.

Programme evaluation

4.56 At present, the commissioning editor is required to complete a project evaluation form after receipt of all deliverables. Scores are given for individual aspects of performance such as “conformity with original programme idea”, “quality of production” and “communication with commissioning editors”. The overall passing mark of 40 (out of 100) appears to be a fairly low threshold for what is considered as satisfactory performance. Yet, as reflected in the evaluation of 11 “New Talent Drama” projects completed in 2017- 2020, one of the projects failed to attain even the low passing mark of 40, and the commissioning editor did not provide any comments in the project evaluation form.

4.57 Currently, commissioning editors are required to provide more detailed comments only for unsatisfactory projects (i.e. with an overall score of 40 or below). There is, thus, insufficient information on completed projects for reference when evaluating bids from the same commissioned contractor in future commissioning exercises. The lack of useful project information would impede the conduct of a meaningful review of the commissioning arrangements to drive continuous improvement towards the objectives of TV commissioning.

4.58 In the RTHK TV Programme Commissioning Focus Group Survey 2019³⁰, the contracted survey house recruited 26 viewers and 27 non-viewers of RTHK’s commissioned TV programmes to participate in the focus group discussions, during which participants were asked to rate “whether the goals of RTHK’s TV Programme Commissioning had been achieved”. This seemed to be at variance with the purpose underlying the recommendations in the Audit Report No. 71 (viz. “to obtain audience feedback on the satisfaction rates of commissioned programmes and areas for improvement”). Review Team has reservations that the survey participants were sufficiently well-informed to assess whether the goals of RTHK’s TV Programme Commissioning had been achieved.

4.59 The Focus Group Survey 2019 identified two critical improvement areas, namely low public awareness of the commissioned programmes and programme quality. Review Team noted that RTHK has stepped up publicity to promote the launch of the commissioning exercise in March 2020, with encouraging results. In parallel, RTHK is exploring measures to address the issue of programme quality³¹.

4.60 Review Team further observed that there are currently no performance indicators on the production cost of commissioned programmes for measuring the cost-effectiveness of the commissioning scheme or individual commissioned projects.

4.61 Review Team recommends that RTHK should:

- (a) establish a clear TV commissioning strategy, with appropriate performance targets and indicators, and keep it under regular review in light of industry response to deliver

³⁰ The focus group survey was conducted in response to the recommendations in the Audit Report No. 71 to obtain audience views on RTHK’s commissioned TV programmes.

³¹ For example, RTHK has introduced new commissioning genres such as New Talent Drama and New TV Format.

the objectives of the scheme and to drive continuous improvement in programme quality;

- (b) closely monitor the production progress of commissioned programmes to prevent delays in the submission of all deliverables;
- (c) review and improve the performance evaluation mechanism for completed commissioned programmes; and
- (d) review the design of the focus group survey to focus on obtaining audience feedback on the satisfaction rates of commissioned programmes.

CHAPTER 5. MANAGEMENT OF RTHK'S WORKFORCE

Highlights

H.1 Manpower is an invaluable core asset to a public service broadcaster (PSB) such as RTHK, as they produce the content that enables RTHK to achieve its public purposes and mission as set out in the Charter of RTHK (the Charter) and the on-air talents are its public face and voice. The Charter also requires the Director of Broadcasting to establish a cost-effective organisation with appropriate staffing and other necessary resources, in compliance with applicable government rules and regulations, for fulfilling RTHK's Charter obligations.

H.2 RTHK engages a mix of civil servants, contract staff, freelance service providers (commonly known as "Category II service providers" or "Cat. II service providers") as well as manpower under outsourced contracts/term contracts to deliver its services. Review Team has four major observations with regard to the management of manpower resources in RTHK.

Lack of a holistic departmental manpower strategy

H.3 Strategic manpower planning requires a purposeful assessment of options against organisational objectives, for example, evaluating the relative merits of different types of manpower having regard to quality, workload fluctuations and financial implications; identifying the most suitable civil service grade/rank where the service need is regular and long-term; determining the appropriate terms of engagement to balance the needs between maintaining a stable workforce and attracting new blood; and providing staff training and development to nurture talents to meet both operational and succession needs.

H.4 Despite the manpower-intensive nature of its business operation, RTHK does not have a holistic departmental manpower strategy well-attuned to its business objectives and operational priorities while achieving cost-effectiveness in order to maximise value in its service delivery. Nor is there any regular effort to assess its manpower deployment in light of changing external/internal circumstances to ensure both compliance with relevant rules and continuous improvement in corporate performance.

Programme Officer grade

H.5 As at 1 August 2020, out of 735 civil service posts in RTHK, 546 (74.3%) belong to the core grade, the Programme Officer (PO) grade. At the junior and middle-ranking levels up to the Senior Programme Officer (SPO) rank, POs are divided into two streams, namely the "Programme and Media Management" stream and the "Production and Support" stream, which are further split into 14 different work types. Over the years, this has resulted in departmental silos which impede internal synergy and collaborative working across organisational boundaries. This compartmentalised approach allows divisional/sectional considerations focusing mainly on short-term operational needs to take precedence over wider longer-term corporate interests such as the career development of PO grade officers to meet RTHK's succession needs:

- (a) Recruitment is based on 14 individual work types. Instead of attracting talents with potential to join RTHK for longer-term career development in a converged

media environment, the recruiting divisions/sections look for staff suitable for filling available vacancies in specific work types to meet immediate needs;

- (b) Confirmation to the permanent establishment is based primarily on performance in a narrow field with insufficient regard to the officer's potential for longer-term advancement;
- (c) Promotion up to SPO rank is also work type-based, and cross-stream promotion is not allowed. Promotion boards identify promotees mainly by reference to the interests of the relevant sections/units with vacancies;
- (d) Without a competency-based approach for appraising staff performance¹ for up to the Principal Programme Officer (PPO) rank, the training and development needs of appraisees cannot be addressed promptly to support the nurturing of a professional workforce;
- (e) There is no structured training to equip PO grade officers with a good understanding of the requirements upon RTHK as a PSB under the Charter and as a government department, or to develop their professional and leadership skills; and
- (f) There is no career development planning for individual officers to nurture their capabilities and to ascertain their leadership potential through postings of different nature.

H.6 Notwithstanding the above, officers in all work types automatically become eligible for promotion to the PPO rank and above despite their very limited exposure beyond their respective work types. In the absence of well-planned training and career development for PPOs and above to prepare them for higher responsibilities, succession becomes an issue in RTHK.

H.7 Besides, the streaming arrangement for the PO grade necessitates the conduct of frequent recruitment/promotion exercises. For example, RTHK conducted a total of 15 recruitment exercises and 86 promotion exercises for the PO grade in the last three financial years. This involved substantial administrative effort, which does not contribute much to effective grade management or the fulfilment of RTHK's Charter obligations.

Engagement of contract staff and freelancers

H.8 Alongside civil service PO grade officers, RTHK engages a sizable non-civil service contingent to work in different areas of programme production, including over 1 800 Cat. II service providers and around 400 full-time/part-time Non-Civil Service Contract (NCSC) staff.

¹ "Competencies" refer to the knowledge, skills and attributes required to perform a work function effectively, and can be broadly categorised as "core competencies" (e.g. managerial competency required of appraisees in managerial positions) and "functional competencies" (i.e. competencies specific to the effective performance of certain functions). A competency-based approach to performance appraisal provides supervisors with a structured means, using a common language, to define appropriate job behaviours, evaluate the existing competency of an officer at his substantive rank, assess his potentials for progression to the next higher rank, and identify his training and development needs.

H.9 RTHK runs a separate NCSC (Programme) scheme, in addition to ordinary NCSC staff employed by the department, to supplement both full-time and part-time manpower to meet programme needs. Scheme administration has been devolved to divisions, yet without adequate corporate-level monitoring to ensure administrative efficiency and cost-effectiveness. Around \$72 million was spent on NCSC staff in 2019-20 department-wide.

H.10 Engagement of Cat. II service providers dates before 1980s, with the intention of giving RTHK flexibility in meeting short-term programme needs which cannot be met through other means due to the uniqueness of the required service. The originally approved scheme covers five service categories (namely casual artists, disc jockeys, scriptwriters, researchers and contributors), which have been expanded over the years to cover 76 different job titles currently. As at 1 August 2020, there were around 3 000 Cat. II service contracts. Around \$71 million was spent on Cat. II services in 2019-20.

H.11 Both radio services and television (TV) services in RTHK rely heavily on NCSC staff and Cat. II service providers in programme/content production. Review Team observed that much of the programme/content production work carried out by these non-civil service personnel (e.g. producer, programme director, research, scriptwriting and journalistic reporting) resembles the core duties of the PO grade. This raises the question as to whether the skillset and the form of employment (e.g. in terms of flexibility) of the PO grade, as well as RTHK's current organisation of programme/content production with limited synergy across different media, is well-suited to meet the business and operational needs of RTHK as a full-fledged PSB providing radio, TV and new media services concurrently.

Administration of the Cat. II scheme

H.12 While recognising RTHK's need for freelancers to support its operations, the loose administration of the Cat. II scheme raises concerns:

- (a) The flexibility over direct engagement of Cat. II service providers is not fully justified by, or at least not properly documented with reference to, the uniqueness of the required service/service provider in every case. The original five service categories has proliferated to a large number of job titles;
- (b) Decisions to engage Cat. II service providers rest largely with middle-ranking officers in individual divisions/sections, without effective overarching monitoring at the corporate level;
- (c) The expected quality and level of performance is not clearly set out in the service contracts;
- (d) while the subject officers concerned are required to declare whether they have any conflicts of interest in the case under processing, such declaration is not properly documented; and
- (e) There are no departmental guidelines on what constitutes a conflict of interest in the context of RTHK as a PSB for its staff, Cat. II service providers and other contracted service providers, for example, on their external work, activities and

conduct that could give rise to negative public perceptions and hence undermine RTHK's reputation for impartiality and its credibility as a trusted PSB.

H.13 Review Team recommends that RTHK should:

- (a) formulate a holistic departmental manpower strategy to support cost-effective delivery of quality services in fulfilment of its Charter obligations, and keep the strategy under regular review with the objective of driving continuous improvement in corporate performance to maximise value to the community;
- (b) critically review and rationalise the role and core functions, the skillset requirements as well as the streaming arrangement of the PO grade, with a view to enhancing professionalism and fostering internal synergy to better meet RTHK's operational and succession needs and to sustain the department's long-term development. Grade management should display leadership in nurturing the PO grade to match its core responsibilities; and
- (c) review and improve the administration of its non-civil service manpower schemes, including the Cat. II mechanism, to ensure RTHK's consistent compliance with the Charter and other related requirements.

H.14 Review Team has made other detailed suggestions for improvement in various aspects of workforce management in RTHK in this chapter.

Workforce Management in RTHK: An Overview

5.1 Manpower is a core asset to a PSB such as RTHK, as they produce the content that enables RTHK to achieve its public purposes and mission as set out in the Charter. Paragraphs 12(d) and 12(h) of the Charter state that the Director of Broadcasting is responsible to the Secretary for Commence and Economic Development for:

- (a) ensuring the provision and establishment of a cost-effective organisation with appropriate staffing and other necessary resources allocated for the efficient delivery of the public purposes and mission set out in paragraphs 4 and 5 of the Charter; and
- (b) improving in-house systems and structures that will maximise value and effectiveness of available resources and ensuring compliance with all applicable government rules and regulations.

5.2 To support public service delivery, various means are available to bureaux/departments (B/Ds) to meet their manpower needs, such as appointment of civil servants and contract staff, engagement of agency workers and service procurement (e.g. engagement of service providers under term contracts and outsourcing). Each of these means serves different manpower/service needs² and is governed by rules and regulations promulgated by relevant authorities³. In the case of RTHK, additional flexibility has been given for the department to engage freelancers (i.e. Cat. II service providers) to cater for its special needs as a broadcaster.

5.3 The departmental workforce needs to be managed and nurtured so that all will give of their best to support achievement of departmental goals. It is the responsibility of the departmental management in RTHK, in particular the Director of Broadcasting as a Head of Department and a Controlling Officer, to meet the department's manpower needs in a cost-effective manner having regard to RTHK's public purposes and mission under the Charter as a PSB, its business priorities as well as succession needs in the longer term. This involves formulation of a departmental manpower strategy which is well-attuned to RTHK's business and operational needs while giving due consideration to cost-effectiveness.

Current Manpower Deployment in RTHK

5.4 The workforce in RTHK comprises a mix of civil servants, contract staff (including NCSC staff, Post-retirement Service Contract (PRSC) staff and Departmental Contract Staff Category I staff (DCS Cat. I staff)⁴), agency staff (such as T-contract staff) and Cat. II service providers. A breakdown of these main categories of manpower in RTHK is set out in

² For example, depending on whether the service need is short-term or long-term and of a full-time/part-time nature, whether the skills required are available in the regular workforce, and administrative efficiency.

³ For example, rules and regulations promulgated by CSB regarding the appointment and management of civil servants and non-civil service staff, and rules and guidelines promulgated by FSTB and GLD regarding procurement of service contracts.

⁴ DCS Cat. I staff are departmental contract staff employed by RTHK on a full-time basis to perform duties normally undertaken by PO grade officers. DCS Cat. I staff will be gradually phased out upon natural wastage of the post incumbents.

Table 5.1⁵.**Table 5.1 Main categories of manpower in RTHK (as at 1 August 2020)**

Category of manpower	No. of established posts/Headcount/ No. of contracts	Expenditure (2019-20 Actual) (\$ million)
(a) Civil servants	establishment: 735 strength: 691	475.9
(b) Contract staff		
(i) NCSC staff		72.2
- full-time	144	
- part-time	15	
(ii) NCSC staff (Programme)		
- full-time	15	
- part-time	282*	
(iii) PRSC staff	12	6.2
(iv) DCS Cat. I staff	3	2.4
(c) T-contract staff	11	8.2
(d) Cat. II service providers	1 826 [#]	70.9
Total:		635.8

* This figure refers to the total number of contracts. An individual may be employed under more than one contract concurrently.

This figure refers to the total number of service providers. The same service provider may be engaged under separate contracts concurrently. There were altogether 3 037 Cat. II contracts as at 1 August 2020.

Source: RTHK

(A) Civil Servants

5.5 As at 1 August 2020, there were 735 civil service posts in RTHK. Among them, 546 (74.3%) were in the PO grade, which is the principal departmental grade to deliver RTHK's core functions, and 189 (25.7%) were in the General Grades, the Telecommunications Engineer grade, the Technical Officer grade and other Common Grades.

PO Grade

(a) *Grade Structure and Streaming*

5.6 The PO grade comprises four directorate ranks and six non-directorate ranks (see Table 5.2). As at 1 August 2020, there were seven directorate posts and 539 non-directorate posts in the grade. The PO grade has an inverted shape due to the significant disparity in the number of posts at the entry rank of Programme Assistant (PA) and the next higher rank of Assistant Programme Officer (APO).

⁵ In addition, RTHK deploys a variety of regular technical manpower under the Broadcast Services Contracts as well as temporary manpower in specified trades engaged under various service term contracts.

Table 5.2 Grade structure of the PO grade

Rank	Pay scale
<i>Directorate</i>	
Director of Broadcasting	D5
Deputy Director of Broadcasting	D3
Assistant Director of Broadcasting	D2
Controller (Broadcasting Services)	D1
<i>Non-directorate</i>	
Chief Programme Officer (CPO)	MPS 45 - 49
Principal Programme Officer (PPO)	MPS 40 - 44
Senior Programme Officer (SPO)	MPS 34 - 39
Programme Officer (PO)	MPS 28 - 33
Assistant Programme Officer (APO)	MPS 14 - 27
Programme Assistant (PA)	MPS 3 - 13

Source: RTHK

5.7 There are two main streams for non-directorate posts up to the SPO rank in the PO grade, namely the “Programme and Media Management” stream and the “Production and Support” stream. There are 14 work types altogether under the two main streams: six under the “Programme and Media Management” stream and eight under the “Production and Support” stream as shown in Table 5.3.

Table 5.3 Streaming of the PO grade by work type

Programme and Media Management stream	Production and Support stream
1. Chinese News	1. Video Editing
2. English News	2. Electronic Field Production and Photography
3. English Radio Programmes	3. Studio and Outside Broadcasting Service
4. Chinese Radio Programmes	4. Production Resources and Scenic
5. TV and New Media Programmes	5. Image Design
6. Media Management	6. Graphic Design and Animation
	7. Set Design
	8. Library/Archive

Source: RTHK

5.8 Most work types have more established posts at the APO rank or the PO rank than the next lower rank, resulting in an inverted structure for the respective work types. Recruitment and promotion up to the SPO level is conducted by work type. Cross-stream promotion up to the SPO level is not allowed, whereas promotion to the PPO rank and above is unstreamed.

Work types in the Programme and Media Management stream

5.9 Four work types (namely, “Chinese News”, “English News”, “Chinese Radio

Programmes” and “English Radio Programmes”) are deployed to Radio and Corporate Programming (R&CP) Division for radio programme production. The “TV & New Media Programme” work type is deployed to Television and Corporate Businesses (TV&CB) Division for TV programme production. These work types are functionally aligned with the organisational set-up on the programme side in RTHK. The “Media Management” work type⁶ encompasses a multitude of duties of diverse nature in different sections/units. They are mostly administrative in nature, but also include development and management of RTHK’s new media services.

Work types in the Production and Support stream

5.10 The work types in the “Production and Support” stream deal with technical and archival services. They are all deployed to Production Services Division (PSD), except the “Library/Archive” work type which is deployed to R&CP Division. Officers in this stream are required to possess knowledge, skills and experience in specific fields such as filming, photography, video editing, animation and graphic design. According to RTHK, the skillsets among different work types in this stream are less interchangeable compared with those in the “Programme and Media Management” stream.

Findings

Inverted structure of work types

5.11 The inverted structure of the work types concerned not only necessitates direct recruitment above the entry rank of PA, but also have implications for succession.

Implications arising from the streaming arrangement

5.12 Review Team observed that the streaming arrangement of the PO grade has resulted in departmental silos, with the operational requirements of individual functional divisions/sections/units in the near term often taking precedence over broader corporate interests. As recruitment to the PO grade and promotion up to the SPO rank are organised by work type⁷ and since officers normally stay in the same section/unit up to the SPO rank with insufficient training and development opportunities (see paragraphs 5.33 to 5.41 below), they frequently do not receive exposure to the typical core duties of the PO grade for many years after joining RTHK. In the absence of a strategic approach to manpower development from the PO grade management to support RTHK in fulfilling its obligations under the Charter and responding to the challenges as well as opportunities arising from media convergence, RTHK’s corporate performance has suffered.

5.13 Review Team further observed that the duties of some of the work types (in particular, “Media Management” and “Library/Archive”) are unrelated to the core programming duties of the PO grade and could more appropriately be taken up by other civil service grades. For the “Media Management” work type, Review Team noted that there is also often a mismatch

⁶ The “Media Management” work type was introduced in 2010, following an internal review, to provide a “Media Executive stream” in RTHK in recognition of the fact that the administrative duties concerned require different work focuses and aptitudes that are not requirements for a programme producer.

⁷ See paragraphs 5.17 to 5.18 on arrangements for recruitment and paragraphs 5.24 to 5.27 on arrangements for promotion in the PO grade.

between the career aspirations of applicants and their career development in a narrow field after joining RTHK.

5.14 The streaming arrangement for the PO grade has also given rise to a large volume of administrative workload round the year, for both Departmental Administration Unit (DAU) and the divisions/sections to which the relevant work types are deployed, in connection with recruitment and promotion exercises conducted for different ranks in different work types. Yet, as such effort is largely driven by divisional/sectional considerations in the near term, it does not contribute much to effective grade development or the fulfilment of RTHK's Charter obligations.

5.15 There is potential scope for consolidating the work types in the "Programme and Media Management" stream for more flexible manpower deployment in response to RTHK's business/operational priorities. Supported by career postings and training, grade members would have more opportunities to acquire all-round exposure and develop their trade competence and professionalism in the fast evolving media and broadcasting industry. This would not only better prepare them for career advancement, but also help nurture a steady stream of competent and committed officers to meet the department's succession needs.

Recommendations

5.16 Review Team recommends that RTHK should:

- (a) review the role and core functions of the PO grade and the associated skillset requirements, with non-core functions to be taken up by other civil service grades or addressed by alternative appropriate manpower arrangements; and
- (b) review the current streaming arrangement of the PO grade, in particular the classification of two main streams and 14 work types, to better meet RTHK's operational and succession needs.

(b) Recruitment

5.17 In RTHK, recruitment exercises are conducted based on work type. In the three-year period from 2017-18 to 2019-20, a total of 15 recruitment exercises for the PA, APO and PO ranks were conducted. Due to the inverted structure of the PO grade, direct recruitment to promotion ranks is common and new recruits were mostly at the APO rank. Of these 15 recruitment exercises, ten were for direct recruitment to the APO rank and one to the PO rank.

Findings

5.18 Recruitment exercises for the PO grade are largely led by the recruiting division/section as and when vacancies arise, with insufficient strategic input from grade management. Selection of candidates is largely based on the skillset requirements for the available vacancies. Based on sample checks by Review Team of recruitment exercises conducted in recent years for the PO grade, the proposals from the recruiting division/section regarding the conduct of a recruitment exercise were normally approved by the appointment authority. Each recruitment exercise was processed on its own without reference to broader grade management considerations. In the absence of internal guidelines on the detailed requirements and procedures concerning various aspects of recruitment, variations among

divisions/sections were observed in their recruitment practices. Review Team considers that there is a need for grade management to demonstrate leadership throughout the recruitment process for the PO grade from planning to execution.

(c) Management of New Appointees and Confirmation to the Permanent Establishment

5.19 New recruits to the PO grade are normally appointed for three years on New Probationary Terms (for PAs) or New Agreement Terms (for APOs and above) before they are considered for appointment on New Permanent Terms. According to RTHK's departmental procedures, an Assessment Board will normally be convened to assess the suitability of PO grade officers for appointment on New Permanent Terms. The Director of Broadcasting, as the Head of Grade, is the approving authority for confirmation to the PO grade.

Findings

5.20 On training for new recruits, Review Team noted that at present, there is no structured training programme to equip new appointees to the PO grade with a comprehensive understanding of the public purposes and mission of RTHK as a PSB as well as its obligations under the Charter and RTHK's role and responsibilities as a government department. Before confirmation for appointment on permanent terms, these new appointees normally work in the same post under a specified work type with little exposure to the broad range of duties performed by the PO grade, making it difficult to assess their long-term suitability for the grade. It is necessary to devise a structured posting-and-training programme for new appointees, having regard to the requirements of the PO grade, to assist a proper assessment of their suitability for appointment on permanent terms.

5.21 Starting from September 2020, Assessment Boards for the PO grade are chaired by officers at D1 level. The involvement of more senior officers in the Assessment Board is an improvement to assist consideration of the suitability of the officer concerned for appointment to the permanent establishment. Given the streaming arrangement for the PO grade up to the SPO level and the expectation that officers at the PPO level and above should have the capability and aptitude to undertake duties of a more diverse nature, it is important from the grade management perspective to clearly articulate the confirmation criteria for the PO grade both to grade members and the Assessment Boards.

5.22 Review Team further observed that there is room for improvement in the quality of performance information provided to Assessment Boards to facilitate their consideration of the suitability of the candidates for confirmation to the permanent establishment.

Recommendations

5.23 Without pre-empting RTHK's decision on the future arrangements for the PO grade, Review Team recommends that RTHK should:

Recruitment

- (a) ensure closer involvement of the PO grade management in recruitment matters concerning the PO grade;

- (b) draw up clear departmental guidelines on recruitment for the PO grade to ensure consistency in execution and enhance administrative efficiency;

Management of new appointees

- (c) provide structured training to new appointees during their three-year New Probationary Terms/New Agreement Terms period to equip them with a comprehensive understanding of the requirements of the Charter (including the role and responsibilities of RTHK as a PSB and a government department) and to develop their competencies as a PO grade officer;
- (d) arrange postings for new appointees to core function areas before confirmation to the permanent establishment to gain exposure to RTHK's operations and to enable management to better assess their suitability for long-term appointment;

Confirmation to the permanent establishment

- (e) clearly articulate the confirmation criteria to both new appointees and the Assessment Boards to enhance transparency and objectivity of the confirmation process; and
- (f) provide more detailed performance information on the officers concerned to Assessment Boards to facilitate their consideration of the suitability of the candidates for confirmation to the permanent establishment.

(d) Promotion

5.24 Promotion to the ranks of APO, PO and SPO is conducted by work type under the respective streams⁸. Cross-stream promotion is not allowed for up to the SPO rank. Promotion to PPO and above ranks is unstreamed (i.e. all officers at one rank below are eligible for consideration for promotion). From 2017-18 to 2019-20, 86 promotion exercises were conducted for different ranks/work types in the PO grade.

Findings

Inadequate strategic manpower planning

5.25 In the absence of strategic manpower planning by grade management for the PO grade, promotion boards are convened as and when vacancies arise in the next higher rank(s) in the near term. Due to the fragmentation of work types and the compartmentalised mode of operation in RTHK, promotion boards for the APO, PO and SPO ranks focus on identifying suitable candidates having regard to the skillset requirements of available vacancies in the relevant sections/units. In other words, promotion is not based on whether a promotee possesses broader competencies. This is not conducive to the grooming of leadership in RTHK, and poses significant implications for succession in the department.

⁸ When a promotion board is convened, all officers at one rank below in the same work type are automatically included in the field of candidates for consideration for promotion while those at one rank below in other work types in the same stream are invited to indicate their wish to be considered.

Promotion boards

5.26 While the current composition of promotion boards for the PO grade meets the minimum requirements stipulated in the Guidebook on Appointments issued by the Civil Service Bureau (CSB), there is a case for reviewing the chairmanship and membership of promotion boards for the PPO rank. As promotion to PPO and above ranks is unstreamed, PPO promotion boards have a critical role in identifying suitable candidates with potential to meet RTHK's succession needs in the longer term. It is crucial to ensure input from an appropriately senior level to the deliberations in these boards⁹. Besides, more detailed performance information on the candidates should be provided to promotion boards at all levels to facilitate deliberations on the long-term suitability of the candidates.

Recommendations

5.27 Without pre-empting RTHK's decision on the future arrangements for the PO grade, Review Team recommends that RTHK should:

- (a) strengthen the grade management's role in overseeing the conduct of promotion exercises to ensure that officers suitable in all respects are selected through a fair and objective process;
- (b) review the chairmanship and membership of the PPO promotion boards to ensure that senior management is suitably involved in the deliberations in these boards; and
- (c) provide more detailed performance information on candidates to promotion boards at all levels to assist assessment on the long-term suitability of all candidates.

(e) Performance Management

5.28 CSB encourages Heads of Departments/Heads of Grades to implement a competency-based approach for appraising staff performance. This approach supports more effective performance management by enhancing objectivity and transparency in assessing staff performance and identifying their development needs. RTHK is now making preparation for the introduction of competency-based appraisal forms for up to the PPO rank¹⁰ in the PO grade.

5.29 CSB also encourages B/Ds to set up Assessment Panels to ensure consistency in assessment standards and fairness in appraisal ratings (including ratings on performance, competencies and promotability) within a rank.

⁹ At present, a PPO promotion board is chaired by a Controller (Broadcasting Services), whereas a CPO promotion board is chaired by the Director of Broadcasting.

¹⁰ Competency-based performance appraisal already applies to the CPO rank and above.

Findings

Reviewing Officer¹¹

5.30 The performance appraisal system for the PO grade is largely division-based, with the Appraising Officers, the Countersigning Officers and the Reviewing Officers mostly coming from the same division. Coupled with the streaming arrangement of the PO grade and infrequent postings across work types for PO grade officers, the current performance appraisal arrangement tends to focus on divisional considerations. Inadequate attention is given to staff development to maximise their potential, in support of the achievement of organisational objectives.

Assessment Panel

5.31 RTHK does not see a need to set up Assessment Panels for the PO grade given the small number of officers involved in each work type. Review Team considers, however, that the streaming arrangement in the PO grade may result in variations in the performance assessment standards across work types. The setting up of Assessment Panels would be able to address such limitations as these panels could help review performance appraisals from a broader and more objective perspective. This would help ensure consistency in the performance assessment standards applied to all officers of the same rank.

Recommendations

5.32 Review Team recommends that RTHK should:

- (a) pursue the introduction of a competency-based performance appraisal system for the PO grade as a matter of priority;
- (b) review the arrangement for Reviewing Officers for the PO grade to enhance consistency and objectivity in performance management, and to better support identification of the training and development needs of the appraises; and
- (c) consider setting up Assessment Panels to ensure fairness and consistency in the assessment standards applied to all officers of the same rank.

(f) Training and Development

5.33 RTHK Training Circular No. 1/2012 states that a competent and aspiring workforce enables RTHK to foster its values, fulfil its missions and live up to its vision. RTHK's training policy is to provide training opportunities for staff to hone their skills, enhance their professionalism and enrich their core competencies so that they can work competently for their current duties and meet the changing service demands throughout their service and career in RTHK.

¹¹ Under the civil service performance appraisal system, the Reviewing Officer's task is to examine the appraisees' performance to date and assess their potential for further advancement as well as their development needs. To perform this role, Reviewing Officers should have an overall view of other officers operating at the same level as the appraisees. They should also be aware of the abilities and qualities required in the next higher rank as well as the standards applied by the Appraising Officers and the Countersigning Officers.

5.34 RTHK has not prescribed any mandatory training programmes for PO grade officers. Professional and technical training is mostly targeted at officers working in a specified division/unit. Suitable officers are nominated for enrolment for management training and national studies training.

5.35 According to RTHK Administrative Circular No. 1/2011, there are three types of postings for PO grade officers:

- (a) for new recruits at the APO rank of the “Programme and Media Management” stream, cross-work type postings in the same stream lasting five to nine months are arranged within the first five years of their appointment;
- (b) cross-work type postings for officers who have completed the probationary period or the first tour on New Agreement Terms and have made such a request; and
- (c) postings initiated by management, mostly for PPOs and CPOs in order to broaden their exposure and develop their potential for advancement.

5.36 Postings at PPO or above levels and postings crossing work types are considered by the Posting Board. For postings in the same work type below the PPO level, the approving authority rests with the respective division heads.

Findings

Corporate training and development framework

5.37 RTHK has not hitherto developed a corporate training and development framework to systematically assess the training and development needs of the department, formulate training and development plans, as well as manage and evaluate training and development activities to support the achievement of corporate objectives.

Induction training

5.38 Induction is a planned process designed to help new recruits to integrate into an organisation smoothly. Although RTHK’s half-day induction training session is mandatory for all new intake, RTHK has not conducted any induction training since November 2018. Review Team observed from the course content of an induction course held in November 2018 that it was delivered by relatively junior officers and was not tailored to match the levels or job types of the trainees. There was, for example, only a brief introduction to the vision, mission and values of RTHK (see *Appendix 5.1*), without any in-depth explanation on the Charter.

Need for more structured training for the PO grade

5.39 Training for the PO grade is unstructured and generally left to the respective divisions to which PO grade officers are deployed. Inadequacies observed are set out below:

- (a) Other than the half-day induction training, there is no mandatory training for PO grade officers before or after their confirmation to the permanent establishment. A structured approach to training and development is required;

- (b) At present, no dedicated training on the Charter is provided to PO grade officers despite its importance. It is crucial for grade members to acquire a comprehensive understanding of the requirements of the Charter, the governance arrangements, as well as RTHK's role and responsibilities both as a PSB and a government department;
- (c) While the bulk of PO grade officers are engaged in programme production/content creation, formal training on the Producers' Guidelines is arranged only infrequently and only a few training sessions are organised on relevant codes of practice on programme standards issued by the Communications Authority and other journalistic/editorial topics;
- (d) Cross-work type training programmes not only enhance PO grade officers' understanding of the wide spectrum of functions and duties performed by the PO grade, but also foster collaborative working across organisational boundaries. However, the number of training programmes organised and the trainee attendance during the past three financial years were limited relative to the size of the PO grade;
- (e) For PO grade officers performing administrative duties, there are no structured or dedicated training programmes to equip them with requisite skills and knowledge in the areas of human resources management, financial management, procurement, contract management, etc.; and
- (f) Reliance on on-the-job instructions and guidance over formal training, coupled with inadequacies in the documentation of departmental rules, procedures and guidelines, has impacted on performance in RTHK at both the individual and the organisational levels.

Posting and career development

5.40 To prepare PO grade officers for career progression, it would be beneficial for them to gain exposure to different areas of work in an organised manner. This would help nurture a pool of competent officers ready to take up higher responsibilities. However, no posting is currently arranged for newly appointed PO grade officers during their probation/first tour on New Agreement Terms. New appointees are not eligible for making requests for cross-work type postings until they have been confirmed to the permanent establishment. According to RTHK, as PO grade officers are recruited by work type, they generally prefer to develop their career under their respective work types. Line supervisors are generally unenthusiastic about proposed career postings for their staff because it means giving up old hands in exchange for relatively inexperienced staff.

Recommendations

5.41 Review Team recommends that RTHK should:

- (a) formulate a departmental training and development strategy with the objective of nurturing a professional departmental workforce that is well versed in RTHK's public purposes and mission under the Charter and equipped with the requisite skillset to meet RTHK's management and operational needs, monitor and evaluate the

implementation of the strategy, and make necessary adjustments to the strategy in light of evolving technological changes and service needs;

- (b) strengthen the induction training programme to ensure that all new intake (including both civil servants and non-civil service personnel) have a comprehensive understanding of the Charter, including RTHK's obligations as a PSB and a government department;
- (c) develop a structured training plan for PO grade officers, taking account of the competency profile at different levels, the future arrangement for the PO grade with regard to its role and core functions as well as the department's longer-term succession needs; and
- (d) review and develop a career posting policy for the PO grade, with a view to nurturing staff potential and taking account of the future arrangement for the grade as well as the department's succession needs.

Telecommunications Engineer Grade and Technical Officer Grade

5.42 The Telecommunications Engineer grade and the Technical Officer grade are common grades¹² in RTHK. The Director of Broadcasting is the Head of Grade for both the Telecommunications Engineer grade and the Technical Officer grade. He is assisted by DAU in the day-to-day management of the grades.

Findings

5.43 Despite the small establishment of the Telecommunications Engineer grade (nine posts) and the Technical Officer grade (six posts), grade management continues to have an indispensable role in the management and nurturing of grade members. However, there are no career postings for grade members. Only limited training is provided to officers in the Technical Officer grade, whereas officers in the Telecommunications Engineer grade are nominated for a wider range of training programmes to support their professional development.

5.44 On performance management, the same appraisal forms for equivalent ranks in the PO grade are used, which means that competency-based appraisal forms for these two grades have not yet been devised.

Recommendations

5.45 Review Team recommends that RTHK should:

- (a) enhance the grade management functions for the Telecommunications Engineer grade and the Technical Officer grade; and
- (b) consider introducing competency-based appraisal forms for the Telecommunications Engineer grade and Technical Officer grade to enhance objectivity and transparency in performance assessment and facilitate staff development.

¹² Common grade is a grade deployed to several departments, but which is under the control of individual Heads of Departments.

(B) Contract Staff

5.46 RTHK employs a variety of non-civil servants to meet its service needs. This section examines the employment of NCSC staff in RTHK and identifies scope for improvement.

NCSC Staff in RTHK

5.47 The NCSC Scheme provides Heads of Departments/Heads of Grades with a flexible means of employing non-civil servants at non-directorate equivalent level. Heads of Departments/Heads of Grades have the authority and discretion to decide on the employment of NCSC staff and related matters. They are responsible for ensuring that the NCSC Scheme is not abused.

5.48 Following the introduction of the service-wide NCSC Scheme in 1999, RTHK began to employ NCSC staff to meet its operational needs. In response to the recommendations in the Director of Audit's Report No. 46 (March 2006), RTHK replaced Departmental Contract Staff Category III staff (DCS Cat. III staff)¹³ by a new type of NCSC staff known as NCSC staff (Programme) (NCSCS(P)), to be differentiated from ordinary NCSC staff employed by the department (hereinafter referred to as "General NCSCS"). The main features of these two types of NCSC staff in RTHK are summarised in Table 5.4.

Table 5.4 Main features of General NCSCS and NCSCS(P) in RTHK

Feature	General NCSCS	NCSCS(P)
Purpose of engagement	<ul style="list-style-type: none"> To meet operational needs. 	<ul style="list-style-type: none"> To meet short-term and ad hoc programme production needs of a duration less than 12 months. Based on 22 pre-approved job types, mostly at APO-equivalent or PA-equivalent levels.
Scheme administration	<ul style="list-style-type: none"> Handled centrally by DAU. 	<ul style="list-style-type: none"> Handled by Central Administration Units in individual divisions.
Remuneration package and gratuity	<ul style="list-style-type: none"> No pre-approved framework. The remuneration package is drawn up by DAU in consultation with user sections and with reference to past cases. Deputy Director of Broadcasting's approval is required for every case. Gratuity is normally set at 10% to 15% for most full-time staff. 	<ul style="list-style-type: none"> Pre-approved remuneration package for each job type. Gratuity set at 15% applies to selected full-time job types.

¹³ DCS Cat. III staff were recruited by programme divisions to meet ad hoc and short-term programme production needs.

Feature	General NCSCS	NCSCS(P)
Recruitment arrangement	<ul style="list-style-type: none"> • Selection of candidates through open recruitment based on merits. 	<ul style="list-style-type: none"> • Selection and appointment of candidates is based on a pool list mechanism: <ul style="list-style-type: none"> (a) fresh applicants are selected through open recruitment; and (b) serving and previously employed NCSCS(P) may be migrated to a new pool list, without going through open recruitment. • Successful candidates from (a) and migrated employees under (b) are merged to form a consolidated pool list for job assignment.
Frequency of recruitment exercise	<ul style="list-style-type: none"> • As and when required. 	<ul style="list-style-type: none"> • At least once every two years. Ad hoc recruitment exercises may be conducted between two regular recruitment exercises.
Contract duration	<ul style="list-style-type: none"> • Normally 12 months for full-time staff and six months for part-time staff, and may be renewed subject to service needs and satisfactory performance. 	<ul style="list-style-type: none"> • Up to a maximum duration of 364 days, but may be extended subject to approval. • For full-time NCSCS(P), a service break of at least seven days is required between contracts. • There is no upper limit on the aggregated period of engagement.

Source: Analysis of RTHK records

5.49 General NCSCS and NCSCS(P) are administered differently in RTHK. General NCSCS are administered in accordance with the prevailing rules and regulations promulgated by CSB, and DAU handles their recruitment and other appointment-related matters. For NCSCS(P), the recruitment and appointment arrangements are drawn up by RTHK, and the scheme administration responsibilities (including day-to-day job assignment to individuals on the pool lists) are handled by Central Administration Units in the respective divisions.

5.50 Completion of performance appraisal is a mandatory requirement for full-time and part-time General NCSCS. For NCSCS(P), completion of performance appraisal is required

for full-time NCSCS(P), but not part-time NCSCS(P)¹⁴.

5.51 As at 1 August 2020, there were 144 full-time General NCSCS¹⁵, 15 part-time General NCSCS, 15 full-time NCSCS(P) and 282 part-time NCSCS(P)¹⁶ in RTHK. 49 of the full-time General NCSCS employed by RTHK were long-serving (i.e. continuously employed for five years or more). 17 of them had been employed for ten years or more. The distribution of NCSC staff by division as at 1 August 2020 is shown in Table 5.5.

Table 5.5 Distribution of NCSC Staff in RTHK as at 1 August 2020

Division	General NCSCS		NCSCS(P)	
	Full-time	Part-time	Full-time	Part-time ¹⁶
R&CP Division	43	10	1	246
TV&CB Division	45	4	14	27
PSD	49	-	-	9
Others	7	1	-	-
Total:	144	15	15	282
	159		297	

Source: RTHK

Findings

Scheme design

5.52 The creation of a separate NCSCS(P) scheme, with a different set of governing rules for recruitment, appointment and deployment, complicates scheme administration. Review Team’s observations are set out below:

- (a) While noting the diverse operational needs in terms of job nature and job duration arising from the daily operation of a broadcaster, there is merit in having a unified NCSC scheme in RTHK to address the department’s non-civil service manpower requirement;
- (b) The “less-than-12-month” contract duration for new/renewed contracts for NCSCS(P) is artificial, since such contracts can be renewed with approval by designated officers and there is no ceiling on the aggregated employment period for individual NCSCS(P);
- (c) The “migration” arrangement for NCSCS(P) is at variance with a merit-based approach normally applicable to recruitment for government positions. The

¹⁴ If no performance appraisal form is completed on a part-time NCSCS(P), unsatisfactory performance should be recorded in the Job Completion Form.

¹⁵ These full-time General NCSCS were mostly involved in programme production-related duties, with a small number providing engineering-related and other technical support, or administrative support.

¹⁶ Unless otherwise specified, references in this report to the number of part-time NCSCS(P) denote the number of part-time NCSCS(P) contracts. An individual may be employed under more than one contract concurrently.

arrangement allows NCSCS(P) to remain on successive pool lists, even without clear documentation of satisfactory performance; and

- (d) The decentralised approach adopted for the administration of the NCSCS(P) scheme has led to inefficiency and different practices among divisions/sections/units.

Staff management

5.53 In the absence of systematic induction briefings/training for General NCSCS and NCSCS(P) in RTHK, it is questionable to what extent they are acquainted with the requirements of the Charter as well as the applicable government rules and regulations.

5.54 Review Team is not aware of the existence of a standardised performance management arrangement for all NCSC staff in the department. Since individuals may be employed under different NCSC contracts with RTHK concurrently or at different junctures, the arrangement for their performance assessment, if any, may vary from division to division without consistency.

Recommendations

5.55 Review Team recommends that RTHK should:

- (a) formulate a departmental strategy concerning the employment of contract staff having regard to the departmental manpower strategy, relevant government rules and cost-effectiveness; monitor the implementation of the strategy against the expected outcomes; and identify areas for improvement (such as meeting the service needs by alternative means) as the department's manpower needs evolve;
- (b) critically review the efficiency and cost-effectiveness of the concurrent operation of two NCSC schemes in the department (in particular, the propriety of the design of the NCSCS(P) scheme) and improve scheme administration (including avoidance of conflicts of interest);
- (c) continue to convert NCSC positions with long-term need to civil service posts having regard to the departmental manpower strategy; and
- (d) introduce a standardised performance management arrangement for all NCSC staff in the department.

(C) Cat. II Service Providers

5.56 RTHK has a long history of engaging Cat. II service providers, dating before 1980s. According to the relevant Finance Committee Paper in 1982, the use of Cat. II service providers should only be applied to five categories, namely, causal artists, disc jockeys¹⁷, script-writers, contributors and researchers. Cat. II service providers are freelancers, who are either independent contractors or self-employed persons engaged on a short-term basis for a specific purpose in the production of particular programmes. They are paid a fee for their service, not

¹⁷ RTHK has changed "disc jockeys" to "presenters" subsequently, but it cannot trace the departmental records on the justification and approval for the change.

a salary. They are not RTHK staff or employees.

5.57 The Cat. II mechanism allows RTHK flexibility in meeting short-term programme needs which cannot be met through open competition or by other means due to the uniqueness of the service to be provided that is not available among its civil service and NCSC staff. RTHK Administrative Circular No. 4/2015 states that as a matter of principle, service should only be acquired through the Cat. II mechanism where a service under the five categories as endorsed by the Finance Committee could not be acquired through an open quotation exercise. Engagement of Cat. II service providers so defined is at the discretion of the Director of Broadcasting.

5.58 The distribution of job titles by division is shown in Table 5.6.

Table 5.6 Distribution of job titles for Cat. II service providers by division in RTHK (as at 1 August 2020)

Category	Number of job titles				
	R&CP Division		TV&CB Division	PSD	Total
	Chinese Programme Service and News	English Programme Service and News			
Artistes	4	1	4	-	9
Presenters	5	4	4	-	13
Scriptwriters	3	1	3	-	7
Researchers	1	1	2	-	4
Contributors	12	5	25	1	43
Total:	25	12	38	1	76

Source: RTHK

5.59 A breakdown of Cat. II service providers and contracts signed in RTHK, by service category, as at 1 August 2020 is shown in Table 5.7.

Table 5.7 Breakdown of Cat. II service providers and contracts signed, by service category, in RTHK (as at 1 August 2020)

Category	Number of service providers*				Number of contracts			
	R&CP Division	TV&CB Division	PSD	Total	R&CP Division	TV&CB Division	PSD	Total
Artistes	117	187	0	304	200	212	0	412
Presenters	593	216	0	809	998	219	0	1 217
Scriptwriters	44	11	0	55	55	11	0	66
Researchers	153	35	0	188	282	43	0	325
Contributors	333	134	3	470	792	222	3	1 017
Total:	1 240	583	3	1 826	2 327	707	3	3 037

* The same service provider may be engaged under separate contracts concurrently.

Source: RTHK

Findings

Scheme design

5.60 Broadcasting is a dynamic industry. Review Team appreciates RTHK's need to engage Cat. II service providers to meet short-term service requirements. However, this flexibility must be properly exercised and subject to appropriate internal controls. In particular, the uniqueness of the service need must be fully justified in every case and the requesting party must be able to demonstrate why the service need cannot be met by staff internally, or through other means based on open competition in the market. It is also necessary to ensure efficiency and cost-effectiveness in the use of public resources.

5.61 In light of the inherent requirements of the scheme design, Review Team's observations on the prevailing arrangements in RTHK for the engagement of Cat. II service providers are set out below:

- (a) At present, the uniqueness of the service need is built into the definitions of the five service categories, e.g. "Presenter" is defined as "a person who is engaged to host, present, speak, announce or ad lib in a programme or event ***which cannot be performed by programme officers due to level of expertise/experience required to materialise such presentation***" (emphasis added) and the requesting party is not required to provide detailed justifications pertaining to each individual case (e.g. the particular nature and requirements of the presentation assignment) in the Contract Request Form;
- (b) Due to the broad definition of "contributors"¹⁸, this service category has proliferated to 43 job titles currently. Some of these job titles duplicate typical duties of the PO grade, while others may not fully meet the "uniqueness" criterion in view of the low pay rate or alternative means of engagement through open recruitment or procurement by quotation/tender;
- (c) As regards the choice of service providers in individual cases, the "Considerations of the Engagement" Section in the Contract Request Form allows the requesting party to choose among a few pre-set reasons which are too loosely worded to demonstrate the uniqueness of the service provider concerned;
- (d) RTHK has not set a ceiling on the total number of Cat. II service providers permitted to be engaged by the department as a whole or by individual divisions/sections, or any expenditure cap. Neither has RTHK set any control on the number of concurrent contracts which a Cat. II service provider may enter with the department or the aggregated period of engagement for a Cat. II service provider. RTHK fails to review or fully justify the cases that involve extended periods of engagement or frequent/multiple contracts, or are beyond certain aggregated fee levels. The absence of such controls may have contributed to the extensive use of Cat. II services (viz. over 1 800 service providers under about 3 000 contracts as at 1 August 2020); and

¹⁸ A contributor is defined as "a person who is engaged to contribute in various aspects in support of the production or provide necessary production materials which cannot be readily prepared by programme officers due to level of expertise/experience/rarity/geographical proximity required to materialise such contribution".

- (e) There is an impression that the Cat. II mechanism is resorted to as a matter of convenience, rather than necessity supported by well-reasoned justifications.

Covering approvals

5.62 Despite the concerns raised in the Director of Audit's Report No. 71 about covering approval cases regarding engagement of Cat. II service providers and RTHK's subsequent report to the Public Accounts Committee that there had been no such covering approval cases since early March 2019, Review Team noted that there continued to be covering approval cases in breach of the prevailing instructions. RTHK did not deliberate necessary follow-up action in respect of these cases, nor took measures to avoid the recurrence of similar incidents in future.

Performance management

5.63 Review Team observed that the expected quality and level of performance of Cat. II service providers are not clearly stated in the contracts of Cat. II service providers. Nor is there a proper system for performance appraisal and record-keeping.

Conduct and discipline

5.64 As set out in the standard contract, Cat. II service providers are "expected to behave in the same way as full-time civil servants in respect of attendance, diligence at work, courtesy to both the public and colleagues, honesty in all dealings, avoidance and declaration of conflict of interest, appropriate handling of confidential information, obedience to RTHK staff as well as observance of Government regulations and departmental instructions in force where applicable". They are required to "observe RTHK's production practices, guidelines and standards, be it documented or not, in programme-making". They shall be liable to disciplinary sanctions on grounds of misconduct or upon criminal conviction.

5.65 Conduct and discipline matters concerning Cat. II service providers are handled at section level by reference to departmental guidelines. However, RTHK has not issued further instructions regarding the standards to be adopted or factors to be considered in determining the disciplinary action in individual cases. This has resulted in inconsistencies in case handling. The lack of coordination, oversight and supervision at the corporate level can give rise to considerable risk to RTHK's corporate image, reputation and interests.

Conflicts of interest

5.66 At present, while the subject officers concerned are required to declare whether they have any conflicts of interest in the case under processing, such declaration is not properly documented. On the other hand, Cat. II service providers are contractually bound to declare any conflicts of interest, and to mitigate as far as possible or remove any such conflict. Yet, RTHK has not provided further guidelines on what would constitute or be perceived to constitute a "conflict of interest" in the context of RTHK as a PSB. Benchmarking other PSBs, conflicts of interest could arise in relation to the external activities and engagements of employees/service providers, their use of social media in both personal and official capacity (in particular when making comments on matters concerning public policy or controversial issues), disclosure of corporate policies or information obtained in the course of their work

with the organisation concerned, etc., which may be in conflict with the organisation's core values (such as "impartiality") and may affect public perception of the organisation as a credible, objective and impartial broadcaster.

Administration of the Cat. II scheme

5.67 Review Team observed a number of deficiencies in the administration of the Cat. II mechanism, which add to RTHK's risk exposure as explained below:

- (a) The departmental guidelines and instructions and guidelines on various aspects of the Cat. II mechanism are difficult to follow due to numerous cross-references among the documents and the insertion of new instructions and extensive updates marked in revision mode; and
- (b) The operation of the Cat. II scheme involves considerable administrative effort at different levels in RTHK. The existing information system for scheme administration caters essentially for contract payment matters only and is unable to properly support the management of Cat. II service providers.

Recommendations

5.68 Review Team recommends that RTHK should:

- (a) formulate a departmental policy and operational mechanism concerning the engagement of Cat. II service providers to ensure compliance with the original scheme intention as well as the integrity, efficiency and effectiveness of the scheme; and monitor the implementation of the said policy and operational mechanism to ensure strict compliance with the principle of service uniqueness;
- (b) critically review whether the current design of the Cat. II scheme adheres to the original intention and scope as approved by the Finance Committee, in particular, the definitions and scope of the five service categories and the related job titles, and rectify as appropriate;
- (c) critically review whether the current use of the Cat. II scheme meets the original scheme intention and rectify as appropriate; and
- (d) strengthen scheme administration, including performance management and introducing robust measures to guard against misconduct and any conflicts of interest for both RTHK officers involved in case processing and Cat. II service providers, so as to safeguard RTHK's reputation for impartiality and its credibility as a trusted PSB.

CHAPTER 6. FINANCIAL MANAGEMENT

Highlights

H.1 As the Controlling Officer for Head 160 – RTHK, the Director of Broadcasting is accountable for all expenditure under this head of expenditure and for all public moneys and Government property in respect of RTHK. Under the Charter of RTHK (the Charter), the Director of Broadcasting is required to maximise value and effectiveness of all available resources, and ensure compliance with all applicable government rules and regulations. In 2019-20, the actual expenditure under Head 160 was \$1,041.7 million.

H.2 Financial management embraces a wide spectrum of activities and concepts. At its simplest, it is the exercise of control, ensuring that payments are made in a properly authorised and regulated manner whereas revenue is received when it is due. Beyond that fundamental level, financial management is concerned with the achievement of efficiency, effectiveness, economy, and hence value for money. This involves timely financial planning taking into account business objectives, assessing the relative merits of choices in resource allocation, monitoring and evaluating financial performance against business objectives, and channelling the evaluation insights into the next financial planning cycle with a view to driving continuous improvement in corporate performance.

H.3 Review Team observed certain areas for improvement in financial management in RTHK as highlighted below.

H.4 Currently, RTHK's budgetary planning process is not fully aligned with its business planning cycle. Budgetary planning often focuses on short-term operations and reflects divisional/sectional and on-going priorities. To demonstrate financial accountability as a fully government-funded public service broadcaster (PSB), RTHK should integrate its financial and business planning, driven by a holistic corporate strategy covering the short to medium term, with the aim to achieve the department's public purposes and mission as stipulated in the Charter. Programme initiatives and resource proposals should be based on an informed assessment of risks and opportunities, and corporate-wide initiatives which could bring benefits across divisions should precede divisional preferences and not be overlooked. In order to maximise value, RTHK should conduct post-year end reviews of its financial performance to evaluate cost-effectiveness in the use of departmental resources. The insights gained can then inform budgetary planning and funding allocation for the new financial year.

H.5 There are 22 vote controllers (including the Controlling Officer) in RTHK, each being held accountable for the proper use of their respective allocations. Budgetary control and monitoring in the department should be strengthened, supported by the availability of improved financial information for management purposes. In addition, RTHK should embed risk management in all aspects of its functions and processes.

H.6 RTHK leadership needs to impress upon its staff the value of meaningful financial and business planning, step up training to enhance their understanding of the concepts of financial control and performance measurement, and foster a compliance culture in the department.

H.7 Review Team has also reviewed the respective roles and functions of Finance and Resources Unit (FRU) and Systems Review Unit (SRU) in RTHK. RTHK management should make good use of FRU, seeking its professional input with regard to strategic functions and systemic issues in financial management in the department. In addition, RTHK management should actively engage SRU to, among others, step up compliance checks and perform more value for money audits on RTHK's operations and activities with a view to providing assurance that departmental resources are utilised efficiently, effectively and economically.

Financial Management in the Government

6.1 As the Controlling Officer for Head 160 – RTHK, the Director of Broadcasting is responsible and accountable for all expenditure from that head of expenditure, and for all public moneys and Government property in respect of RTHK. He is required to obey all regulations made and directions or instructions given by the Financial Secretary under the Public Finance Ordinance (Cap. 2). The Director of Broadcasting and all staff in RTHK involved in financial management are required to comply with rules and regulations promulgated by the relevant authorities. Under the Charter, the Director of Broadcasting is required to maximise value and effectiveness of all available resources, and ensure compliance with all applicable government rules and regulations.

6.2 Financial management embraces a wide spectrum of concepts and activities¹. The Treasury has issued a Financial Management Guide to enhance Controlling Officers' appreciation of the attributes, as well as the benefits, of good financial management and to encourage them to apply these attributes in corporate planning, setting business objectives and priorities as well as performance monitoring and evaluation in their endeavours to achieve the business objectives of their organisations.

Financial Management in RTHK

6.3 The actual expenditure under Head 160 – RTHK in 2019-20 was \$1,041.7 million and the original estimated expenditure in 2020-21 is \$1,046.3 million. The major recurrent expenditure items in 2019-20 are set out in *Appendix 6.1*. RTHK's estimated revenue for 2020-21 is \$11.5 million. The major revenue sources are sponsorship and content licensing².

6.4 FRU is responsible for handling financial management and accounting matters in RTHK. FRU is headed by Senior Treasury Accountant (Finance and Resources), who is supported by a Treasury Accountant in charge of the Management Accounting Team and a Senior Accounting Officer in charge of the Financial Accounting Team and Supplies Office.

Findings and Recommendations

Budgetary Process

6.5 RTHK does not have a department-wide corporate planning process or a coherent corporate strategy that embraces all aspects of corporate businesses and activities. Radio and Corporate Programming (R&CP) Division and Television and Corporate Businesses (TV&CB)

¹ Including the exercise of financial and budgetary control at the departmental level and the budget holder level, internal controls, the use of costing information for management purposes, comparison of options and evaluation of projects, and performance measurement (integrating costs with outputs and outcomes) for assessing cost-effectiveness with a view to achieving good value for money.

² Content licensing refers to licensing of RTHK programmes to external users. RTHK shares the licensing revenue with the Centre.

Division undertake an annual programme planning process respectively³, separate from Production Services Division whose planning focus relates to RTHK's technical development needs. The timetable of RTHK's annual budgetary cycle does not fully align with its annual business planning cycle. Budgetary planning in RTHK often focuses on short-term operations and reflects divisional/sectional and on-going priorities, with insufficient attention being given to the fulfilment of RTHK's obligations under the Charter. Furthermore, Review Team has not received evidence that RTHK conducts any post-year end review⁴ to assist planning for the next budgetary cycle and funding allocation for the new financial year.

6.6 Review Team recommends that in order to demonstrate financial accountability as a fully government-funded PSB, RTHK should introduce a holistic budgetary planning mechanism that covers the following areas for improvement:

- (a) formulation of a holistic corporate strategy under the steer of senior management to inform financial and business planning in the short to medium term with the aim to achieve the department's public purposes and mission as stipulated in the Charter. RTHK leadership should impress upon its staff the value of meaningful financial and business planning. Programme initiatives and resource proposals should be based on an informed assessment of risks and opportunities, and corporate-wide initiatives which could bring benefits across divisions should precede divisional preferences and not be overlooked;
- (b) integrating budgetary planning with business planning so that the budgetary planning cycle will be able to take account of the resource implications of new initiatives arising from the annual planning process as well as any identified savings/redeployment opportunities;
- (c) strengthening evaluation of cost-effectiveness in the use of departmental resources to ensure achievement of value for money;
- (d) conducting post-year end reviews, with insights feeding into the budgetary planning and funding allocation for the new financial year;
- (e) closer involvement of FRU in the Resource Allocation Exercise process to better support effective financial planning and management in RTHK; and
- (f) senior management working in conjunction with FRU upon notification of RTHK's annual allocation for the new financial year to finalise the detailed internal allocations to vote controllers so that they can be informed at the beginning of the new financial year.

³ Under the prevailing annual programme planning process, a variety of audience surveys are conducted in Quarter 1 to Quarter 3 of the current calendar year. In the last quarter of the current calendar year and the first quarter of the next calendar year, the findings from the audience surveys are consolidated and an annual programme plan for radio services and TV services respectively is formulated after internal deliberations. The consolidated annual plan will be submitted to the Strategic Group Meeting for endorsement.

⁴ Matters covered by the post-year end review include: evaluation of the financial performance of the respective budget holders, comparison of the actual expenditure in the past financial year with the original estimate as well as the revised estimate, assessment as to whether the planned services and activities have been delivered and targets achieved, and if not, ascertaining the reasons for the variance, identifying improvement areas and working out solutions.

Budgetary Control

6.7 Currently, there are 22 vote controllers in RTHK. Apart from the Director of Broadcasting and the Deputy Director of Broadcasting, the other vote controllers are either heads of divisions/sections or heads of supporting functions. Review Team observed room for improvement in budgetary control in RTHK to guard against over-spending and ensure proper internal funding re-allocation.

6.8 Review Team further observed that in RTHK, commitments are not registered for procurement by tender and procurement confirmed by the issue of a letter of acceptance. Hence, RTHK's commitment records captured in the Government Financial Management Information System are incomplete and vote controllers have to rely on other means (such as manual registers) in order to obtain a full picture for performing budgetary monitoring and control.

6.9 Review Team recommends that RTHK should introduce an improved budgetary control and monitoring mechanism. All vote controllers should be fully briefed on the importance of compliance with relevant government rules and regulations in discharging their financial management responsibilities. Commitments should be recorded as far as practicable in respect of procurement of goods and services in accordance with the service-wide requirements, and payments must not be deferred to the next financial year for the purpose of avoiding an excess on the approved provision.

Financial Information

6.10 It is important to provide accurate, relevant and timely financial information to assist management as well as vote controllers in financial planning and monitoring, performance evaluation and decision-making.

6.11 Review Team observed that the monthly financial report submitted to the Director of Broadcasting and the Deputy Director of Broadcasting contains voluminous financial information with detailed expenditure breakdown. Review Team recommends that the financial information provided to senior management should be succinct and focus on high-level information of significance.

6.12 Review Team further observed that while vote controllers can make online enquiries about the spending position of their respective allocations via RTHK's local information system, the system is not user-friendly and does not support effective financial monitoring. Review Team recommends that RTHK should consult the Treasury on alternative arrangements to provide vote controllers with user-friendly, updated and adequate financial information to facilitate budgetary control.

6.13 Costing information is essential for assessing the performance and value of an activity in financial terms and for making choices between activities competing for departmental resources. Such analyses will enable RTHK to look for more cost-effective ways to fulfil its Charter obligations, thereby maximising value in its utilisation of departmental resources. To facilitate RTHK management in planning and monitoring of resources, performance evaluation and decision-making, Review Team recommends FRU to work out with management and the programme divisions the types of costing information required for various purposes.

Accounting Operations

6.14 Review Team has reviewed the accounting operations in RTHK, and noted instances of late payments. To improve on its finance and accounting operations, RTHK should comply with all accounting rules and regulations. Review Team recommends that FRU should regularly review and identify any abnormal cases and exceptions, and seek systemic improvements to address those frequent non-compliance areas.

6.15 Review Team further observed that some of the departmental accounting processes are still manual and paper-based. Review Team recommends FRU to review and streamline those manual processes to enhance efficiency and effectiveness.

Asset Management

6.16 Proper asset management supports effective planning for a department's assets as well as systematic organisation in the use of such assets to further the department's business objectives. There is currently no central system in RTHK for managing all its assets. Nor is there any standard workflow for controlling asset movements.

6.17 Review Team recommends RTHK to approach the Efficiency Office for advice on the conduct of a business process re-engineering study with a view to rationalising the prevailing arrangements in the department.

Internal Control

6.18 Internal control⁵ is fundamental to good corporate governance and forms an integral part of the business processes of an organisation. It aims to address risks and to provide reasonable assurance that in pursuit of the organisation's mission, the following general objectives are achieved:

- (a) efficiency and effectiveness of operations;
- (b) reliability of financial reporting; and
- (c) compliance with applicable laws, rules, regulations and management policies and instructions.

6.19 Review Team recommends that RTHK should adopt the good practices in the Internal Control Guide issued by the Treasury, and regularly assess the department's internal control by means of the Internal Control Questionnaire, in particular in respect of new activities and higher risk areas. SRU can assist in reviewing the completed questionnaire to form an independent view and advise on control areas which need strengthening.

⁵ Internal control embraces principles and practices such as:

- (a) segregation of duties as far as possible to minimise the risk of fraud and error;
- (b) frequent supervisory checks to mitigate the risks where segregation of duties could not be arranged;
- (c) setting appropriate levels of authority or authorisation limits; and
- (d) checks and balances embodied in all accounting procedures and financial information systems.

Role of FRU

6.20 Taking account of the review findings, Review Team recommends that RTHK management should make good use of FRU, while the following areas concerning the role and functions of FRU should be reviewed and improved to enhance financial management in RTHK:

- (a) There is scope for improvement in the performance of FRU's primary functions such as monitoring budgetary control, ensuring compliance with the related rules and regulations, preparing and providing relevant financial information and analyses to management and vote controllers, providing professional advice on related areas to management and users, and implementing proper internal controls. In addition, FRU could provide more professional input with regard to strategic functions and systemic issues in financial management⁶. In this connection, RTHK management should involve FRU more closely in the annual Resource Allocation Exercise;
- (b) More management information (such as costing information, financial analyses and exception reporting) should be provided to management to improve budgetary monitoring, identify room for improvement, enable cost comparison and support performance measurement/evaluation. The financial information to senior management should be succinct and focus on high-level information of significance;
- (c) Manual work processes in financial management should be automated/streamlined as far as possible so as to improve efficiency and effectiveness;
- (d) There should be better planning and priority setting for the work performed by FRU (e.g. timeline, targets and performance pledges should be set⁷; progress should be periodically reviewed and monitored; and results should be measured against targets and pledges); and
- (e) Tailor-made and user-friendly training and sharing sessions should be arranged with support from the Treasury and the Civil Service Training and Development Institute for RTHK staff to enhance their understanding of the concepts of financial control and performance measurement and to foster a compliance culture in the department.

Internal Audit

6.21 SRU performs an internal audit function, making reference to the Internal Audit Guide issued by the Treasury. It reviews RTHK's operations and activities, and provides independent appraisals and objective advice on the adequacy and effectiveness of internal controls, reliability and integrity of financial and operational information; and compliance with the applicable laws, policies, regulations and procedures, etc. Review Team observed that while SRU claims to adopt a risk-based approach in drawing up its annual plan for conducting

⁶ Such as identifying and recommending to management more efficient and cost-effective use of RTHK's resources so as to deliver better value for money, supporting management in the organisation's strategic planning and achieving business objectives.

⁷ For example, the timeframe for issue of demand notes upon receipt of requests from users.

internal reviews, the classification of risk areas⁸ is too general to support meaningful risk management.

6.22 Review Team recommends that RTHK should devise a risk management strategy to identify risks⁹, assess and evaluate risks against the Charter, determine responses to manage identified risks, monitor the risks, and make regular reports and escalation to management. In addition, RTHK should foster a risk management culture among all staff and embed risk management in all aspects of its functions and processes.

6.23 Review Team has additional findings and recommendations in respect of SRU's role and functions as set out below:

- (a) When conducting system reviews, SRU should carry out more in-depth investigation to ascertain the root causes of identified problems with a view to bringing continuous improvement in RTHK's governance, compliance and service delivery;
- (b) SRU should step up compliance checks and conduct more value for money audits to examine RTHK's operations and activities with a view to providing assurance that resources are utilised efficiently, effectively and economically; and
- (c) SRU should assist in monitoring RTHK's implementation of the recommendations made and advice tendered by various oversight authorities, such as the Audit Commission, the Independent Commission Against Corruption and the Treasury.

⁸ Risk areas are classified as generic public sector risks and specific business risks. Generic public sector risks include: management of DCS Cat. I staff and NCSC staff; procurement of goods and services; revenue collection (excluding content licensing), payment of salaries/expenses; imprest management, and entertainment. Specific business risks include: management of Cat. II service providers; programme licensing; CIBS; commissioning of programmes; management of outsourcing activities; and management of sponsorship.

⁹ Such as broadcasting-specific, compliance, financial, editorial, reputational, technological, security and privacy risks.

CHAPTER 7. STORES AND PROCUREMENT

Highlights

H.1 The policy of government procurement is to obtain stores and services at the best value for money in a publicly accountable manner to support the Government's programmes and activities. This is underpinned by the principles of open and fair competition, transparency and integrity. Controlling Officers are required to uphold a culture of compliance with all relevant rules and regulations in government procurement. The requirements of achieving value for money and ensuring compliance are also stipulated in the Charter of RTHK.

H.2 RTHK procures a very broad range of goods and services of diverse nature to support its business operation as a broadcaster as well as more routine departmental administration. In 2019, RTHK's procurement value totalled \$382.3 million, of which \$78.4 million was for stores and \$303.9 million (approximately 80%) for services. Over 99% of the purchase orders were direct purchases made by RTHK below \$1.4 million. Purchases in RTHK with a value above \$50,000 but not exceeding \$1.4 million were all made by quotation without making use of open tendering.

H.3 Review Team observed various shortcomings in the procurement activities in RTHK. These shortcomings point to some fundamental weaknesses which, unless addressed, would continue to affect RTHK's ability to fully comply with relevant procurement rules and achieve good value for money from its procurement. Key areas for improvement are set out below:

- (a) To ensure the effective operation of the partially decentralised approach to procurement in RTHK, senior management should initiate a strategic review to assess the effectiveness of RTHK's procurement system, consulting the Government Logistics Department (GLD) as appropriate. Professional support for supplies-related matters in RTHK also needs reinforcement. Pending the outcome of that review, Finance and Resources Unit (FRU) should step up oversight of procurement activities in the department and provide strategic input (e.g. in selecting appropriate procurement approaches, monitoring procurement performance so that good practices and lessons learnt could be captured for future improvement, identifying exceptions and non-compliance cases for follow-up to mitigate RTHK's risk exposure, and coordinating cross-division/section procurement needs to achieve economy of scale);
- (b) While office exigencies/operational need could be a reason, the over-reliance on procurement by quotation rather than open tendering, inadequate planning (e.g. short quotation invitation period), a deficient Departmental Supplies List (DSL) and the lack of a control mechanism at the central department level are not conducive to the achievement of value through open and fair competition. RTHK should improve in this regard; and
- (c) Systems Review Unit (SRU) should continue to play a gatekeeper role in conducting compliance audits on supplies activities in RTHK.

Procurement in the Government

7.1 The policy of government procurement is to obtain stores and services at the best value for money¹ in a publicly accountable manner to support the Government's programmes and activities. Relevant rules and regulations are set out in the Stores and Procurement Regulations (SPRs), supplemented by further guidance promulgated by the Financial Services and the Treasury Bureau (FSTB) and GLD.

7.2 Controlling Officers are responsible for the procurement of stores and services and revenue contracts within the financial limits set out in the SPRs. They are also responsible for the management of the stores and services procured and the contracts awarded.

Procurement in RTHK

7.3 RTHK procures a very broad range of goods and services of diverse nature to support its business operation as a broadcaster as well as more routine departmental administration. In 2019, RTHK's procurement value totalled \$382.3 million, of which \$78.4 million (20.5% of the total, involving 585 purchase orders) was for stores and \$303.9 million (79.5% of the total, involving 1 853 purchase orders) for services. Over 99% of purchase orders were direct purchases made by RTHK below the financial limit of \$1.4 million. For purchases in the department with a value above \$50,000 but not exceeding \$1.4 million, they were all made by quotation. Procurement of stores and services in RTHK exceeding \$1.4 million and up to \$10 million is subject to approval by the Departmental Tender Committee, which is chaired by Deputy Director of Broadcasting.

7.4 In view of the large volume of services procurement in RTHK and for operational efficiency, RTHK has adopted a partially decentralised approach, whereby procuring divisions/sections/units have been delegated authority to arrange direct purchases of stores not exceeding \$50,000 and services not exceeding \$1.4 million. For goods with a value exceeding \$50,000 and all procurement by tender, FRU is involved throughout the procurement process up to the award of contract.

Findings and Recommendations

(A) Procurement

Overall Approach to Procurement

7.5 There are 22 stores units in RTHK dealing with supplies activities. To ensure the effective operation of the prevailing partially decentralised approach to procurement in RTHK, Review Team recommends that FRU should step up effective oversight of procurement activities in the department and provide strategic input to help secure better value in RTHK's procurement.

¹ Value for money is assessed in terms of economy, effectiveness and efficiency, taking into account the total costs involved (measured on a whole-life costing basis) and the overall value to be created or brought about through the procurement.

Procurement Planning

7.6 Review Team observed that procurement in RTHK is often handled as a routine administrative process to meet short-term operational needs by reference to past departmental/divisional/sectional experience in procuring similar goods and services. The focus in procurement activities is mainly on the operational aspects with little attention to strategic issues at the departmental level. While office exigencies/operational needs could be a reason, Review Team is concerned over the widespread use of quotations in RTHK without effective oversight and consideration of alternative procurement approaches². Review Team recommends that RTHK management should initiate a strategic review on the effectiveness of its procurement system, including cross-divisional collaboration, consulting GLD as appropriate.

7.7 Review Team has identified, through its sample checks, other procurement practices in RTHK that reflect inadequate planning in the procurement process.

7.8 There are some potential areas where consolidation of purchases³ may be possible to achieve economy of scale and administrative efficiency. In response to Review Team's comments, RTHK explained that it was impractical to coordinate among different production divisions and plan ahead for the procurement of common stores and services and that it was necessary to maintain flexibility. Review Team considers that RTHK should strike a balance between convenience and cost-effectiveness.

7.9 The financial limits set out in the SPRs refer to the total value of stores or services of a similar nature which, in normal practice, are obtained or generated in a single purchase or contract. Review Team considers that the procuring units in RTHK should, in accordance with the service-wide requirement, interpret these limits strictly and do not evade the limits by dividing procurement requirements into instalments or reducing the usual duration of contracts.

7.10 In one case relating to the procurement of computer-related supplies/services, the procuring unit considered that the services concerned involved a proprietary technique requiring specific technical skills and it issued invitations for quotations. The fact is that suppliers engaged under the Standing Offer Agreements (SOAs) of the Office of the Government Chief Information Officer (OGCIO) can provide the required professional services. RTHK could have made use of the SOAs to obtain the service.

7.11 Review Team recommends that:

- (a) for goods/services that have significance for its business, RTHK should assess and consider which procurement arrangement is more appropriate in the interest of promoting competition, efficiency, effectiveness and economy;
- (b) for better planning and to reduce the administrative effort and resources involved in conducting so many procurement exercises, RTHK should conduct regular reviews to

² For example, through arrangement of term contracts, appointment of multiple contractors, or itemisation of the goods/services required whereby bidders can bid for one item or a combination of items.

³ For example, in respect of procurement of newspapers and magazines, souvenirs for programmes, and filming crews with specified equipment.

identify, in consultation with user divisions, common goods/services that could be bundled/consolidated into fewer procurement exercises;

- (c) RTHK should interpret the financial limits set out in the SPRs strictly; and
- (d) RTHK should consult relevant expert departments (such as GLD, OGCIO and the Department of Justice (DoJ)) for expert advice on procurement-related matters, where necessary.

Departmental Suppliers List

7.12 GLD has provided guidelines to B/Ds on the proper maintenance and use of suppliers lists for inviting quotations. In RTHK, FRU maintains a DSL, organised by stores/services categories, of registered suppliers/service providers for use in procurement within the limit of \$1.4 million. Potential suppliers/service providers are encouraged to apply for registration on RTHK's DSL.

7.13 Review Team noted that of the 548 invitations for quotations issued in 2019, 82 cases were single quotations (15% of total); and of the remaining 466 cases, 243 cases (44% of total) had only one return and 106 cases (19% of total) had two returns. The response rate was low due to various reasons, e.g. the suppliers invited for quotations did not provide the required stores/services, information on the suppliers was outdated, and the existing DSL (including the categorisation of suppliers) was deficient.

7.14 The prevalence of single returns or very few returns in procurement in RTHK is at variance with the fundamental procurement principle of promoting fair and open competition. Review Team recommends that a special comprehensive review of the DSL should be conducted, with support and advice from other Government experts where appropriate, to rationalise it (including its categorisation of stores and services).

Invitation for Quotations

7.15 As the invitation for quotation document forms part of the contract, it should clearly set out the specifications for the goods/services to be procured, the delivery schedule, the payment terms and other contract terms to avoid complicating and adding to the cost of the quotation process. In line with the spirit of the SPRs regarding the preparation of tender specifications, the quotation specifications should contain sufficient information to facilitate bidders in preparing conforming and competitive bids. Review Team recommends that all relevant requirements (including payment terms and delivery schedules) should be clearly stated in RTHK's quotation documents. The evaluation criteria and the marking scheme should also be clearly set out in the specifications.

7.16 RTHK Accounting Circular No. 1/2014 recommends that generally at least two weeks should be allowed for potential bidders to consider and prepare their quotation documents. Review Team noted that of the 466 quotation exercises (i.e. excluding single quotation cases) in 2019, 243 had only one return. Of the 466 quotation exercises, 132 allowed less than two weeks for suppliers to submit quotations, out of which 77 were allowed seven days or less. Review Team recommends that adequate and reasonable time should be allowed for suppliers to prepare and submit quotations, with the objective of promoting competition among potential suppliers and thus maximising value for money in RTHK's procurement.

Evaluation of Quotations

7.17 For cases with only one or a limited number of returns, often the supplier nominated by the user division/section/unit, the supplier manually selected from the DSL, or the last supplier in a similar previous procurement exercise was awarded the contract. In one case sample checked by Review Team, modifications to the “General Conditions” of the procurement contract were raised by one of the bidders and RTHK handled the negotiation process without consulting the Department of Justice. Review Team recommends that RTHK officers should stay more alert to the need for legal advice before entering negotiations with outside parties in future procurement.

7.18 In a few quotation exercises sample checked by Review Team, technical weightings were allocated in the marking scheme for innovative suggestions from suppliers. As the pro-innovation procurement policy⁴ is relatively new, Review Team observed that RTHK officers have only a limited understanding of the new approach. Review Team recommends that RTHK, in consultation with FSTB/GLD, should arrange briefings/sharing sessions for its staff involved in departmental procurement.

Contract Management

7.19 Review Team observed that there were cases of insufficient follow-up on the performance of RTHK’s contractors. Review Team recommends that RTHK should closely monitor the performance of its contractors to ensure that the goods/services procured are delivered in a satisfactory manner and according to contract terms.

Monitoring of Procurement Performance

7.20 In RTHK, there is a general lack of management information to assist planning of procurement spending, monitoring of procurement performance against key result areas, identification of over-concentration of suppliers and evaluation of cost-effectiveness, etc. Review Team recommends that RTHK should devise a review and monitoring mechanism by setting performance indicators and conducting regular reviews, based on an analysis of the quotation invitations issued, exception reports, performance records of RTHK’s contractors and other management information, to support monitoring and evaluation of procurement performance.

(B) Supplies and Stock Management

Segregation of Duties

7.21 Further to internal checks conducted by GLD in 2018, which highlighted, among others, that some officers in RTHK performed multiple roles in a quotation exercise, Review Team has similar findings. Review Team recommends that RTHK should ensure that different officers are appointed to perform different key duties to ensure reasonable checks and

⁴ Under the Government’s pro-innovation government procurement policy effect from 1 April 2019, B/Ds are encouraged to adopt outcome-based requirements and be receptive to new ideas from suppliers/service providers with a view to obtaining better value for money. FRU has issued departmental guidelines based on the relevant Financial Circular and supplementary guidance issued by FSTB.

balances in the procurement process and, where segregation of duties cannot be arranged due to resources constraint or other reasons, there should be appropriate mitigation measures.

Inventory Management

7.22 Currently, information on inventory items of different nature in RTHK is kept in different computer systems or in spreadsheets. This arrangement is administratively cumbersome and inefficient. Review Team recommends that RTHK should rationalise and update its asset and inventory management system to properly capture records of all its assets and inventory, including the movement of inventory and disposal.

(C) Internal Control and Internal Assessment

7.23 To increase staff awareness of the importance of observing requirements stipulated in the SPRs and to ensure that procurement and stores management activities in B/Ds fully comply with the SPRs, GLD requires B/Ds to conduct self-assessments on their supplies activities on a biennial basis. Review Team recommends that all parties in RTHK that are involved in the self-assessment exercise should exercise due diligence in conducting the exercise to identify areas for improvement in RTHK's supplies operations. Review Team further recommends that SRU should continue to conduct reviews on supplies activities in RTHK in its regular compliance audits and assist in reviewing RTHK's completed Self-assessment Checklist to ascertain the department's compliance with the SPRs.

(D) Professional Resources Deployment and Capacity Building

7.24 According to the Procurement Handbook issued by GLD, procurement is a distinct function and should be headed by an officer at a senior level with a clearly defined role, reporting line and responsibilities. The head of procurement should focus on strategic procurement activities which constitute the major expenditure items of a B/D and provide professional advice on opportunities for improving the efficiency and cost-effectiveness of the procurement function, especially when demand cuts across divisions and collaborative efforts are needed from different divisions of the B/D. B/Ds should examine regularly whether the current establishment and strength of Supplies Officer grade staff are commensurate with the prevailing/foreseeable workload and value of purchase.

7.25 Review Team recommends that, with a view to improving the efficiency and effectiveness of RTHK's supplies operations, RTHK should, in consultation with GLD, review the organisational and staffing arrangements for the performance of its supplies functions having regard to the prevailing/foreseeable workload as well as the nature and value of procurement in RTHK.

7.26 As a large number of staff in RTHK are involved in the procurement processes and inventory management, it is necessary to ensure that they have a clear understanding of the procurement principles and requirements as well as the importance of complying with relevant government rules and regulations. Review Team recommends that RTHK should adopt a more structured approach to procurement training for its staff, with support from GLD, so that RTHK could achieve better value for money in its procurement.

CHAPTER 8. INFORMATION TECHNOLOGY MANAGEMENT

Highlights

H.1 Government bureaux/departments (B/Ds) are encouraged to leverage on information, communication and technology (ICT)¹ to improve their operational efficiency as well as the quality and cost-effectiveness of its service delivery.

H.2 RTHK operates in an industry disrupted by media convergence. The demand for enhanced service quality and value for money is a further driver for investments in ICT. Yet, RTHK lags behind in harnessing the potential of ICT to raise its corporate performance. To better support the department's cost-effective operation as well as its sustainable development in fulfilment of its obligations under the Charter of RTHK, Review Team recommends that RTHK should:

- (a) demonstrate leadership in information technology (IT) management, with the Departmental IT Steering Committee (DITSC) and the e-Business Coordinator assuming more prominent roles, to maximise the value of ICT in achieving the department's business objectives;
- (b) formulate a comprehensive IT strategic plan, adopting a holistic view of the ICT needs across the department, the risks and threats it faces in an increasingly connected technological environment, as well as the new opportunities presented by new technologies;
- (c) improve project governance in pursuing ICT projects;
- (d) conduct an organisational review, in consultation with the Office of the Government Chief Information Officer (OGCIO), with a view to putting in place a properly structured and resourced IT Management Unit (ITMU) and rectifying the prevailing fragmented approach to IT management in the department; and
- (e) seek support from OGCIO to step up capacity building effort to raise the professional skills of its IT personnel as well as IT awareness and literacy of users in the department.

¹ IT (for information technology) and ICT (for information, communication and technology) are used interchangeably in this report.

IT Management in the Government

8.1 The policy responsibility for overseeing the use of ICT within the Government rests with the Government Chief Information Officer. OGCI provides a range of central IT-related services to B/Ds, such as Government Cloud Infrastructure Services, Government Human Resources Management Services and Standing Offer Agreements for IT equipment and services. OGCI Circular No. 4/2010 provides B/Ds with the framework and guidelines on the management of IT professional resources, including the establishment of ITMUs in B/Ds.

8.2 B/Ds should draw up their own IT plans and keep them up-to-date through regular reviews. ICT projects conceived and planned under the Departmental IT plan (DITP) or the Information Systems Strategy Study (ISSS) should have clear linkages with the policy objectives, business direction and vision of the B/D concerned. When planning ICT projects, B/Ds need to consider how best to identify and quantify the expected benefits.

8.3 To effectively manage the identification, implementation and completion of ICT projects, close involvement of the senior management of the sponsoring B/D is of vital importance. E-Business Coordinators are responsible for overseeing ICT/e-government development in their B/Ds. In addition, a DITSC² should be set up to steer and monitor the progress of implementation of the B/D's information systems and DITP/ISSS, and to oversee related issues such as funding arrangements and manpower resource.

IT Management in RTHK

8.4 IT planning and project implementation in RTHK is undertaken by the respective IT functional sections in light of users' operational needs and requirements. For administrative computer projects, a DITSC, chaired by Controller (Production Services) and comprising members from IT Section of Production Services Division (PSD) and New Media Synergy and Support (NMS&S) Section of Television and Corporate Businesses (TV&CB) Division, has been set up. Controller (Production Services) is the e-Business Coordinator in RTHK.

8.5 IT-related responsibilities in RTHK are split among IT Section of PSD, NMS&S Section of TV&CB Division and Engineering Section of PSD.

8.6 IT Section is responsible for the provision of administrative computer services in RTHK. It maintains about 30 IT systems³ in RTHK, coordinates RTHK's funding proposals concerning administrative computer systems and consultancies, and serves as a point of contact with OGCI.

8.7 New Media Unit in NMS&S Section is responsible for supporting those IT systems with a public interface (e.g. the Automated Publishing System for scheduling the broadcasting of TV programmes) as well as RTHK's new media services (such as the rthk.hk website and the RTHK apps). The Technical Team in NMS&S Section attends to all technical matters related to RTHK's new media services (e.g. maintenance and support of web projects and

² The DITSC, chaired by the e-Business Coordinator, should include all the heads of business and IT functions as members so that decisions on ICT investments can be made with full regard to business requirements and priorities.

³ These systems are categorised as business application systems, administrative support systems and network infrastructure.

mobile applications, and preparation of web analytics reports).

8.8 Engineering Section in PSD is responsible for maintaining broadcast production computer systems in RTHK, such as the Newsroom System⁴.

Findings and Recommendations

Departmental IT Planning

Weak IT leadership

8.9 The DITSC in RTHK does not perform the full range of its intended functions. Its main activity is only to meet once a year to review and endorse the funding proposal papers for IT projects before submission to the Administrative Computer Projects Committee under OGCI0. The e-Business Coordinator in RTHK, who largely relies on the inadequate input of IT Section, plays a relatively passive role in overseeing the ICT/e-government development in RTHK and working with OGCI0 on ICT development matters. Review Team recommends that RTHK should demonstrate IT leadership, with the DITSC and the e-Business Coordinator assuming more prominent roles, to maximise the value of ICT in achieving the department's business objectives.

Fragmented IT planning

8.10 The prevailing arrangement for IT management in RTHK is fragmented. There is no strategic IT planning at the corporate level which takes a holistic view of the ICT needs arising from the department's business development, the risks and threats faced by the department in an increasingly connected technological environment (e.g. IT security risks) as well as the new opportunities presented by new technologies.

8.11 As observed in the consultancy report on RTHK's DITP issued in January 2020, the shortcomings of the prevailing IT situation in the department include:

- (a) Each division manages its core data critical to its businesses. Notwithstanding the use of information systems, a large volume of paper-based files continues to be generated in day-to-day operations;
- (b) The user interface and functionality of some IT applications may not fully meet users' requirements, leading to operational inefficiency. There is a lack of data exchange interfaces/integration among related systems. An integrated approach to human resources data management, a centralised asset management system and an electronic record management system are also lacking; and
- (c) Users have difficulties in sharing large electronic files/documents within the IT network. There is also a lack of collaborative tools for sharing of files.

⁴ The Newsroom System provides a platform for radio news producers to prepare daily news stories and for gathering materials from news agencies.

8.12 Based on its examination of selected administrative computer systems in RTHK, Review Team has the following additional observations which reflect the lack of holistic IT planning in the department:

- (a) *Resource and Cost Management System (RCMS)*: This system comprises a multitude of modules of different nature⁵, each with its system owner. Some of these modules are either unrelated to each other or outside the primary objectives of the RCMS; and
- (b) *Petty Cash Information System*: This system, which is principally for maintaining imprest accounts, details of advances, entertainment applications and actual reimbursement, has an unrelated function for downloading payment details and the general ledger balance from the Treasury's Government Financial Management Information System (GFMIS) for reporting the spending position of vote controllers.

8.13 Low IT security awareness in RTHK is reflected in the department's assessment that it does not have any mission-critical IT systems, hence no compliance audit was conducted to identify IT security risks relating to these systems.

Limitations of RTHK's Departmental IT Plan

8.14 RTHK does not have a corporate-wide IT strategy or IT plan covering the department's diverse IT needs to harness the potential of IT in support of the department's business pursuits. The current DITP concerns only administrative computer systems managed by IT Section.

8.15 Review Team observed that the cost-benefit analyses of the recommendations in the DITP have not taken into account all relevant factors, such as identified savings and intangible benefits in the long term (e.g. enhanced operational efficiency, one-stop data input, improved data accuracy/consistency and rationalised workflow). Nor has the Plan given due consideration to the urgency of, and business need for, individual projects in prioritising the project implementation plans. Review Team further observed that RTHK's current DITP has not been cleared with the Commerce and Economic Development Bureau.

8.16 Review Team recommends that RTHK should devise a comprehensive and holistic IT strategic plan, preferably through an ISSS, for the department. Where possible, there should be sharing of common data, IT components and standards among systems; and business processes should be streamlined and automated to improve efficiency and accuracy. In taking forward the exercise, RTHK should consider conducting business process re-engineering, consulting the Efficiency Office as necessary. The IT strategic plan should be reviewed periodically to take account of any changes to RTHK's business needs.

Project Implementation and Management

⁵ These modules include:

- (a) Centralised Booking System for booking internal resources for programme production and day-to-day management of resources allocation;
- (b) Costing System for capturing costing information for cost allocation. It has a "GFMIS-enquiry" sub-module for vote controllers to view the spending position against their allocations;
- (c) Broadcasting Services Contract System for managing bookings, work orders and Job Assignment Forms for external service contractors;
- (d) Programme Offer System for budget planning and control of PSD's resources for TV programme production; and
- (e) Inventory System for Props Store for managing props inventory items.

8.17 According to a Quick Post Implementation Review conducted by OGCI0 in 2018 on the Departmental Costing and Television Budgetary Control System, OGCI0 identified the following improvement measures to mitigate project risks:

- (a) early confirmation of user requirements and the project implementation approach;
- (b) comprehensive project planning, including comprehensive impact analysis of project change; management and confirmation of resources availability, and factoring identified risks in the project plan;
- (c) exploring the establishment of Business Analyst roles in the department; and
- (d) exercising due diligence in completing the Post Implementation Departmental Return.

8.18 In its study on documentation for selected outsourced IT systems in RTHK in 2020, Systems Review Unit made similar observations as OGCI0's findings and identified the following additional deficiencies:

- (a) inadequate oversight exercised by the Project Steering Committee and the Project Assurance Team, with few or no meetings held;
- (b) absence of required endorsement from the Project Steering Committee and the Project Assurance Team;
- (c) insufficient documentation; and
- (d) lack of collaboration and lack of communication between IT staff and users on project information over the project period.

8.19 These shortcomings are common to other IT projects implemented by RTHK, as observed by Review Team in its sample checks.

8.20 Review Team recommends that RTHK should improve project governance in pursuing ICT projects (e.g. a strong project team involving both IT experts and business analysts familiar with users' business needs, clarity and early confirmation of user requirements, comprehensive project planning, and observance of the requirements stipulated in the Practice Guide to Project Management issued by OGCI0). In addition, the DITSC should exercise more effective oversight and the e-Business Coordinator should be more closely involved in overseeing ICT/e-government development with reinforced support from the relevant IT functional units.

Professional Resources Deployment

8.21 As the core ITMU in RTHK, the absence of Analyst/Programmer grade staff and the prevalence of T-contract staff⁶ in IT Section has resulted in an insufficient understanding in RTHK of the Government's internal IT policy, practices and procedures. Communication and interactions with OGCI0, including the use of common services provided by OGCI0, is also

⁶ 11 out of the 19 staff members in IT Section are T-contract staff. Under the prevailing government policy, such staff should primarily be deployed to meet ad hoc, short-term or project-based service need.

limited. Given the technological development in the broadcasting industry as well as the potential of IT to improve the efficiency, quality and cost-effectiveness of service delivery, there are merits for RTHK to draw on the expertise and experience of the professional workforce from OGCIO to meet its ICT needs.

8.22 Review Team further observed that due to the clear segregation of functions among IT Section, the Technical Team in NMS&S Section and Engineering Section, RTHK is unable to maximise synergy internally to tap opportunities in the new media environment. Under the current arrangement, IT Section is unable to fulfil the main functions of a proper ITMU in discharging its oversight and co-ordination responsibility over all IT activities in the department.

8.23 Review Team recommends RTHK to conduct an organisational review, in consultation with OGCIO, with a view to putting in place a properly structured and resourced ITMU to support RTHK's business operations and future development, and rectifying the prevailing fragmented approach to IT management in the department.

Capacity Building

8.24 To support a properly resourced ITMU, there is a need to enhance the professional competence of the IT workforce in RTHK⁷. There is also a need to raise the IT awareness and literacy of users in RTHK to encourage more extensive use of ICT in pursuing RTHK's business objectives in a rapidly evolving media environment (e.g. appreciation of the capabilities of new ICT technologies and their relevance to RTHK's businesses, basics on IT project management to assist articulation of user requirements, IT-related security issues and responsible use of social media). Review Team recommends RTHK to seek support from OGCIO to step up its capacity building effort to raise the professional skillset of its IT personnel as well as IT awareness and literacy of users in the department.

⁷ For example, in respect of the Government's IT policy, procedures and requirements; IT security; and project governance.