

CHAPTER 4

Development Bureau Buildings Department

Management of signboards by the Buildings Department

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MANAGEMENT OF SIGNBOARDS BY THE BUILDINGS DEPARTMENT

Contents

	Paragraph
EXECUTIVE SUMMARY	
PART 1: INTRODUCTION	1.1
Background	1.2 – 1.12
Audit review	1.13 – 1.14
Acknowledgement	1.15
PART 2: SIGNBOARD CONTROL SCHEMES AND SURVEYS	2.1
Minor Works Control System	2.2 – 2.14
Audit recommendations	2.15
Response from the Government	2.16
Validation Scheme	2.17 – 2.25
Audit recommendations	2.26
Response from the Government	2.27
Identifying signboards by regular surveys	2.28 – 2.39
Audit recommendations	2.40
Response from the Government	2.41

	Paragraph
PART 3: LARGE-SCALE OPERATIONS AND HANDLING OF PUBLIC REPORTS	3.1
LSOs on signboards	3.2 – 3.17
Audit recommendations	3.18
Response from the Government	3.19
Handling of public reports	3.20 – 3.26
Audit recommendations	3.27
Response from the Government	3.28
PART 4: FOLLOW-UP ACTIONS ON STATUTORY NOTICES AND ORDERS	4.1
Administration of statutory notices and orders	4.2 – 4.12
Audit recommendations	4.13
Response from the Government	4.14
Prosecution actions and default works	4.15 – 4.23
Audit recommendations	4.24
Response from the Government	4.25
Appendices	Page
A : Buildings Department: Organisation chart (extract) (31 March 2018)	90
B : Major technical specifications regarding minor works for the erection, alteration and removal of signboards under the Minor Works Control System	91 – 93
C : Acronyms and abbreviations	94

MANAGEMENT OF SIGNBOARDS BY THE BUILDINGS DEPARTMENT

Executive Summary

1. A signboard is defined under the Buildings Ordinance (Cap. 123) as a hoarding, framework, scaffolding or other structure erected solely for the purpose of displaying any advertisement, making any announcement or notification, or displaying any visual image or other information. Prior to 31 December 2010, the erection of all signboards (except for exempted works which are building works carried out in a building not involving the structure of the building and different from designated exempted works under the Minor Works Control System (MWCS) in (b) below) requires the prior approval and consent by the Buildings Department (BD) under the Buildings Ordinance. With the full implementation of the MWCS under the Building (Minor Works) Regulation (Cap. 123N) since 31 December 2010, depending on the scale and potential safety risk of the works, the erection, alteration and removal of signboards (except for exempted works) are categorised and regulated as: (a) minor works (which are, in general, relatively small in scale and pose lower potential structural safety risk) carried out through simplified procedures under the MWCS without the need for obtaining the BD's prior approval and consent. The works have to be carried out by prescribed registered contractors (who have to register with the BD to carry out the related class, type and item of minor works) and in cases of more complex minor works, the works have to be performed under the supervision of prescribed building professionals; (b) designated exempted works (of lower complexity and safety risk than minor works) which can be carried out without obtaining the BD's prior approval and consent or appointment of prescribed building professionals and prescribed registered contractors; and (c) works which continue to be subject to prior approval and consent of the BD (such works are, in general, for large signboards) and carried out by building professionals and registered contractors.

2. Signboards (except those under exempted works or designated exempted works) erected without obtaining the BD's prior approval and consent or following the requirements under the MWCS are unauthorised building works. According to the results of a territory-wide stock-taking exercise conducted by the BD's consultants in 2011, there were about 120,000 signboards, most of which were considered by the BD to be unauthorised. The existence of a large number of unauthorised signboards

Executive Summary

poses a persistent building safety risk in Hong Kong. During the past five years from 2013 to 2017, there were 8 incidents involving fallen signboards which caused injuries to 11 persons (4 such incidents, all involving unauthorised signboards, occurred in 2017 causing injuries to 7 persons).

3. Since September 2013, the BD has implemented a voluntary Validation Scheme for Unauthorised Signboards (hereinafter referred to as the Validation Scheme). With a view to providing an additional option for signboard owners apart from removing their unauthorised signboards and re-erecting legal ones under the MWCS, unauthorised signboards that were erected before September 2013 and meet the prescribed technical specifications for minor works are eligible for validation.

4. According to the BD, it has adopted a risk-based control system to control dangerous or unauthorised signboards. Apart from implementing the Validation Scheme for unauthorised signboards, the BD identifies dangerous or unauthorised signboards mainly from regular surveys, large-scale operations (LSOs) and public reports. The enforcement actions can broadly be classified as: (a) immediate enforcement actions against any signboard posing an imminent danger to the public by removing such signboard under the Public Health and Municipal Services Ordinance (Cap. 132); (b) priority enforcement actions against: (i) any dangerous or likely-to-become dangerous signboard by issuing a Dangerous Structure Removal Notice (DSRN) under the Public Health and Municipal Services Ordinance; and (ii) any new (including works-in-progress (WIP)) unauthorised signboard by issuing a removal order under the Buildings Ordinance; (c) strengthened enforcement actions against those large unauthorised signboards for which the BD considers as being in serious breach of law by applying to the Court for priority demolition orders under the Buildings Ordinance; and (d) enforcement actions by LSOs which focus on dangerous or unauthorised signboards on target street sections selected by the BD and large unauthorised signboards posing relatively higher risk to public safety by issuing DSRNs or removal orders. For a non-compliant DSRN/removal order, upon the grant of a priority demolition order by the Court, or for a signboard which the BD considers as posing an imminent danger to the public, the BD may engage contractors to carry out the required works (e.g. removal or rectification works) on behalf of the owners (i.e. default works) and recover the costs from the owners.

5. According to the BD: (a) in view of the frequent changes of signboards' inscription, it will take time to carry out investigations to locate the person to be held liable; and (b) since most of the signboards are erected for business operation, default

Executive Summary

works for non-compliant orders (especially shopfront signboards) may lead to conflict or confrontation, which requires intensive lobbying. Furthermore, the default works for projecting signboards may involve temporary closure of streets.

6. The BD's Minor Works and Signboard Control Section comprises the Signboard Control Unit and the Minor Works Unit. The Signboard Control Unit is responsible for identification and taking enforcement actions against dangerous or unauthorised signboards, administration of the Validation Scheme, and checking of minor-works submissions relating to signboards. The Minor Works Unit is responsible for administration of the MWCS. In addition, the BD's New Buildings Divisions are responsible for checking and approval of plans for building works, including those for signboards. The Audit Commission (Audit) has recently conducted a review to examine the management of signboards by the BD.

Signboard control schemes and surveys

7. *Lack of regular management information to monitor the effectiveness of MWCS as related to signboards.* Under the MWCS, prescribed building professionals and prescribed registered contractors are vested with legal responsibilities to supervise, carry out and certify the structural safety of all minor works. To ensure compliance with the statutory requirements and to deter abuse of the MWCS by the professionals or contractors, the BD selects some minor-works submissions for desktop and/or site audit. Regular analysis of the results of irregularities found in desktop and site audits and whether and what follow-up actions had been taken would provide useful management information for monitoring the operation and effectiveness of the MWCS. However, Audit noted some room for improvement in this area, specifically: (a) of some 5,000 minor-works submissions relating to signboards received each year from 2015 to 2017, the BD selected submissions for desktop (4% to 5%) and site (1% to 3%) audits each year and found around 28% and 20% of the selected submissions "not in order" respectively. However, the BD did not compile management information to enable management to assess the nature and seriousness of these irregularities; (b) 10% to 17% of the submissions selected for site audits from 2015 to 2017 were withdrawn by the applicants. However, the BD did not have readily available information to demonstrate that the withdrawals were justified and no contraventions of the Buildings Ordinance were involved; and (c) as of April 2018, the BD had issued 153 advisory letters and 29 warning letters to prescribed building professionals and prescribed registered contractors arising from "not in order" submissions from 2015 to 2017.

Executive Summary

However, the BD had not provided more management information to facilitate management oversight on repeated offenders and whether and what follow-up actions had been taken (paras. 2.2, 2.7 and 2.9).

8. ***Need to set time targets for completing desktop and site audits.*** While the BD has set time target for conducting (i.e. commencing) site audits on selected signboard cases (within 60 days after receipt of submissions), it had not set any time target for completing desktop and site audits. Audit noted that, as of April 2018, the audits on some cases had still not been completed more than one year after receipt of the submissions. For example, as of April 2018, for desktop and site audits on submissions received in 2017, the BD had not completed 87 (37%) of the 234 selected cases and 32 (32%) of the 100 selected cases respectively (para. 2.11).

9. ***Low response for Validation Scheme.*** The BD estimated in 2014 that some 72% of the 120,000 (i.e. 86,400) signboards identified in its 2011 stock-taking exercise would be eligible for validation under the Validation Scheme. However, since commencement of the Scheme in September 2013 and up to April 2018 (around 4.5 years), only a total of 662 applications had been received and the response was low. Of the 662 applications, 314 (47%) applications involving 274 signboards (which accounted for 0.3% of 86,400 signboards) had been validated, 224 (34%) applications had been rejected, and the remaining 124 (19%) applications had been withdrawn by the applicants or were still being processed by the BD (paras. 2.19 and 2.20).

10. ***Need to improve effectiveness of surveys in identifying dangerous, abandoned or unauthorised WIP signboards.*** With a view to identifying dangerous, abandoned or unauthorised WIP signboards (collectively referred to as targeted signboards), the BD had conducted regular surveys (i.e. patrols) by both in-house staff and consultants (following the expiration of the consultancy agreements in April 2018, the BD in-house staff have taken up the consultants' duties). Audit noted that the number of targeted signboards identified by BD in-house staff had decreased from 272 in 2015 to 60 in 2017. The consultants identified a total of 181 targeted signboards in the two-year consultancy period ended April 2018. In June 2018, Audit conducted a one-day site visit to one of the 11 areas in Yau Tsim Mong District and identified 35 suspected targeted signboards (which were referred to the BD for examination). The BD's examination results confirmed that 25 signboards were targeted signboards (comprising 6 likely-to-become dangerous signboards, 17 abandoned signboards and 2 unauthorised WIP signboards) which were not known

Executive Summary

to the BD and no enforcement action had been taken before Audit's referral. According to the BD: (a) the reasons for the decrease in the number of targeted signboards identified by BD in-house staff during regular surveys were that it had completed an inspection cycle by the end of 2016 and, in 2017, as an enforcement strategy, it redirected its resources to clear backlog removal orders and intensified the LSOs on target streets by its in-house staff; and (b) some targeted signboards identified by Audit's site visit had been previously inspected by BD in-house staff under the regular surveys and they were in good condition at the time. In Audit's view, there is a need to improve the effectiveness of regular surveys by the BD as the regular survey is a proactive means of identifying dangerous or abandoned signboards and assessing their conditions (paras. 2.28 to 2.33).

11. *Need to make better use of computer system to monitor enforcement actions taken against targeted signboards identified in regular surveys.* Audit noted that the BD could not readily compile information on the time taken in issuing DSRNs or removal orders for the targeted signboards identified in regular surveys. According to the BD, it had not used its computer system to correlate the identified targeted signboards with the DSRNs or removal orders issued. The BD needs to take measures to make better use of its computer system to assist it in monitoring the progress of enforcement actions (para. 2.38).

Large-scale operations and handling of public reports

12. *Slippage in completing LSOs on target streets covering signboards.* Since 2014, the BD has launched LSOs on dangerous (including abandoned) or unauthorised signboards (other than validated signboards against which the BD would not take enforcement action) by progressively selecting one or more target street sections in each year (covering 1, 5, 6 and 9 street sections in 2014, 2015, 2016 and 2017 respectively). For each LSO on target street, there is a set of programmed actions (including serving DSRNs/removal orders on such signboards and instigating prosecution or carrying out default works for non-compliant DSRNs/removal orders). However, as of April 2018, for the LSOs conducted from 2015 to 2017 for a total of 20 street sections, they had not yet been completed (the outstanding work involved instigating prosecution or carrying out default works). For signboards issued with removal orders, as of April 2018, slippage ranged from 3 months to 2.3 years (e.g. prosecution had not been instigated for 158 (43%) of the 366 removal orders issued one year after the target date under the 2016 LSOs). For signboards issued with DSRNs, as of April 2018 (three months after the target date), default works had not

Executive Summary

yet been carried out for 98 (74%) of the 133 DSRNs issued under the 2017 LSOs (paras. 3.3, 3.5, 3.6 and 3.8).

13. ***Need to keep under review implementation and effectiveness of LSOs on large unauthorised signboards.*** Since 2003, the BD has conducted LSOs on large unauthorised signboards with an aim to remove all substantially large unauthorised signboards. According to the BD's internal guidelines, the BD should set a target number of signboards for taking enforcement actions each year under LSOs on large unauthorised signboards. However, Audit noted that both the actual number of and the achievement rate of the target set for large unauthorised signboards with enforcement actions taken had decreased from 201 (actual achievement rate of 67%) in 2015 to 106 (actual achievement rate of 47%) in 2017. In June 2018, Audit conducted a one-day site visit to 7 streets in Yau Tsim Mong District and identified 68 suspected large unauthorised signboards (which were referred to the BD for examination). The BD's examination results confirmed that there were 11 large unauthorised signboards which were not known to the BD and no enforcement action had been taken before Audit's referral. According to the BD: (a) due to other priorities, it had not taken enforcement actions against some of the large unauthorised signboards found by Audit; and (b) in September 2018, it decided to expand the actionable criteria of LSOs on large unauthorised signboards (e.g. covering large unauthorised shopfront signboards). In Audit's view, in view of the newly adopted actionable criteria on large unauthorised signboards, the BD needs to keep under review the implementation and effectiveness of such LSOs (paras. 3.7, 3.11 to 3.16).

14. ***Long time taken in issuing DSRNs or removal orders after conducting inspection of alleged signboards.*** Public report is one of the sources for identifying dangerous or unauthorised signboards. Upon receiving a public report on such signboard, the BD will screen its related records, carry out an inspection and determine the status of the signboard for taking necessary actions. According to the BD guidelines, BD officers should issue a removal order for a confirmed unauthorised signboard within 180 days after conducting screening and/or inspection of an alleged signboard arising from a public report. However, Audit noted that no such time target had been set for issuing a DSRN for a confirmed dangerous signboard after conducting inspection. Audit also noted that, as of April 2018, confirmed dangerous or unauthorised signboards arising from 256 public reports had not been issued with DSRNs or removal orders. For 94 (37%) of the 256 public reports, the time elapsed was more than 180 days after conducting screening and/or inspection (paras. 3.20, 3.24 and 3.25).

Executive Summary

Follow-up actions on statutory notices and orders

15. For any signboard issued with a DSRN or a removal order, BD officers will conduct a compliance inspection after the specified period stated in the DSRN (normally 14 days) or the removal order (normally 60 days) to examine if the required removal or alteration works have been carried out. The BD may instigate prosecution actions against any person who fails to comply with the DSRNs or removal orders without reasonable excuse. In addition, the BD may engage contractors to carry out the required works on behalf of the owners (i.e. default works) and recover the costs from the owners (paras. 4.2, 4.15 and 4.16).

16. ***Long-outstanding DSRNs.*** Audit noted that, as of April 2018, there were 425 DSRNs issued for signboards that had not been complied with. Audit analysis revealed that 247 (58%) of the 425 DSRNs had remained outstanding for more than 6 months after their issuance (ranging from more than 6 to 22 months), far exceeding the 14-day time limit set out in the DSRNs (para. 4.4).

17. ***Long-outstanding removal orders.*** Audit noted that, as of April 2018, there were 1,414 removal orders issued for signboards that had not been cleared. Audit analysis revealed that 598 (42%) of the 1,414 removal orders had remained outstanding for more than 1 year after their issuance (ranging from more than 1 to 12 years), far exceeding the 60-day time limit set out in the removal orders (para. 4.8).

18. ***Need to take timely prosecution actions against non-compliant cases.*** Based on the BD's internal guidelines, a warning letter for prosecution should be issued to the signboard owner within 260 days (or about 9 months) after a removal order is issued. The BD may then instigate prosecution action on a non-compliant removal order by referring the case to its Legal Services Section for studying and deciding whether to proceed with the legal action by serving a summons or drop the case. Audit analysis revealed that, of the 214 non-compliant removal orders that had been referred to the BD Legal Services Section in 2016 and 2017, 132 (62%) orders were not referred to the Section until more than 1 year after their issuance (ranging from more than 1 to 10 years) (paras. 4.17 and 4.18).

Executive Summary

Audit recommendations

19. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has recommended that the Director of Buildings should:**

Signboard control schemes and surveys

- (a) **with a view to monitoring the operation and effectiveness of the MWCS for signboards, ensure that the BD regularly compiles and analyses management information, including nature and seriousness of irregularities found, follow-up actions on withdrawal of submissions and information on repeated offenders (para. 2.15(a));**
- (b) **review the operation and effectiveness of the MWCS as related to signboards and take improvement measures as needed (para. 2.15(c));**
- (c) **set time targets for completing desktop and site audits on minor-works submissions as related to signboards (para. 2.15(d));**
- (d) **in view of the low response and the high rejection rate of the Validation Scheme, make further effort to publicise the Scheme with a view to enhancing public awareness of the Scheme and its requirements (para. 2.26(a));**
- (e) **review the effectiveness of regular surveys in identifying targeted signboards (para. 2.40(a));**
- (f) **take measures to make better use of the BD's computer system to assist the BD in monitoring the progress of enforcement actions taken against targeted signboards identified in regular surveys (para. 2.40(c));**

Executive Summary

Large-scale operations and handling of public reports

- (g) **strengthen actions to meet BD time target for completion of the LSOs on target streets covering signboards (para. 3.18(a));**
- (h) **keep under review the implementation and effectiveness of the LSOs on large unauthorised signboards with a view to strengthening enforcement actions under the LSOs (para. 3.18(b));**
- (i) **set a time target for issuing a DSRN for a confirmed dangerous signboard arising from a public report after conducting an inspection (para. 3.27(b));**
- (j) **strengthen actions to ensure that timely enforcement actions are taken against confirmed dangerous or unauthorised signboards arising from public reports (para. 3.27(c));**

Follow-up actions on statutory notices and orders

- (k) **strengthen actions to ensure that DSRNs and removal orders issued for related signboards are promptly complied with (para. 4.13(a));**
- (l) **take timely follow-up actions on those non-compliant DSRNs and removal orders as related to signboards (para. 4.13(b)); and**
- (m) **take measures to ensure that prosecution actions against non-compliant removal orders for unauthorised signboards are timely instigated (para. 4.24(a)).**

Response from the Government

20. The Director of Buildings agrees with the audit recommendations.

PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

Background

1.2 A signboard is defined under the Buildings Ordinance (Cap. 123) as a hoarding, framework, scaffolding or other structure erected solely for the purpose of displaying any advertisement, making any announcement or notification, or displaying any visual image or other information.

1.3 Under the Buildings Ordinance, the erection of signboards is building works and, prior to 31 December 2010, with the exception of exempted works (Note 1), requires the prior approval of plans and consent for the commencement of the works by the Buildings Department (BD — Note 2). Since 31 December 2010, with the full implementation of the Minor Works Control System (MWCS — Note 3) under the Building (Minor Works) Regulation (Cap. 123N), depending on the scale

Note 1: *Under the Buildings Ordinance, building works carried out in a building are exempted works if they do not involve the structure of the building and such exemption does not permit exempted works to be carried out in contravention of any regulations. Exempted works relating to signboards include, for example, the installation of a directory or a floor numbering sign in a building. Exempted works are different from designated exempted works under the Minor Works Control System (see para. 1.3(b)).*

Note 2: *Under the Buildings Ordinance, the authority to approve a building plan and give consent to commence building works is vested in the Building Authority, who is the Director of Buildings. For simplicity, the Building Authority is referred to as the BD in this Audit Report.*

Note 3: *The MWCS allows building owners to carry out minor works lawfully through simplified procedures without the need to obtain prior approval of relevant building plans and consent to commence works under the Buildings Ordinance. Under the Building (Minor Works) Regulation (Cap. 123N), certain provisions such as those with regard to operational procedures for registration of minor works contractors and the classification of minor works came into operation on 30 December 2009, while the remaining provisions came into operation on 31 December 2010.*

Introduction

and potential safety risk of the works, the erection, alteration and removal of signboards (except for exempted works) are categorised and regulated as follows:

- (a) ***Minor works.*** Under the Building (Minor Works) Regulation, minor works are classified into three classes (Classes I, II and III) according to their nature, scale and complexity as well as the safety risk they may pose. As pertained to signboards, these works are, in general, relatively small in scale and pose lower potential structural safety risk. They can be carried out legally by following the simplified requirements (Note 4) under the MWCS without obtaining the BD's prior approval and consent. The works have to be carried out by prescribed registered contractors (Note 5). For the relatively more complicated works (i.e. Class I minor works — see para. 2.3(a)), the works have to be carried out by prescribed registered contractors and under the supervision of prescribed building professionals (Note 6);

- (b) ***Designated exempted works.*** These works are for signboards with lower complexity and safety risk than that of minor works (Note 7). The works can be carried out without obtaining the BD's prior approval and consent or following the MWCS requirements (e.g. appointment of prescribed building professionals and prescribed registered contractors is not required); and

Note 4: *These procedures include submitting related documents (such as notice of commencement and certification of completion of works in prescribed forms) to the BD before commencement and/or after completion of works.*

Note 5: *Under the Buildings Ordinance, a prescribed registered contractor is a registered general building contractor, a registered specialist contractor or a registered minor works contractor. In order to carry out minor works involving signboards, a prescribed registered contractor has to register with the BD for the related class, type and item of works.*

Note 6: *Under the Buildings Ordinance, a prescribed building professional is an authorized person, a registered structural engineer, a registered geotechnical engineer or a registered inspector.*

Note 7: *Designated exempted works relating to signboards include, for example, the erection of a wall signboard fixed to the external wall of a building, which does not result in any additional load to any cantilevered slab or involve the alteration of any other structural elements, with display area not more than 1 square metre, not comprising any display system consisting of light emitting diodes, projecting not more than 150 millimetres from the wall, and with a distance of not more than 3 metres from the ground.*

- (c) *Works which continue to be subject to prior approval and consent of the BD.* These works are, in general, for large signboards which do not fall within the technical specifications for minor works and designated exempted works. The works have to be carried out by building professionals and registered contractors.

Unauthorised building works

1.4 Signboards (except those falling under the category of exempted works or designated exempted works) erected without obtaining the prior approval and consent of the BD or following the requirements under the MWCS are unauthorised building works (UBWs) and may be subject to enforcement action by the BD. According to the results of a territory-wide stock-taking exercise on the number of different types of suspected UBWs (including signboards) conducted by the BD's consultants in 2011 (Note 8), there were about 120,000 signboards. According to the BD, most of these signboards were considered to be unauthorised.

Validation Scheme for Unauthorised Signboards

1.5 Taking into consideration the fact that many of the existing signboards in Hong Kong are in active use by business operators and their existence carries considerable value for sustaining local commercial activities and contributing to Hong Kong's prosperity, since 2 September 2013, the BD has implemented a voluntary Validation Scheme for Unauthorised Signboards (hereinafter referred to as the Validation Scheme). With a view to providing an additional option for signboard owners apart from removing their unauthorised signboards and re-erecting legal ones under the MWCS, unauthorised signboards that were erected before 2 September 2013 and meet the prescribed technical specifications for minor works are eligible for validation. The signboard owners are allowed the continued use of such signboards if they:

- (a) appoint the prescribed building professionals and/or prescribed registered contractors to inspect, strengthen (if required) and certify the structural safety of the signboards; and

Note 8: *Between May 2011 and December 2012, the BD had, through consultants, conducted a stock-taking exercise and made photographic records of suspected UBWs erected on the exterior of the 41,000 private buildings in Hong Kong.*

Introduction

- (b) carry out safety check of the validated signboards every five years.

Legal framework for taking enforcement actions against dangerous or unauthorised signboards

1.6 When a dangerous or unauthorised signboard is identified, the BD may take enforcement actions under the following two Ordinances:

Public Health and Municipal Services Ordinance (Cap. 132)

- (a) for a signboard which is dangerous or is likely to become dangerous, the BD may issue a Dangerous Structure Removal Notice (DSRN) under section 105 of the Public Health and Municipal Services Ordinance (Note 9) requiring the owner of the signboard to remove such works or to do specified work to render the same safe within a specified period (normally 14 days). If the required rectification works have not been carried out within the specified period, the BD may instigate prosecution action against the signboard owner. Where the owner of the signboard is not known or cannot be readily found, or the signboard is in the BD's opinion in such a state that it ought immediately to be removed or rendered safe, the BD may, whether or not a DSRN has been served, remove it or render it safe (i.e. default works), and then recover the related expenses incurred from the owner or from the proceeds of selling the related materials;

Buildings Ordinance

- (b) for an unauthorised signboard, the BD may issue a removal order under section 24 or section 24AA (for minor works commenced under the MWCS) of the Buildings Ordinance requiring the removal or alteration of the signboard within a specified period (normally 60 days). Such order shall be served on:
 - (i) the person for whom the signboard has been erected or is being erected;

Note 9: *Under the Public Health and Municipal Services Ordinance, the authority to issue the DSRNs is vested in the Authority, who is the Director of Buildings. For simplicity, the Authority is referred to as the BD in this Audit Report.*

- (ii) if the person in item (i) above cannot be found, the person who would receive or is receiving any related rent or money consideration; or
- (iii) if the person in items (i) and (ii) above cannot be found, the owner of the land or premises on which the signboard has been or is being erected.

If the required rectification works have not been carried out within the specified period, the BD may instigate prosecution action against the owner and/or have the works carried out for the owner (i.e. default works) and recover the related costs plus a surcharge from the owner; and

- (c) for an unauthorised signboard which:
 - (i) constitutes an imminent danger to life or property;
 - (ii) has been or is being carried out with a view to sale, letting or other disposal;
 - (iii) has been or is being carried out in a common part of any building and the existence of the signboard is seriously detrimental to the amenities of the neighbourhood; or
 - (iv) constitutes a public nuisance,

the BD may apply to the Court for a priority demolition order under section 24B of the Buildings Ordinance for the removal or alteration of the signboard. At least 3 to 7 days (depending on the types of contravention — see items (i) to (iv) above) before the day of hearing by the Court of the application, a notice for such an application shall be posted upon a conspicuous part of the building or building works to which the notice relates. The affected person has the right to be heard at the court hearing of the application for the order. Upon a priority demolition order is granted, the BD may carry out works to remove the signboard (i.e. default works) and recover the related costs plus a surcharge from the owner.

Introduction

Enforcement policy and actions

1.7 According to the BD, it has adopted a “risk-based” approach in determining the priority of enforcement actions against UBWs. Under the BD’s enforcement policy against UBWs, enforcement actions would be taken on actionable UBWs (Note 10) and those on non-actionable UBWs (Note 11) would be deferred. Actionable UBWs include the following:

- (a) UBWs constituting obvious hazard or imminent danger to life or property;
- (b) new UBWs (Note 12);
- (c) UBWs on exterior of buildings, including unauthorised signboards (but excluding those validated under the Validation Scheme), and UBWs on rooftops and podiums, and in yards and lanes of buildings;
- (d) UBWs in or on buildings, constituting a serious health or environmental nuisance;
- (e) major standalone UBWs; and
- (f) a specific type of UBWs, or UBWs identified in buildings or groups of buildings, targeted for large-scale operations (LSOs).

Note 10: *According to the BD, for an actionable UBW, it may issue a removal order requiring the owner concerned to remove the UBW within a specified period, and at times may also issue an advisory letter advising the owner to remove the UBW voluntarily.*

Note 11: *According to the BD, for a non-actionable UBW, it may issue a warning notice (under section 24C of the Buildings Ordinance) registrable against property titles requiring the owner concerned to remove the UBW within a specified period or an advisory letter advising the owner to remove the UBW voluntarily.*

Note 12: *According to the BD guidelines, new UBWs are those: (a) found under construction (i.e. works-in-progress); (b) reconstructed after previous removal action; (c) found not shown in BD photographic records (e.g. records from the BD’s 2011 stock-taking exercise (see Note 8 to para. 1.4)); or (d) within BD staff’s reasonable belief to have been completed within 12 months.*

In line with the BD's enforcement policy against UBWs, unauthorised signboards are actionable UBWs against which enforcement actions would be taken.

1.8 According to the BD, it has adopted a risk-based Signboard Control System to control dangerous or unauthorised signboards. Apart from implementing the Validation Scheme for unauthorised signboards (see para. 1.5), the BD identifies dangerous or unauthorised signboards for taking enforcement actions mainly from the following sources (Note 13):

- (a) **Regular surveys.** These are surveys conducted regularly on dangerous signboards or unauthorised signboards under construction (i.e. unauthorised works-in-progress (WIP) signboards);
- (b) **LSOs.** These are clearance operations conducted:
 - (i) on a section of a target street (i.e. a target street section) selected by the BD for each operation covering dangerous or unauthorised signboards; or
 - (ii) for removal of large unauthorised signboards; and
- (c) **Public reports.** These are reports received from the public and the media, and referrals mainly from other government departments and District Councils.

Note 13: *According to the BD, unauthorised signboards may also be identified from other sources, including LSOs on target buildings covering UBWs and the Mandatory Building Inspection Scheme which covers, among others, UBWs on the exterior of buildings. The number of unauthorised signboards identified from these other sources only accounted for a small portion of all unauthorised signboards identified.*

Introduction

1.9 The BD's enforcement actions against dangerous or unauthorised signboards can broadly be classified as follows:

- (a) ***Immediate enforcement actions.*** These actions are taken against any signboard posing an imminent danger to the public. The BD may classify such case as an emergency case and take immediate action to remove such signboard without issuing a DSRN (see para. 1.6(a));
- (b) ***Priority enforcement actions.*** These actions are taken against the following signboards:
 - (i) for any dangerous or likely-to-become dangerous signboard (such as an abandoned signboard — Note 14), the BD may issue a DSRN (see para. 1.6(a)) requiring the removal of such works or carry out of specified work to render the same safe; and
 - (ii) for any new (including WIP) unauthorised signboard, the BD may issue a removal order (see para. 1.6(b)) requiring the removal of such works;
- (c) ***Strengthened enforcement actions.*** These actions are taken against those large unauthorised signboards for which the BD considers as being in serious breach of the law and fulfilling at least one of the four prescribed circumstances under section 24B of the Buildings Ordinance (see para. 1.6(c)). The BD may apply to the Court for priority demolition orders for the removal or alteration of the works; and
- (d) ***Enforcement actions by LSOs.*** In addition to those signboards falling under the enforcement actions in items (a) to (c) above, other signboards are covered under LSOs which focus on:

Note 14: *According to the BD guidelines: (a) dangerous signboards include those with display surface seriously damaged or tilted, metal supporting frame seriously distorted or corroded, and those lacking proper maintenance resulting in a state of dilapidation; and (b) abandoned signboards include those left at the shop premises after closing down of business, signboards' display removed or blank, and only the metal supporting frame of signboards left.*

- (i) all dangerous signboards or unauthorised signboards not eligible for validation or eligible signboards not joining the Validation Scheme on target street sections selected by the BD; and
- (ii) those large unauthorised signboards for which the BD considers as posing relatively higher risk to public safety.

The BD may issue DSRNs or removal orders (see para. 1.6(a) and (b)) for dangerous or unauthorised signboards respectively identified during LSOs.

Responsible divisions of BD

1.10 The BD's Minor Works and Signboard Control Section (under the Corporate Services Division) comprises the Signboard Control Unit and the Minor Works Unit (see Appendix A for an extract of the BD's organisation chart). The Signboard Control Unit is responsible for identification and taking enforcement actions against dangerous or unauthorised signboards, administration of the Validation Scheme, and checking of minor-works submissions relating to signboards. The Minor Works Unit is responsible for administration of the MWCS. In addition, the BD's New Buildings Divisions are responsible for checking and approval of plans for building works, including those for signboards.

1.11 As of March 2018, the Signboard Control Unit had 50 staff (comprising 39 professional and technical staff and 11 supporting staff) and the Unit's total recurrent expenditure for 2017-18 was \$30.4 million. According to the BD, it could not provide a breakdown of the staff resources solely responsible for works relating to signboards in the Minor Works Unit and the New Buildings Divisions.

Incidents involving fallen signboards causing injuries

1.12 According to the BD, during the past five years from 2013 to 2017, there were 8 incidents involving fallen signboards which caused injuries (see Table 1). In particular, 4 such incidents (all involving unauthorised signboards) occurred in 2017, causing injuries to 7 persons.

Table 1

**Incidents involving fallen signboards causing injuries
(2013 to 2017)**

Year	Number of incidents causing injuries	Number of persons injured
2013	–	–
2014	1	1
2015	2	2
2016	1	1
2017	4	7
Total	8	11

Source: BD records

Audit review

1.13 In 2015 and 2016, the Audit Commission (Audit) conducted two reviews on UBWs and rates and government rent respectively, which also touched on signboards, as follows:

- (a) a review of the BD's actions on UBWs, the results of which (covering the Validation Scheme in PART 2) were included in Chapter 1 of the Director of Audit's Report No. 64 of April 2015; and
- (b) a review of the efforts of the Rating and Valuation Department in safeguarding revenue on rates and government rent, the results of which (covering interim valuations of advertising signs in PART 3) were included in Chapter 1 of the Director of Audit's Report No. 66 of April 2016.

1.14 According to the BD, the existence of a large number of unauthorised signboards poses a persistent building safety risk in Hong Kong. Against the above background and with the recent increase in incidents involving fallen signboards causing injuries in 2017 (see para. 1.12), Audit commenced a review in April 2018 to examine the management of signboards by the BD. The review focused on room for improvement and lessons to be learned in the following areas:

- (a) signboard control schemes and surveys (PART 2);
- (b) large-scale operations and handling of public reports (PART 3); and
- (c) follow-up actions on statutory notices and orders (PART 4).

Audit has found room for improvement and lessons to be learned in the above areas, and has made a number of recommendations to address the issues.

Acknowledgement

1.15 Audit would like to acknowledge with gratitude the full cooperation of the staff of the BD during the course of the audit review.

PART 2: SIGNBOARD CONTROL SCHEMES AND SURVEYS

2.1 This PART examines the BD's actions in implementing the MWCS (paras. 2.2 to 2.16) and the Validation Scheme (paras. 2.17 to 2.27) and identifying signboards by regular surveys (paras. 2.28 to 2.41).

Minor Works Control System

MWCS relating to signboards

2.2 On 31 December 2010, the MWCS was fully implemented to provide a lawful, simple, safe and convenient means for building owners to carry out small-scale building works (including signboards). According to the BD, under the MWCS, prescribed building professionals and prescribed registered contractors are vested with legal responsibilities to supervise, carry out and certify the structural safety of all minor works.

2.3 *Classification of minor works.* Under the MWCS, 126 items of minor works are classified into three classes according to their nature, scale, complexity and safety risk, of which 22 items are related to signboards, as follows:

- (a) *Class I minor works (5 of 44 items are related to signboards).* These works are relatively more complicated as they require higher level of expertise and more stringent supervision and appointment of prescribed building professionals and prescribed registered contractors. At least 7 days before works commencement, a notice of commencement (in prescribed form) is required to be submitted to the BD;
- (b) *Class II minor works (10 of 40 items are related to signboards).* These works are less complicated than Class I minor works and only require the appointment of prescribed registered contractors. Same as Class I minor works, a notice of commencement (in prescribed form) is required to be submitted to the BD at least 7 days before works commencement; and

- (c) ***Class III minor works*** (7 of 42 items are related to signboards). These works are small-scale and only require the appointment of prescribed registered contractors.

For all three classes of minor works, within 14 days after works completion, a certificate of completion (in prescribed form) is required to be submitted to the BD. Under the MWCS, there are 6 types of signboards, namely: (1) wall signboard; (2) projecting signboard; (3) signboard on roof; (4) outdoor signboard fixed on-grade; (5) outdoor signboard with a spread footing; and (6) signboard on or hung underneath balcony or canopy. Appendix B shows a summary of the major technical specifications for the erection, alteration and removal of these 6 types of signboards under the MWCS.

2.4 ***Procedures for processing minor-works submissions.*** The BD will select some submissions randomly or judgementally (Note 15) for desktop and/or site audit to ensure that they generally comply with the provisions of the Buildings Ordinance and its subsidiary regulations, and deter abuse of the MWCS by the prescribed building professionals or prescribed registered contractors. According to the BD guidelines, upon receiving a minor-works submission (including those for signboards), the BD will take the following steps:

- (a) ***Initial screening.*** The BD will conduct an initial screening of the submitted documents to ensure their completeness, verify the validity and capacity of the prescribed building professional and/or prescribed registered contractor against the BD's registration records, issue an acknowledgement letter and input the information into the BD's computer system;

Note 15: *According to the BD: (a) the signboard-related audit cases only form a small portion of minor-works submissions selected for desktop and site audits, and hence there is no separate target for the number of signboard-related audit cases and the annual numbers of signboard-related audit cases vary from year to year; and (b) if a situation requires (e.g. a public report received on a signboard under the MWCS), the related minor-works submissions might be selected judgementally for conducting desktop or site audit.*

Signboard control schemes and surveys

- (b) **Desktop audit.** The BD will select submissions and conduct a desktop audit to ensure procedural compliance with the Buildings Ordinance, which includes checking:
 - (i) completeness and consistency of submitted information; and
 - (ii) whether the works specified in the submissions are in compliance with statutory requirements;
- (c) **Site audit.** The BD will select submissions and conduct a site audit which focuses on building safety and compliance with the Buildings Ordinance. For a minor-works submission selected for site audit, a desktop audit will also be conducted; and
- (d) **Rectification request and follow-up actions on cases not rectified.** For irregularities found during the desktop and site audits, the BD will, where appropriate, issue advisory letters to the prescribed building professional and/or prescribed registered contractor concerned requesting clarifications or rectification of works. After issuing of advisory letters, the BD will issue warning letters if the irregularities are not rectified. The BD may also instigate prosecution and/or disciplinary actions (Note 16). According to the BD, the established practice on prosecution actions is as follows:
 - (i) for minor irregularities related to the procedural or administrative requirements, prosecution actions will be taken against a professional or contractor once the related offence is committed more than once;

Note 16: *According to the BD guidelines, the BD may instigate: (a) prosecution proceedings under the Buildings Ordinance to ensure proper implementation of the MWCS, avoid abuse of the system and provide a strong deterrent against non-compliance of the building law and building safety; and (b) disciplinary proceedings to protect the public by preventing an incompetent or unfit person from carrying out professional duties of a professional or carrying out building works as a contractor, ensure due respect and administration of the Buildings Ordinance and act as a deterrent against commission of similar misconduct or negligence. If convicted by a disciplinary board, appropriate actions can be taken under the Buildings Ordinance for the removal of the name of the person involved from the relevant register either permanently or temporarily.*

- (ii) for irregularities other than those stated in item (i) above, prosecution actions will be taken against a professional or contractor if the irregularities are not rectified after 4 weeks from issuance of a warning letter; and
- (iii) for a professional or contractor who has received 2 warning letters on the same irregularities within 3 years, immediate prosecution action will be taken if the same irregularities are spotted again in the subsequent submissions.

2.5 *Minor-works submissions relating to signboards.* According to BD records, since implementation of the MWCS in December 2010 and up to April 2018, the BD had received at least 26,368 submissions (Note 17) relating to signboards (see Table 2). A submission may be related to erection, alteration or removal works. According to the BD, as the details of the works carried out in each submission are not required to be input into the BD's computer system, there is no statistics on the number of signboards being erected or removed under the MWCS.

Note 17: *A submission may involve more than one signboard. On the other hand, a signboard may involve more than one submission. For example, a submission for notice of commencement and another submission for certificate of completion of works are required for erecting a signboard under Class I minor works. In addition, supplementary information such as record photographs, revised plans and test certificates may also be submitted through another prescribed form as necessary.*

Table 2

**Number of submissions relating to signboards under MWCS
(January 2011 to April 2018)**

Year	Number of submissions (Note 1)
2011	1,148
2012	(Note 2)
2013	2,135
2014	4,758
2015	5,619
2016	5,321
2017	5,579
2018 (up to April)	1,808
Total	26,368

Source: BD records

Note 1: Each submission refers to one prescribed form submitted to the BD (see Note 17 to para. 2.5).

Note 2: According to the BD, the total number of minor-works submissions received in 2012 was 68,251 and the type of which (e.g. signboards, windows or sub-divided flats) was not input into the BD's computer system. Therefore, there was no separate breakdown for the number of submissions relating to signboards.

Remarks: On 31 December 2010 (when the MWCS was fully implemented), the BD did not receive any minor-works submission relating to signboards.

Lack of regular management information to monitor the effectiveness of MWCS as related to signboards

2.6 According to the BD, for each submission selected for desktop and/or site audit, BD officers would input into the BD's computer system the following information:

- (a) audit completed without irregularities found will be input as "in order";
- (b) audit completed with irregularities found will be input as follows:
 - (i) for a submission with irregularities found but eventually rectified, it will be input as "not in order but rectified" (examples including incomplete and inconsistent information provided and contravention with statutory requirements). According to the BD, if irregularities are serious in nature, the BD will take follow-up actions (see para. 2.4(d)). If irregularities in a document or drawing are rectified, the BD normally will not take any follow-up actions (Note 18); and
 - (ii) for a submission with irregularities found but not rectified or cannot be rectified, it will be input as "not in order" (examples including late submissions of prescribed forms and contractors not registered to carry out the specified minor works). According to the BD, if irregularities are not rectified, the BD will take follow-up actions;
- (c) submission withdrawn by an applicant during the course of the audit; or
- (d) audit in progress.

Note 18: *According to the BD, same as the established practice for submissions for new building developments or alteration and addition works requiring BD's prior approval and consent, the MWCS allows amendments to drawings to reflect the real site situations, amendments to submitted documents to rectify errors (including typographical errors) and submissions of supplementary documents.*

Signboard control schemes and surveys

2.7 From 2015 to 2017, the BD received a total of 5,619, 5,321 and 5,579 minor-works submissions relating to signboards respectively (see Table 2 in para. 2.5). According to the BD records, the results of desktop and site audits on such submissions are as follows:

- (a) **Desktop audit.** As of April 2018, of the 5,619, 5,321 and 5,579 submissions received from 2015 to 2017, 308 (5%), 280 (5%) and 234 (4%) had been selected for desktop audit respectively. Of the 300, 253 and 146 completed cases, 75 (25%), 80 (32%) and 39 (27%) were respectively found “not in order” (see Table 3); and

Table 3

**Results of desktop audit on selected minor-works submissions
from 2015 to 2017
(April 2018)**

Particulars	Number of submissions selected for desktop audit (Note 1)			
	2015	2016	2017	Total
In progress	4 (1%)	27 (10%)	87 (37%)	118 (14%)
Withdrawn by applicants	4 (1%)	– (0%)	1 (1%)	5 (1%)
Completed	300 (98%)	253 (90%)	146 (62%)	699 (85%)
- In order	225 (75%)	173 (68%)	107 (73%)	505 (72%)
- Not in order (Note 2)	75 (25%)	80 (32%)	39 (27%)	194 (28%)
Total	308 (100%)	280 (100%)	234 (100%)	822 (100%)

Source: BD records

Note 1: Of the 308, 280 and 234 submissions selected for desktop audit in 2015, 2016 and 2017 respectively, 306, 264 and 230 respectively were selected randomly, and 2, 16 and 4 respectively were selected judgementally.

Note 2: These submissions included “not in order but rectified” submissions (see para. 2.6(b)(i)).

Signboard control schemes and surveys

- (b) **Site audit.** As of April 2018, of the 5,619, 5,321 and 5,579 submissions received from 2015 to 2017, 64 (1%), 136 (3%) and 100 (2%) had been selected for site audit respectively. Of the 52, 117 and 51 completed cases, 10 (19%), 22 (19%) and 11 (22%) were respectively found “not in order” (see Table 4).

Table 4

**Results of site audit on selected minor-works submissions
from 2015 to 2017
(April 2018)**

Particulars	Number of submissions selected for site audit (Note 1)			
	2015	2016	2017	Total
In progress	4 (6%)	6 (4%)	32 (32%)	42 (14%)
Withdrawn by applicants	8 (13%)	13 (10%)	17 (17%)	38 (13%)
Completed	52 (81%)	117 (86%)	51 (51%)	220 (73%)
- In order	42 (81%)	95 (81%)	40 (78%)	177 (80%)
- Not in order (Note 2)	10 (19%)	22 (19%)	11 (22%)	43 (20%)
Total	64 (100%)	136 (100%)	100 (100%)	300 (100%)

Source: BD records

Note 1: Of the 64 submissions selected for site audit in 2015, 63 were selected randomly and 1 was selected judgementally. For the 136 and 100 submissions selected for site audit in 2016 and 2017 respectively, all of them were selected randomly.

Note 2: These submissions included “not in order but rectified” submissions (see para. 2.6(b)(i)).

Signboard control schemes and surveys

2.8 According to the BD guidelines, for irregularities found during the desktop and site audits, the BD will, where appropriate, issue advisory letters requesting clarifications or rectification of works and, if the irregularities are not rectified, issue warning letters (see para. 2.4 (d)). Among the 237 “not in order” submissions found in desktop audits (194 submissions) and site audits (43 submissions) during 2015 to 2017 (see Tables 3 and 4 in para. 2.7), as of April 2018, the BD issued 153 advisory letters (Note 19) for “not in order” submissions. Audit notes that the BD has compiled a list recording the irregularities as stated in each advisory letter (Note 20). Based on the list, Audit summarised the nature of irregularities in Table 5.

Note 19: *According to BD: (a) 12, 9 and 8 warning letters had been issued for those submissions with irregularities not rectified after the issuance of 153 advisory letters from 2015 to 2017 respectively; (b) subsequently, the irregularities of all, except 10 submissions, had been rectified after issuance of warning letters; and (c) for the 10 non-compliant submissions, as of July 2018, prescribed registered contractors involved in 2 submissions were convicted and follow-up actions for the other 8 submissions were being considered by the BD.*

Note 20: *For a minor-works submission selected for site audit, a desktop audit will also be conducted (see para. 2.4(c)). According to the BD, for advisory letters issued for submissions selected for site audit, there was no record showing whether the irregularities were identified during desktop or site audit.*

Table 5

**Nature of irregularities found in desktop and site audits
during 2015 to 2017 as stated in advisory letters
(April 2018)**

Nature of irregularities	Number of irregularities found (Note)		
	2015	2016	2017
(a) Contravention with Buildings Ordinance (e.g. the projecting signboard was less than 3.5 metres (m) from ground level)	6	1	4
(b) Works not within the scope of minor works (e.g. part of a signboard erected on the roof projected beyond the external wall of a building)	2	2	1
	} 14	} 14	} 12
(c) Prescribed building professional and/or prescribed registered contractor not registered to carry out the specified minor works	5	3	3
(d) Works not in accordance with plans submitted	1	8	4
(e) Insufficient information provided (e.g. photographs, plans and forms)	46	54	17
(f) Late submission (e.g. not fulfilling the requirement of 7-day notification before commencement of works and/or 14-day notification after completion of works – see para. 2.3)	9	5	3
(g) Others (e.g. inconsistent information in submitted documents)	2	8	5
Number of advisory letters issued (Note)	63	63	27

153 advisory letters in total

Source: Audit analysis of BD records

Note: One advisory letter might include more than one irregularity found in the audits.

Signboard control schemes and surveys

2.9 Under the MWCS, prescribed building professionals and prescribed registered contractors are vested with legal responsibilities to supervise, carry out and certify the structural safety of all minor works (see para. 2.2). According to the BD, to ensure compliance with the statutory requirements and to deter abuse of the MWCS by the prescribed building professionals or prescribed registered contractors, it selects some minor-works submissions for desktop and/or site audit (see para. 2.4). Regular analysis of the results of irregularities found in desktop and site audits and whether and what follow-up actions had been taken would provide useful management information for monitoring the operation and effectiveness of the MWCS. In Audit's view, to monitor the operation and effectiveness of the MWCS for signboards, there are merits for the BD to regularly compile and assess the following management information:

- (a) ***Nature and seriousness of irregularities found.*** For submissions selected for the desktop and site audits in 2015 to 2017, around 28% and 20% of the selected submissions were found “not in order” respectively (see Tables 3 and 4 in para. 2.7). However, the BD did not compile management information to enable management to assess the nature and seriousness of these irregularities. While the BD had compiled a list recording the nature of irregularities as stated in advisory letters (see para. 2.8), it did not indicate the seriousness of the irregularities. In fact, in response to Audit's enquiry, the BD informed Audit in September 2018 that after retrieving and checking 40 cases with advisory letters issued (i.e. (14 + 14 + 12) — see items (a) to (d) in Table 5 in para. 2.8), it found that 8 were serious cases which would require follow-up actions and 32 were minor cases which were subsequently clarified or rectified and required no follow-up actions. In Audit's view, the BD needs to compile management information on the nature and seriousness of all irregularities found in desktop and site audits for monitoring purpose (including, for example, the nature and seriousness of irregularities by submissions selected randomly or judgementally);

- (b) ***Follow-up actions on withdrawal of submissions.*** Audit noted that for submissions selected for site audits from 2015 to 2017, 10% to 17% of the selected submissions were withdrawn by the applicants (see Table 4 in para. 2.7 (b)). According to the BD, many withdrawn submissions were replaced by new submissions. The established practice is that withdrawal of submissions will not be accepted and follow-up actions will be taken if it is suspected that contravention of the Buildings Ordinance may be involved. However, the BD did not have readily available information to

track whether the submissions withdrawn were replaced by new ones. In September 2018, the BD informed Audit that it had randomly selected 4 withdrawn submissions for examination. It found that 3 were replaced by new submissions and 1 had prosecution action instigated. Audit considers that the BD needs to compile management information for follow-up action on all withdrawal of submissions to ensure that the withdrawals were justified and no contraventions of the Buildings Ordinance were involved. In this connection, Audit noted that the BD had not issued guidelines to its staff regarding the established practices for following up withdrawal of submissions. In Audit's view, the BD needs to issue guidelines in this regard;

(c) ***Follow-up actions on “not in order” submissions.*** From 2015 to 2017, the desktop and site audits found a total of 237 “not in order” submissions (see Tables 3 and 4 in para. 2.7). As of April 2018, the BD had advised its management the issuance of 153 advisory letters (see Table 5 in para. 2.8) for “not in order” submissions. However, the BD did not prepare management information on:

- (i) how these 153 advisory letters matched with the 237 “not in order” submissions as a submission might involve more than one advisory letter (e.g. the prescribed building professional and prescribed registered contractor related to a submission were each issued with a letter); and
- (ii) what follow-up actions had been taken on those submissions not issued with advisory letters.

In September 2018, the BD informed Audit that, as many of the submissions not issued with advisory letters were found to involve minor irregularities (e.g. unclear or inconsistent information) and were rectified upon BD officers' verbal requests, they did not warrant the issuance of advisory letters. In Audit's view, there is merit for the BD to provide more management information to facilitate management oversight on whether and what follow-up actions had been taken; and

Signboard control schemes and surveys

- (d) *Information on repeated offenders.* Audit noted that, as of April 2018, the BD had issued 153 advisory letters and 29 warning letters to prescribed building professionals and prescribed registered contractors arising from “not in order” submissions from 2015 to 2017. However, except for the total number of letters issued, the BD had not provided more management information to facilitate management oversight on repeated offenders and whether and what follow-up actions had been taken. Audit also noted that the BD had not issued guidelines to its staff regarding the established practice on prosecution actions against such offenders as mentioned in paragraph 2.4(d). In Audit’s view, the BD needs to issue guidelines in this regard.

2.10 Audit considers that the BD needs to, based on the results of irregularities found in desktop and site audits, review the operation and effectiveness of the MWCS as related to signboards (e.g. whether the performance of prescribed building professionals and prescribed registered contractors is satisfactory) and take improvement measures as needed, including, for example, whether the sample size (4% for desktop audit and 2% of site audit in 2017 — see para. 2.7) was sufficient having regard to the extent and seriousness of the irregularities found and whether more stringent follow-up actions are needed.

Need to set time targets for completing desktop and site audits

2.11 While the BD has set time target for conducting (i.e. commencing) site audits on selected signboard cases (within 60 days after receipt of submissions), it had not set any time target for completing desktop and site audits (Note 21). Audit noted that, as of April 2018, the audits on some cases had still not been completed more than one year after receipt of the submissions, as follows:

- (a) for desktop audits on submissions received from 2015 to 2017, the BD had not completed 4 (1%) of the 308 selected cases, 27 (10%) of the 280 selected cases and 87 (37%) of the 234 selected cases respectively (see Table 3 in para 2.7(a)); and

Note 21: *According to the BD, it has also set time targets for: (a) carrying out pre-commencement site audit check for Classes I and II minor works (within 7 days from receipt of a notice of commencement of works); and (b) instigating prosecution action if irregularities identified have not been rectified after 4 weeks from the issuance of warning letters.*

- (b) for site audits on submissions received from 2015 to 2017, the BD had not completed 4 (6%) of the 64 selected cases, 6 (4%) of the 136 selected cases and 32 (32%) of the 100 selected cases respectively (see Table 4 in para. 2.7(b)).

2.12 The BD informed Audit in September 2018 that one of the reasons for taking long time to complete the audit of some cases was that it took time to clarify information from the prescribed building professionals or prescribed registered contractors. In Audit's view, as the BD selects minor-works submissions for desktop and/or site audit to ensure compliance with the statutory requirements and to deter abuse of the MWCS (see para. 2.4), timely completion of the audits will facilitate prompt rectification of irregularities found and taking of appropriate follow-up actions. The BD needs to set time targets for completing desktop and site audits on minor-works submissions as related to signboards, and make use of information technology to improve efficiency in conducting the audits.

Some desktop and site audit results inaccurately recorded in computer system

2.13 Audit examined the subject files of 10 desktop and 10 site audit cases with irregularities found and noted that the audit results might not be fully and accurately recorded in the BD's computer system, as follows:

- (a) while all the 10 desktop audit cases found irregularities, the BD had input in its computer system the audit results of 1 case as "not in order" and 9 cases as "in order"; and
- (b) while all the 10 site audit cases found irregularities, the BD had input in its computer system the audit results of 5 cases as "not in order", 1 case as "in order" and 2 cases as "in progress". Regarding the remaining 2 site audit cases, the BD's computer system did not have record showing that they had been selected for site audit.

2.14 In September 2018, the BD informed Audit that, upon retrieving and examining the related cases, some of the cases input as "in order" should be classified as "not in order but rectified" cases (see para. 2.6(b)(i)) as they had been found with minor irregularities which were subsequently clarified or rectified. In Audit's view,

the BD needs to take measures to ensure that desktop and site audit results as related to signboards are timely, fully and accurately recorded in its computer system (e.g. promulgating clear guidelines for inputting desktop and site audit results).

Audit recommendations

- 2.15 **Audit has *recommended* that the Director of Buildings should:**
- (a) **with a view to monitoring the operation and effectiveness of the MWCS for signboards, ensure that the BD regularly compiles and analyses the following management information, including:**
 - (i) **nature and seriousness of irregularities found;**
 - (ii) **follow-up actions on withdrawal of submissions;**
 - (iii) **follow-up actions on “not in order” submissions; and**
 - (iv) **information on repeated offenders;**
 - (b) **issue guidelines for following up withdrawal of minor-works submissions selected for desktop or site audit, and for prosecution actions against prescribed building professionals and prescribed registered contractors for irregularities identified in desktop and site audits as related to signboards;**
 - (c) **review the operation and effectiveness of the MWCS as related to signboards and take improvement measures as needed;**
 - (d) **set time targets for completing desktop and site audits on minor-works submissions as related to signboards, and make use of information technology to improve efficiency in conducting the audits; and**
 - (e) **take measures to ensure that audit results of desktop and site audits as related to signboards are timely, fully and accurately recorded in the BD’s computer system.**

Response from the Government

2.16 The Director of Buildings agrees with the audit recommendations. He has said that:

- (a) the BD has commenced a revamp of its computer system on minor-works submissions since August 2018, which is envisaged to be completed in 2020. Among other improvements to the system, Audit's recommendations will be incorporated in the revamp exercise;
- (b) it is the BD's established practice to follow up on withdrawal cases to ensure no contraventions of the Buildings Ordinance and to follow up on prosecution actions against prescribed building professionals and prescribed registered contractors. Such established practice will be incorporated into the relevant internal guidelines;
- (c) the BD has conducted reviews on the operation and effectiveness of the MWCS from time to time. For example, the practice on instigation of prosecution against irregularities identified in desktop and site audit checks (see para. 2.4(d)) was adopted in October 2017;
- (d) to tackle the prolonged time for clarification with the prescribed building professionals or prescribed registered contractors (see para. 2.12), the BD is exploring means to streamline the process of desktop and site audit checks and will step up the issuance of warning letters and even prosecution/disciplinary action to deter against the late response; and
- (e) the BD will review the categorisation of audit results of desktop and site audits with an aim to ensuring accuracy of the records and capturing serious cases. The BD will then provide guidelines and briefing to staff on inputting results of audit checks into the computer system.

Validation Scheme

2.17 On 2 September 2013, the BD implemented the Validation Scheme for unauthorised signboards erected before the implementation date (i.e. 2 September 2013) and meeting the prescribed technical specifications for minor works (see Appendix B). According to the BD, under the Validation Scheme, prescribed building professionals and prescribed registered contractors are vested with legal responsibilities to inspect, strengthen and certify the safety of existing unauthorised signboards. The owners are allowed the continued use of the validated unauthorised signboards, subject to carrying out a safety check every five years. Although validated signboards are UBWs, according to the BD, it will not take enforcement actions against these signboards unless they become dangerous.

2.18 *Procedures for processing Validation Scheme applications.* Audit noted that the procedures for processing a Validation Scheme application as stated in the BD guidelines are the same as those for processing minor-works submissions (see para. 2.4 (a) to (c)), except for the following procedures related to follow-up actions:

- (a) for irregularities found during the desktop and/or site audit, the BD will request the related applicant to rectify the irregularities. If the applicant fails to rectify the irregularities identified, the BD will issue an advisory letter to the applicant notifying the irregularities and reject the application; and
- (b) according to the BD, a successful validation letter will be issued to the applicant if the related application is found to be proper and in order.

Low response for Validation Scheme

2.19 From commencement of the Validation Scheme in September 2013 and up to April 2018, the BD had only received a total of 662 applications (involving 632 signboards — Note 22) and the number of applications had been decreasing in recent years (see Table 6). As of April 2018, of the 662 applications received, 314 (47%) applications involving 274 signboards had been validated, 224 (34%) applications had been rejected, 73 (11%) applications had been withdrawn by the applicants, and 51 (8%) applications were still being processed by the BD. According to the BD, the reasons for rejecting the applications (Note 23) included that:

- (a) the signboards did not meet the prescribed technical specifications as required under the Validation Scheme; and
- (b) the signboards had not been erected before commencement of the Validation Scheme.

Note 22: *An application may involve more than one signboard. On the other hand, a signboard may involve more than one application. For example, if a signboard requires the carrying out of strengthening works before being qualified to meet the prescribed technical specifications of Class I minor works, an application for submitting the notice of commencement and another application for submitting the certificate of completion for the strengthening works are required.*

Note 23: *According to the BD, there was no breakdown for the two reasons for rejecting the 224 applications. Its random sample study of 25 applications rejected in 2017 indicated that they did not meet the prescribed technical specifications (i.e. para. 2.19(a)).*

Table 6

**Number of applications under Validation Scheme
(September 2013 to April 2018)**

Year	Number of applications
2013 (from September)	10
2014	166
2015	224
2016	135
2017	110
2018 (up to April)	17
Total	662

Source: BD records

2.20 According to the BD's stock-taking exercise conducted in 2011, there were about 120,000 signboards. The BD estimated in 2014 that some 72% of the 120,000 (i.e. 86,400) signboards would be eligible for validation under the Validation Scheme. However, since commencement of the Validation Scheme in September 2013 and up to April 2018 (around 4.5 years), only 274 (0.3% of 86,400) signboards had been validated under the Scheme.

2.21 In May 2016, the BD informed the Panel on Development of the Legislative Council (LegCo) that:

- (a) the BD had reviewed the implementation of the Validation Scheme;
- (b) there were more signboard owners choosing to remove and re-erect signboards under the MWCS rather than applying for validation of the signboards, as they had become very familiar with the expedited and simplified procedures of the MWCS since its full implementation in December 2010; and

- (c) the BD still saw value in the Validation Scheme as an alternative for owners of small signboards, some of whom wished to continue to use their existing signboards through the Scheme due to cost and business considerations.

2.22 In Audit's view, in view of the low response and the high rejection rate of the Validation Scheme (see para. 2.19), the BD needs to make further effort to publicise the Scheme with a view to enhancing public awareness of the Scheme and its requirements.

Need to establish a more comprehensive database of all signboards

2.23 In October 2010, in briefing LegCo about measures to enhance building safety, the Development Bureau stated that the BD would be able to establish a comprehensive database of all signboards in Hong Kong and have a firmer grasp of their safety condition to facilitate control and enforcement action through the MWCS, the Validation Scheme, and erection of large signboards subject to prior approval and consent of the BD. However, Audit noted that, as of July 2018, the BD had not maintained such a database based on information from these sources:

- (a) ***MWCS.*** According to the BD, its computer system maintained a comprehensive database of minor works, and case officers could readily check if there was minor-works submission for a particular signboard. However, while the BD's computer system recorded the receipt of 26,368 submissions as of April 2018 (see para. 2.5), the system could not show whether these submissions were related to erection, alteration or removal of signboards, or the number of signboards being erected or removed;
- (b) ***Validation Scheme.*** As of April 2018, while the BD's computer system captured the information of applications received under the Validation Scheme, only 274 signboards had been validated (see para. 2.19); and
- (c) ***Large signboards.*** In August 2018, in response to Audit's enquiry, the BD informed Audit that it had no readily available database on the number of large signboards erected or removed with the BD's prior approval and consent.

Signboard control schemes and surveys

- 2.24 In September and October 2018, the BD informed Audit that:
- (a) with reference to enforcement experience under the Signboard Control System, the setting up of a database covering unauthorised signboards might not help enhance effective enforcement actions because of the frequent changes of the status of signboards and the large amount of resources required for keeping such database up-to-date;
 - (b) the LegCo brief in October 2010 (see para. 2.23) depicted that, with the implementation of the MWCS, the Validation Scheme and the Signboard Control System, the BD would eventually be able to establish a comprehensive database of all legal or validated signboards in Hong Kong to facilitate control and enforcement actions. This would be a long-term goal of the BD; and
 - (c) however, as the BD had only started the LSOs on target streets in recent years, it was premature to kick start the exercise of establishing a comprehensive database of all signboards at this stage.

2.25 In Audit's view, the BD needs to take early actions to establish a database of all legal or validated signboards to facilitate control and enforcement actions.

Audit recommendations

- 2.26 **Audit has *recommended* that the Director of Buildings should:**
- (a) **in view of the low response and the high rejection rate of the Validation Scheme, make further effort to publicise the Scheme with a view to enhancing public awareness of the Scheme and its requirements; and**
 - (b) **take early actions to establish a database of all legal or validated signboards to facilitate control and enforcement actions.**

Response from the Government

2.27 The Director of Buildings agrees with the audit recommendations. He has said that:

- (a) the Validation Scheme provides an option to signboard owners who wish to retain their existing unauthorised signboards erected before 2 September 2013. To encourage owners of such unauthorised signboards to join the Validation Scheme:
 - (i) a session of Police Magazine on the Signboard Control System (including the Validation Scheme) was broadcast in April 2018. A newly produced Announcements in the Public Interest on television and radio with posters was launched in September 2018 and the production of new leaflets is also underway;
 - (ii) BD staff always promote the Validation Scheme when they meet the signboard owners during their daily duties; and
 - (iii) the BD will continue the publicity activities to promote the Validation Scheme; and
- (b) with the available resources, the BD's long-term goal is to establish a database of all legal or validated signboards for public's checking and inspection. Meanwhile, the BD has uploaded the approved plans and minor-works records of signboards onto its Building Records Access and Viewing On-line (a system which enables the public to inspect and place orders for copies of private buildings and minor-works records over the Internet) for public's inspection. The BD is also exploring ways to facilitate checking of legality of particular signboards by members of the public.

Identifying signboards by regular surveys

2.28 According to the BD, it takes proactive and vigorous action to remove dangerous or abandoned signboards which pose danger to the safety of the public. In addition, in order to contain the growth of UBWs (including unauthorised signboards), the BD accorded priority to new UBWs, including signboards under construction (i.e. unauthorised WIP signboards), for taking enforcement actions. With a view to

Signboard control schemes and surveys

identifying dangerous, abandoned or unauthorised WIP signboards (collectively referred to as targeted signboards), the BD had conducted regular surveys (i.e. patrols) by both in-house staff and consultants, as follows:

- (a) ***Surveys of signboards by BD in-house staff.*** The BD staff had carried out surveys of signboards in various districts to identify dangerous signboards or potentially dangerous signboards (i.e. abandoned signboards) and to arrange to have them removed in a proactive manner. According to the BD, from 2014 to 2016, its staff had completed an inspection cycle to identify dangerous or abandoned signboards located at major streets of urban area; and
- (b) ***Surveys of signboards by BD consultants.*** Before 25 April 2018, the BD had engaged consultants to carry out patrols (under consultancy agreements with 2-year term in general — Note 24) in various districts to identify:
 - (i) signboards under construction (i.e. WIP signboards); and
 - (ii) apparent dilapidated or abandoned signboards.

The frequency of the patrols of each district ranged from 4 to 6 times a year (depending on the BD's assessment of the risk levels of the areas). Following the expiration of the consultancy agreements on 24 April 2018 (Note 25), the BD in-house staff have taken up the consultants' duties when they carry out site inspections in response to public reports on signboards.

Note 24: *Under the consultancy agreements, the consultants had to carry out patrolling (including preparatory work before the surveys and checking against approved building records and preparing professional inspection reports after the surveys), investigation and inspection of UBWs under construction (including WIP signboards) and building dilapidation (including dilapidated or abandoned signboards). The BD had engaged 8 consultants from April 2016 to April 2018 to cover various districts for the above services, ranging from \$1.8 million to \$4.5 million per consultancy agreement, totalling \$23.8 million for the 2-year period.*

Note 25: *According to the BD, the number of suspected UBWs under construction identified by consultants was small as compared to those identified through public reports received by the BD and in view of the relatively low effectiveness of the surveys conducted by consultants, the BD decided not to continue engaging consultants to carry out surveys after 24 April 2018.*

Need to improve effectiveness of surveys in identifying dangerous, abandoned or unauthorised WIP signboards

2.29 Audit examination of the BD records revealed that the number of dangerous, abandoned or unauthorised WIP signboards (i.e. targeted signboards under regular surveys — see para. 2.28) identified by the BD in-house staff and the BD consultants were as follows:

- (a) ***Surveys of signboards by BD in-house staff.*** From January 2014 to April 2018, a total of 771 targeted signboards had been identified (see Table 7). As shown in Table 7, the number of targeted signboards identified by BD in-house staff had decreased from 272 in 2015 to 60 in 2017; and

Table 7

**Number of targeted signboards identified by BD in-house staff
(January 2014 to April 2018)**

Year	Number of targeted signboards identified
2014	201
2015	272
2016	189
2017	60
2018 (up to April)	49
Total	771

an average of
221 signboards
a year

Source: BD records

- (b) ***Surveys of signboards by BD consultants.*** In the two-year consultancy period ended April 2018, a total of 181 targeted signboards had been identified (see Table 8).

Table 8

Number of targeted signboards identified by BD consultants
(April 2016 to April 2018)

Year	Number of targeted signboards identified
2016 (from April)	61
2017	109
2018 (up to April)	11
Total	181

an average of
90 signboards a
year

Source: BD records

2.30 *Audit's site visit.* In June 2018, to assess the effectiveness of the BD's surveys in identifying targeted signboards, Audit conducted a one-day site visit to one of the 11 areas in Yau Tsim Mong District (out of the 18 districts — Note 26). During the site visit, Audit identified 9 suspected dangerous signboards, 22 suspected abandoned signboards and 4 suspected unauthorised WIP signboards (all these 35 signboards were targeted signboards to be identified in regular surveys by BD in-house staff and consultants — see para. 2.28). Audit then referred these signboards to the BD for its examination and assessment of whether they were targeted signboards. Table 9 shows a summary of the BD's examination results on these signboards and the details are given in paragraph 2.31.

Note 26: *Based on the results of the BD's 2011 stock-taking exercise, Yau Tsim Mong District had the largest number of signboards among the 18 districts. To facilitate its daily operation and task allocations, the BD has divided each of the 18 districts into different areas. Audit conducted a one-day site visit to one of the 11 areas in Yau Tsim Mong District, which had the largest number of signboards among the 11 areas in Yau Tsim Mong District, and was bounded by Austin Road, Canton Road, Ferry Street, Kansu Street and Nathan Road.*

Signboard control schemes and surveys

Table 9

BD's examination results on the 35 suspected dangerous, abandoned or unauthorised WIP signboards identified by Audit's site visit (September 2018)

Particulars	Targeted signboards		Others (Note 3) (No.)	Total (No.)
	Not known to BD before Audit's referral (Note 1) (No.)	Known to BD before Audit's referral (Note 2) (No.)		
(a) Suspected dangerous signboards confirmed by the BD (see para. 2.31(a)) as:				
(i) likely-to-become dangerous	6	–	–	6
(ii) abandoned	1	–	–	1
(iii) not dangerous	–	–	1	1
(iv) being removed	–	–	1	1
Subtotal (a)	7	–	2	9
(b) Suspected abandoned signboards confirmed by the BD (see para. 2.31(b)) as:				
(i) abandoned	16	2	–	18
(ii) not abandoned	–	–	4	4
Subtotal (b)	16	2	4	22
(c) Suspected unauthorised WIP signboards confirmed by the BD (see para. 2.31(c)) as:				
(i) unauthorised WIP	2	–	–	2
(ii) with works under MWCS	–	–	1	1
(iii) not found during its inspection	–	–	1	1
Subtotal (c)	2	–	2	4
Total (d) = (a)+(b)+(c)	25	2	8	35

Source: BD examination results on findings of Audit's site visit

Note 1: According to the BD, it would take enforcement actions by issuing DSRNs or removal orders for these signboards.

Note 2: According to the BD, it had taken enforcement actions by issuing DSRNs for these signboards.

Note 3: According to the BD, these were not targeted signboards.

Signboard control schemes and surveys

2.31 The BD's examination results on the 35 suspected dangerous, abandoned or unauthorised WIP signboards identified by Audit's site visit were as follows:

- (a) for the 9 suspected dangerous signboards:
 - (i) 6 were assessed as likely-to-become dangerous (see Photograph 1 for an example). These signboards were not known to the BD before Audit's referral, and the BD would issue DSRNs for them;

Photograph 1

Likely-to-become dangerous signboard



Source: Photograph taken by Audit staff on 19 June 2018 and blurred by Audit

- (ii) 1 was confirmed abandoned signboard. This signboard was not known to the BD before Audit's referral, and the BD would issue a DSRN for it;
- (iii) 1 was assessed as not being dangerous, but as the erection of which was unauthorised, the BD would take necessary enforcement action by issuing a removal order under an LSO; and

Signboard control schemes and surveys

- (iv) 1 was found removed during the BD's inspection in July 2018;
- (b) for the 22 suspected abandoned signboards:
 - (i) 16 were confirmed abandoned signboards (see Photograph 2 for an example). These signboards were not known to the BD before Audit's referral, and the BD would issue DSRNs for them;

Photograph 2

Abandoned signboard

Only the metal supporting frame of the signboard remained



Source: Photograph taken by Audit staff on 19 June 2018 and blurred by Audit

- (ii) 2 were confirmed abandoned signboards. These signboards were known to the BD before Audit's referral, and the BD had already issued DSRNs in March and May 2017 respectively; and
- (iii) 4 were confirmed not abandoned signboards; and

Signboard control schemes and surveys

- (c) for the 4 suspected unauthorised WIP signboards:
 - (i) 2 were confirmed unauthorised WIP signboards. These signboards were not known to the BD before Audit's referral, and the BD would issue removal orders for them;
 - (ii) 1 was found with works commenced under the MWCS; and
 - (iii) 1 could not be found during the BD's inspection in July 2018 and the scaffolding previously identified by Audit had been removed.

2.32 The BD's examination results confirmed that 25 targeted signboards identified by Audit's one-day site visit to one of the 11 areas in one of the 18 districts were not known to the BD and no enforcement action had been taken before Audit's referral. They comprised 6 likely-to-become dangerous signboards (see para. 2.31(a)(i)), 17 abandoned signboards (see para. 2.31(a)(ii) and (b)(i)) and 2 unauthorised WIP signboards (see para. 2.31(c)(i)). Audit noted that 60 targeted signboards were identified by the BD in-house staff in 2017 (see para. 2.29(a)) and about 90 targeted signboards were identified by the BD consultants in a year (see para. 2.29(b)). The number of targeted signboards identified by BD in-house staff had also decreased in recent years (from 272 in 2015 to 60 in 2017 — see para. 2.29(a)). In September and October 2018, the BD informed Audit that:

- (a) the reasons for the decrease in the number of targeted signboards identified by BD in-house staff during regular surveys were that it had completed an inspection cycle by the end of 2016 and, in 2017, as an enforcement strategy, it redirected its resources to clear backlog removal orders and intensified the LSOs on target streets by its in-house staff. Although the number of signboards identified in regular surveys had decreased in recent years, the fact that the number of DSRNs issued had increased from 360 in 2013 to 860 in 2017 (see Table 18 in para. 4.3) demonstrated that its momentum of actions against dangerous or abandoned signboards was keeping up;

Signboard control schemes and surveys

- (b) the surveys carried out by BD in-house staff and BD consultants involved multiple tasks and procedures, including counting of all signboards inspected and taking photographs of inspected area, assessing and recording the details of suspected defective signboards, on-site verification of owners of suspected abandoned signboards and liaison with owners if they were identified, checking the valid Business Registration Certificate during site inspection or conducting on-line Business Registration Certificate search if on-site checking of the Certificate was refused or not available, and checking ownership of targeted signboards after inspection; and
- (c) some targeted signboards identified by Audit's site visit had been previously inspected by BD in-house staff under the regular surveys and they were in good condition at the time.

2.33 While noting the BD's view in paragraph 2.32, Audit considers that there is room for improvement in conducting regular surveys by the BD as:

- (a) the regular survey is a proactive means of identifying dangerous or abandoned signboards for which the BD accords priority for taking enforcement actions (see para. 2.28); and
- (b) the conditions of signboards have been changing over time as reflected in the BD's reply to Audit in paragraph 2.32(c). This indicates the need to keep them under regular review to assess their conditions.

In Audit's view, the BD needs to review the effectiveness of regular surveys in identifying targeted signboards.

Signboard control schemes and surveys

No target and inspection programmes for regular surveys

2.34 According to the BD guidelines, BD in-house staff conducting surveys of signboards will, for each district:

- (a) set annually the target number of signboards to be inspected and number of dangerous or abandoned signboards to be removed or repaired; and
- (b) need to schedule monthly inspections and removal operations to achieve the annual targets.

However, in response to Audit's enquiry, the BD informed Audit in July 2018 that no such annual targets had been set for the surveys and no monthly inspections and removal operations had been scheduled to achieve the target.

2.35 According to the BD, from 2014 to 2016, its in-house staff's regular surveys for identifying targeted signboards had covered 15 to 17 out of the 18 districts in each year (see Table 10). However, Audit noted that, from January 2017 to April 2018, the BD's regular surveys had only covered 5 districts in 2017 and 3 districts in 2018 (up to April). As shown in Table 10, while the number of signboards inspected had increased from 18,414 in 2014 to 35,851 in 2016, the number had decreased significantly by 96% from 35,851 in 2016 to 1,384 in 2017. According to the BD, the reasons for the decrease were the same as those for the decrease in the number of targeted signboards identified in regular surveys in recent years as mentioned in paragraph 2.32(a).

Table 10

**Number of signboards inspected and districts covered
by BD staff's regular surveys
(January 2014 to April 2018)**

Year	Number of signboards inspected	Number of districts covered
2014	18,414	15
2015	31,255	17
2016	35,851	17
2017	1,384	5
2018 (up to April)	612	3
Total	87,516	N/A

Source: BD records

- 2.36 In October 2018, the BD informed Audit that:
- (a) the current practice was to make use of the regular surveys as a means to meet the indicator on removal or repair of dangerous or abandoned signboards under the BD's Controlling Officer's Report. This indicator was regularly reviewed on an annual basis; and
 - (b) subsequent to the response to Audit's enquiry in July 2018 (see para. 2.34), the BD set internal targets on inspection of signboards under regular surveys in August 2018.

2.37 In Audit's view, the BD needs to keep under review the annual targets in relation to inspection of signboards under regular surveys and formulate inspection programmes to achieve the annual targets.

Need to make better use of computer system to monitor enforcement actions taken against targeted signboards identified in regular surveys

2.38 In response to Audit's enquiry of the time taken in issuing DSRNs or removal orders for targeted signboards identified in regular surveys (including the 771 targeted signboards identified by BD in-house staff and the 181 targeted signboards identified by BD consultants — see para. 2.29), in August 2018, the BD said that it could not readily compile such information as it had not used its computer system to correlate the identified targeted signboards with the DSRNs or removal orders issued. In Audit's view, the BD needs to take measures to make better use of its computer system to assist it in monitoring the progress of enforcement actions taken against targeted signboards identified in regular surveys.

2.39 According to the BD, it takes proactive and vigorous action to remove dangerous or abandoned signboards and accords priority to new UBWs (including unauthorised WIP signboards) for taking enforcement actions (see para. 2.28). However, Audit noted that the BD had not set any time target for issuing DSRNs or removal orders after identifying these signboards during regular surveys. In Audit's view, the BD needs to set a time target for issuing DSRNs or removal orders for targeted signboards identified in regular surveys.

Audit recommendations

2.40 **Audit has recommended that the Director of Buildings should:**

- (a) **review the effectiveness of regular surveys in identifying targeted signboards;**
- (b) **keep under review the annual targets in relation to inspection of signboards under regular surveys and formulate inspection programmes to achieve the annual targets;**
- (c) **take measures to make better use of the BD's computer system to assist the BD in monitoring the progress of enforcement actions taken against targeted signboards identified in regular surveys; and**

- (d) **set a time target for issuing DSRNs or removal orders for targeted signboards identified in regular surveys.**

Response from the Government

2.41 The Director of Buildings agrees with the audit recommendations. He has said that:

- (a) the BD will explore ways to enhance the efficiency of the regular surveys (e.g. streamlining the procedures by recording the sections of streets inspected instead of the number of signboards inspected);
- (b) the BD will update the internal targets on inspection of signboards under regular surveys as needed;
- (c) the mode of operation of the regular surveys is being reviewed to enhance its effectiveness and the progress of follow-up actions on identified targeted signboards will be monitored in the BD's computer system; and
- (d) after reviewing the regular surveys and making reference to the current time targets on issuing removal orders for UBWs arising from public reports, the BD has set the time targets in October 2018 for issuing DSRNs and removal orders within 30 days and 150 days from the date of inspection respectively. These time targets will be promulgated in the BD guidelines shortly.

PART 3: LARGE-SCALE OPERATIONS AND HANDLING OF PUBLIC REPORTS

3.1 This PART examines the BD's efforts in identifying and taking enforcement actions against dangerous or unauthorised signboards through conducting LSOs (paras. 3.2 to 3.19) and handling of public reports (paras. 3.20 to 3.28).

LSOs on signboards

3.2 LSOs on signboards are clearance operations conducted either on a target street section selected by the BD for each operation (see paras. 3.3 to 3.6) or for removal of large unauthorised signboards (see para. 3.7).

LSOs on target streets covering signboards

3.3 Since 2014, the BD has launched LSOs on dangerous (including abandoned) or unauthorised signboards (other than validated signboards against which the BD would not take enforcement action — see para. 1.5) by selecting a target street section for each operation. According to the BD, it implements the LSOs to encourage owners of eligible unauthorised signboards not joining the Validation Scheme (which was implemented in September 2013) to apply for validation.

3.4 According to the BD guidelines, a street meeting at least two of the following criteria may be selected for conducting an LSO:

- (a) recent major incidents relating to signboards occurred on the street, especially if the possibility of recurrence of similar incidents is relatively high;
- (b) majority of buildings in the street at age of 30 years or above;
- (c) majority of buildings in the street having balconies with signboards attached;
- (d) the street with heavy vehicular traffic flow and/or heavy pedestrian flow;

Large-scale operations and handling of public reports

- (e) buildings in the street with backlog removal orders for or repeated public reports on signboards; and
- (f) average number of signboards attached to each building in the street subject to the BD's enforcement actions exceeding 5.

3.5 The BD conducts LSOs on a number of street sections each year. For each LSO, there is a set of programmed actions to be taken in different stages, as follows:

- (a) ***Investigation stage.*** The BD will carry out inspections of the target street section to identify signboards subject to enforcement action, and issue advisory letters and pamphlets of the Validation Scheme to the owners of the suspected dangerous, abandoned or unauthorised signboards requesting voluntary removal or validation of signboards within a specified period;
- (b) ***DSRN/removal order serving stage.*** After the specified period stated under the advisory letters, the BD will issue DSRNs for dangerous or abandoned signboards, and removal orders for unauthorised signboards not joining or not eligible for joining the Validation Scheme;
- (c) ***Compliance stage.*** After the specified period stated under the DSRNs or removal orders, the BD will carry out compliance inspection to ascertain whether the DSRNs or removal orders have been complied with; and
- (d) ***Prosecution/default works stage.*** For non-compliant DSRNs, the BD will engage contractors to remove the dangerous or abandoned signboards. For non-compliant removal orders, the BD will instigate prosecution action.

Large-scale operations and handling of public reports

3.6 From 2014 to 2017, the BD conducted increasing number of LSOs each year. The LSOs covered 1 street section in 2014, 5 street sections in 2015, 6 street sections in 2016 and 9 street sections in 2017 (Note 27). The time targets for completing each of the 4 stages of the LSOs conducted in 2015 to 2017 are shown in Table 11.

Table 11

**Time targets for LSOs on target streets covering signboards
(2015 to 2017)**

Stage	Time target for LSOs conducted in		
	2015	2016	2017
Investigation stage	June to September 2015	April to June 2016	February to July 2017
DSRN/removal order serving stage	September 2015	July to September 2016	April to September 2017
Compliance stage	October to December 2015	September 2016 to March 2017	May to November 2017
Prosecution/default works stage	November to December 2015	February to April 2017	June 2017 to January 2018
Number of street sections covered	5	6	9

20

Source: BD records

Note 27: *The LSOs conducted in 2014 and 2017 were carried out by BD in-house staff, and the LSOs conducted in 2015 and 2016 were carried out by BD consultants. According to the BD, in view of the low response rate on the Validation Scheme in the previous LSOs, it decided to carry out the LSOs in 2017 by BD in-house staff to assess if direct interaction with the signboard owners could enhance the response rate on the Validation Scheme.*

LSOs on large unauthorised signboards

3.7 Since 2003, the BD has conducted LSOs on large unauthorised signboards with an aim to remove all substantially large unauthorised signboards. According to the BD's internal guidelines, the BD should set a target number of signboards for taking enforcement actions each year under LSOs on large unauthorised signboards. The LSOs covered unauthorised wall and projecting signboards meeting the following criteria:

- (a) **Wall signboards.** Unauthorised signboards exceeding the upper limit of display areas for Class I minor works under the MWCS (i.e. 20 square metres (m²) for a signboard with a light-emitting diode (LED) display system and 40 m² for one without an LED display system); and
- (b) **Projecting signboards.** Unauthorised signboards exceeding the upper limit of display areas for Class I minor works under the MWCS (i.e. 10 m² for a signboard with an LED display system and 20 m² for one without an LED display system), or leading to major positional risk (e.g. causing obstruction to vehicular traffic).

According to the BD, its officers identify signboards for LSOs on large unauthorised signboards through public reports received and during daily operation.

Slippage in completing LSOs on target streets covering signboards

3.8 Audit noted that, as of April 2018, the LSO conducted in 2014 for 1 street section had been completed. However, for the LSOs conducted from 2015 to 2017 for a total of 20 street sections, they had not yet been completed (the outstanding work involved instigating prosecution or carrying out default works — see Table 11 in para. 3.6) with slippage as follows:

- (a) **Signboards issued with removal orders.** Audit examination revealed that, as of April 2018, there was slippage in completing the LSOs from 2015 to 2017 ranging from 3 months to 2.3 years (see Table 12). For example, for the LSOs conducted in 2016, the target date for instigating prosecution on non-compliant removal orders was April 2017. However, as of April 2018 (one year after the target date), of the 366 orders issued, prosecution actions had not been instigated for 158 (43%) orders; and

Table 12

Slippage in instigating prosecution on non-compliant removal orders under LSOs on target streets covering signboards (April 2018)

Particulars	2015 LSO (No.)	2016 LSO (No.)	2017 LSO (No.)
Removal orders issued	287 (100%)	366 (100%)	507 (100%)
(a) orders complied with	253 (88%)	195 (53%)	89 (17%)
(b) orders superseded or withdrawn	15 (5%)	1 (1%)	7 (1%)
(c) orders with appeal in progress	— (0%)	2 (1%)	3 (1%)
(d) non-compliant removal orders with prosecution instigated	18 (6%)	10 (2%)	2 (1%)
(e) non-compliant removal orders with no prosecution action instigated	1 (1%) (Note)	158 (43%)	406 (80%)
Target date for instigating prosecution on non-compliant orders	December 2015	April 2017	January 2018
Slippage as of April 2018	2.3 years	1 year	3 months

Source: Audit analysis of BD records

Note: According to the BD, the non-compliant removal order involved two signboards. One was removed in July 2016 and the other one was removed in May 2018.

- (b) **Signboards issued with DSRNs.** Audit examination revealed that, for the LSOs conducted in 2015 and 2016, there was no outstanding DSRN as of April 2018. For the LSOs conducted in 2017, the target date for carrying out default works on non-compliant DSRNs was January 2018. However, as of April 2018, default works had not yet been carried out for 98 (74%) of the 133 DSRNs issued.

- 3.9 In September and October 2018, the BD informed Audit that:
- (a) the progress of the LSOs on target streets covering signboards was being monitored in the BD's Sectional Progress Monitoring meetings;
 - (b) BD staff generally followed its guidelines to instigate prosecution proceedings against non-compliant removal orders. In view of the large number of outstanding removal orders and in order to make the most effective use of the available resources, different factors stated in the guidelines had to be taken into account when considering initiation of related prosecution actions. Each case had to be considered individually and might be in different stages of compliance (e.g. partial compliance and extension of time granted). In addition, cases referred to the BD Legal Services Section (see para. 4.15) were usually made in batches; and
 - (c) it had accorded priority to carry out default works to clear the outstanding DSRNs. All DSRNs issued under the LSOs conducted in 2015 and 2016 had been cleared.

3.10 In Audit's view, the BD needs to strengthen actions to meet its time target for completion of the LSOs on target streets covering signboards, including instigating timely enforcement actions against non-compliant removal orders and DSRNs.

Need to keep under review implementation and effectiveness of LSOs on large unauthorised signboards

3.11 ***Target number of signboards for taking enforcement actions under LSOs on large unauthorised signboards not achieved.*** According to the BD's internal guidelines, the BD should set a target number of signboards for taking enforcement actions each year under LSOs on large unauthorised signboards. However, Audit examination of the LSOs conducted from 2015 to 2017 revealed that the targets could not be achieved. As shown in Table 13, for LSOs conducted from 2015 to 2017, Audit noted that both the actual number of and the achievement rate of the target set for large unauthorised signboards with enforcement actions taken had decreased from 201 (actual achievement rate of 67%) in 2015 to 106 (actual achievement rate of 47%) in 2017.

Table 13

**Number of signboards with enforcement actions taken
under LSOs on large unauthorised signboards
(2015 to 2017)**

Year	Target number of signboards for taking enforcement actions	Actual number of signboards with enforcement actions taken (Note)	Actual achievement rate
	(a)	(b)	$(c) = (b) / (a) \times 100\%$
2015	300	201	67%
2016	225	146	65%
2017	225	106	47%

Source: Audit analysis of BD records

Note: According to the BD, since 2016, manpower has been deployed to tackle some difficult cases of large unauthorised signboards by applying to the Court for priority demolition orders under section 24B of the Buildings Ordinance (see para. 1.9(c)). In 2016 and 2017, 16 and 21 such signboards had been removed respectively. As a result, such signboards, together with those with enforcement actions taken by issuing removal orders under the LSOs on large unauthorised signboards, were included in column (b).

3.12 *Audit's site visit.* In June 2018, to assess the effectiveness of the BD's LSO in identifying large unauthorised signboards, Audit conducted a one-day site visit to 7 streets in Yau Tsim Mong District (Note 28) and identified 68 suspected large unauthorised signboards. Audit then referred these signboards to the BD for its examination and assessment of whether they were unauthorised signboards. According to the BD, 36 of these 68 signboards (Note 29) were unauthorised. Of these 36 unauthorised signboards, 11 were not large unauthorised signboards as their display areas (Note 30) were within that for Class I minor works under the MWCS, and the remaining 25 were large unauthorised signboards with display area (Note 31) exceeding that for Class I minor works under the MWCS (see para. 3.7). Table 14 shows a summary of the BD's examination results on these signboards and the details are given in paragraph 3.13.

Note 28: *Since taking strengthened enforcement actions against large unauthorised signboards under section 24B of the Buildings Ordinance in April 2016 (see para. 1.9(c)) and up to April 2018, 23 signboards had been removed after granting of the priority demolition orders, of which 12 were located in Yau Tsim Mong District. Audit's one-day site visit was conducted on the 7 streets (i.e. Argyle Street, Haiphong Road, Nathan Road, Nelson Street, Prat Avenue, Sai Yeung Choi Street South and Shan Tung Street) where these 12 signboards were located.*

Note 29: *For the remaining 32 signboards: (a) 30 were authorised signboards which had been erected with prior BD's approval and consent or under the MWCS; and (b) 2 related to non-building works.*

Note 30: *The display areas of these 11 unauthorised signboards ranged from 20 m² to 25 m² for wall signboards and from 12 m² to 18 m² for projecting signboards. For these 11 signboards, the BD had taken enforcement action against 1 signboard (a removal order issued in May 2018) before Audit's referral. Regarding the remaining 10 signboards, 8 were not known and 2 were known to the BD, and no enforcement actions had been taken against these 10 signboards before Audit's referral. According to the BD, of these 10 signboards: (a) 9 were not new and had not been validated under the Validation Scheme. The BD would issue removal orders for them under LSOs; and (b) 1 was new and the BD would issue a removal order for it.*

Note 31: *The display areas of these 25 large unauthorised signboards ranged from 30 m² (with an LED display system) to 532 m² for wall signboards and from 36 m² to 100 m² for projecting signboards.*

Table 14

BD’s examination results on the 25 large unauthorised signboards identified by Audit’s site visit (September 2018)

Status of large unauthorised signboard before Audit’s referral	Considered by the BD as		Total (No.)
	Not new large unauthorised signboards (see Note 12 to para. 1.7) (No.)	New large unauthorised signboards (see Note 12 to para. 1.7) (No.)	
(a) Not known to the BD	10	1	11
(b) Known to the BD without enforcement actions taken	5	–	5
(c) Known to the BD with enforcement actions taken	9	–	9
Total	24	1	25

Source: BD examination results on findings of Audit’s site visit

3.13 The BD’s examination results on the 25 large unauthorised signboards identified by Audit’s site visit were as follows:

- (a) 11 were not known to the BD and no enforcement actions had been taken before Audit’s referral. Of these signboards:
 - (i) 10 were not considered by the BD (see Note 12 to para. 1.7) as new unauthorised signboards (see Photographs 3 and 4 for examples). According to the BD, it would issue removal orders for these signboards under LSOs; and

Photograph 3

A large unauthorised signboard (with display area of 532 m²)



Source: Photograph taken by Audit staff on 19 June 2018 and blurred by Audit

Photograph 4

A large unauthorised signboard (with display area of 334 m²)



Source: Photograph taken by Audit staff on 19 June 2018 and blurred by Audit

Large-scale operations and handling of public reports

- (ii) 1 was new unauthorised signboard erected after the BD's 2011 stock-taking exercise. According to the BD, it would issue a removal order for this signboard;

- (b) 5 were known to the BD (of which 3 were through public reports received in 2014 and 2 were through BD staff's daily operation in 2015), but no enforcement actions had been taken. According to the BD, it would issue removal orders under LSOs or apply for priority demolition orders for these signboards; and

- (c) 9 were known to the BD and enforcement actions had been taken before Audit's referral, as follows:
 - (i) 2 had been issued with removal orders in 2008 and 2009 respectively, but the orders were subsequently withdrawn by the BD (see Case 3 in para. 4.19 for details regarding one of the signboards). According to the BD, it would apply for priority demolition order under section 24B of the Buildings Ordinance to remove these signboards; and

 - (ii) 7 had been issued with removal orders in 2017 or 2018.

3.14 The BD's examination confirmed that 11 large unauthorised signboards identified by Audit's one-day site visit to 7 streets in one of the 18 districts were not known to the BD and no enforcement actions had been taken before Audit's referral. Audit noted that the BD had only identified 106 large unauthorised signboards with enforcement actions taken in the 2017 LSO. Audit also noted that both the actual number of and the achievement rate of the target set for large unauthorised signboards with enforcement actions taken had decreased from 201 (actual achievement rate of 67%) in 2015 to 106 (actual achievement rate of 47%) in 2017 (see para. 3.11).

3.15 In September and October 2018, the BD informed Audit that:

- (a) the target number of signboards for taking enforcement action was an internal target (not Controlling Officer's Report target) which served as a benchmark for its staff to follow;

Large-scale operations and handling of public reports

- (b) due to other priorities, the BD had not taken enforcement actions against some of the large unauthorised signboards found by Audit. The BD could only deal with a limited number of large unauthorised signboards and therefore had to tackle these signboards by LSOs;
- (c) it was prudent for BD staff to identify the liable party in accordance with the Buildings Ordinance for taking enforcement action against large unauthorised signboards. In establishing the liable party, BD staff had to carry out investigation and exercise due care and professional judgement, taking into account circumstantial evidence and relevant information obtained on site. In view of the frequent changes of signboards' inscription, it would take time to carry out investigations to locate the person to be held liable;
- (d) since most of the signboards were erected for business operation, default works for non-compliant orders (especially shopfront signboards) might lead to conflict or confrontation, which required intensive lobbying. Furthermore, the default works for projecting signboards might involve temporary closure of streets. These difficulties (including item (c) above) were also applicable to the BD's enforcement actions against all unauthorised and dangerous signboards as mentioned in paragraph 1.9; and
- (e) the BD recognised that the distribution of large unauthorised signboards was uneven amongst different districts. In September 2018, the BD completed a review on the actionable criteria of LSOs on large unauthorised signboards with a view to enhancing enforcement actions under the LSOs, and decided to expand the criteria to cover:
 - (i) large unauthorised shopfront signboards with volume exceeding 8 cubic metres or projection from wall exceeding 1 m in view of the fact that 3 of the 4 incidents of fallen signboards causing injuries in 2017 were related to shopfront signboards; and
 - (ii) unauthorised wall signboards with display areas exceeding 20 m², and unauthorised projecting signboards with display areas exceeding 10 m² or projection from wall exceeding 4.2 m (i.e. expanding the actionable criteria for large unauthorised signboards as mentioned in para. 3.7 (a) and (b) to cover relatively smaller signboards).

The BD guidelines were revised accordingly in September 2018.

Large-scale operations and handling of public reports

3.16 In Audit's view, in view of the newly adopted actionable criteria on large unauthorised signboards, the BD needs to keep under review the implementation and effectiveness of such LSOs with a view to strengthening enforcement actions under the LSOs, including reviewing the target number of signboards for taking enforcement actions and strengthening action to achieve the target.

3.17 In this connection, Audit noted that, for each LSO on target streets covering signboards, the BD had formulated a set of programmed actions with time targets for different stages (see paras. 3.5 and 3.6). However, for LSOs on large unauthorised signboards, there is no such programmed action with time target. In Audit's view, there is merit for the BD to formulate programmed actions in this regard.

Audit recommendations

3.18 **Audit has *recommended* that the Director of Buildings should:**

- (a) **strengthen actions to meet BD time target for completion of the LSOs on target streets covering signboards, including instigating timely enforcement actions against non-compliant removal orders and DSRNs;**
- (b) **keep under review the implementation and effectiveness of the LSOs on large unauthorised signboards with a view to strengthening enforcement actions under the LSOs, including reviewing the target number of signboards for taking enforcement actions and strengthening action to achieve the target; and**
- (c) **formulate programmed actions with time targets for LSOs on large unauthorised signboards.**

Response from the Government

3.19 The Director of Buildings agrees with the audit recommendations. He has said that:

- (a) the internal operational guidelines for LSOs on large unauthorised signboards were revised and promulgated in September 2018. The BD will continue to conduct review on the implementation and effectiveness of the LSOs regularly. In addition, while enforcement actions were taken against 106 large unauthorised signboards in 2017, the BD has revised the target number of signboards for taking enforcement actions to 170 in 2018; and
- (b) the BD conducted a review and set time targets for LSOs on large unauthorised signboards in October 2018. Under the time targets for these LSOs, removal orders issued have to be cleared and discharged within 2 and 3 years of the operations respectively.

Handling of public reports

3.20 Public report is one of the sources for identifying dangerous or unauthorised signboards (see para. 1.8(c)). Upon receiving a public report on a dangerous or unauthorised signboard, the BD will take the following actions:

- (a) **Screening.** The BD will screen whether information of the signboard has been included in BD records and decide whether an inspection is required;
- (b) **Inspection and determining enforcement actions to be taken.** The BD will carry out an inspection (Note 32) and classify the status of the signboard into the following categories for taking necessary actions:

Note 32: *According to the BD's performance pledges, for a report on: (a) dangerous signboard, the BD should inspect within 1.5 to 3 hours (depending on location of signboard (e.g. urban area) and whether the report is received during office hours); (b) unauthorised signboard under construction, the BD should inspect within 48 hours; and (c) existing unauthorised signboard, the BD should screen its records and/or inspect the signboard within 30 days.*

Large-scale operations and handling of public reports

- (i) for a signboard posing an imminent danger to the public, taking emergency action to remove such works;
 - (ii) for a signboard which is dangerous or is likely to become dangerous, issuing a DSRN requiring the removal of such works or specified work to be carried out to render the same safe within a specified period (normally 14 days);
 - (iii) for a signboard which is unauthorised and newly erected (including a WIP signboard), issuing a removal order requiring the removal or alteration of the signboard within a specified period (normally 60 days); and
 - (iv) for other unauthorised signboards not eligible for validation or eligible but not joining the Validation Scheme, issuing advisory letters advising removal of the signboards and taking enforcement action by issuing removal orders under LSOs; and
- (c) ***Notification of enforcement actions.*** The BD will notify the informant of what enforcement action has been or will be taken by the BD.

3.21 Table 15 shows the number of public reports on dangerous or unauthorised signboards from January 2014 to April 2018.

Table 15

**Number of public reports on dangerous or unauthorised signboards
(January 2014 to April 2018)**

Year	Number of public reports
2014	1,451
2015	2,036
2016	2,171
2017	2,310
2018 (up to April)	744

Source: BD records

***Long time taken in determining the status of
some reported unauthorised signboards***

3.22 According to the BD’s performance pledges, upon receiving a public report on an unauthorised signboard, depending on its status as reported, BD officers should screen the BD records and/or inspect the alleged unauthorised signboard within a time period from 48 hours to 30 days (see Note 32 to para. 3.20(b)). According to the BD guidelines, after screening and/or inspecting an alleged unauthorised signboard, the BD officers should classify the signboard into different categories within 30 days for taking appropriate actions (i.e. the status of a signboard should be determined within 60 (30+30) days after a public report is received). However, Audit noted that, as of April 2018, the status of alleged unauthorised signboards arising from 74 public reports had not been determined, of which 41 (55%) public reports had been received for more than 1 year (see Table 16).

Table 16

**Status of alleged unauthorised signboards not yet determined
(April 2018)**

Time elapsed after receiving public report (up to April 2018)	Number of public reports with status of signboards not yet determined
60 days or less	3 (4%)
More than 60 days to 1 year	30 (41%)
More than 1 year to 2 years	30 (41%)
More than 2 years to 3 years	9 (12%)
More than 3 years to 5 years	2 (2%)
Total	74 (100%)

Source: Audit analysis of BD records

3.23 In Audit’s view, the BD needs to strengthen actions to early determine the status of alleged unauthorised signboards arising from public reports for taking timely and appropriate enforcement actions, including meeting the related time target.

Long time taken in issuing DSRNs or removal orders after conducting inspection of alleged signboards

3.24 According to the BD guidelines, BD officers should issue a removal order for a confirmed unauthorised signboard within 180 days after conducting screening and/or inspection of an alleged signboard arising from a public report. However, Audit noted that, for a confirmed dangerous signboard, the BD had not set any time target for issuing a DSRN after conducting an inspection. In view of the safety risk that dangerous signboards may pose to the public, there is merit for the BD to set a time target for issuing DSRNs on confirmed dangerous signboards.

Large-scale operations and handling of public reports

3.25 Audit noted that, as of April 2018, confirmed dangerous or unauthorised signboards arising from 256 public reports had not been issued with DSRNs or removal orders. For 94 (37%) of the 256 public reports, the time elapsed was more than six months (180 days) after conducting screening and/or inspection of the signboards (see Table 17).

Table 17

**Confirmed dangerous or unauthorised signboards arising from
public reports not yet issued with DSRNs or removal orders
(April 2018)**

Time elapsed after conducting screening and/or inspection (up to April 2018)	Number of public reports in relation to confirmed dangerous or unauthorised signboards not issued with DSRNs or removal orders (Note 1)
6 months or less	162 (63%)
More than 6 months to 1 year	60 (24%)
More than 1 year to 3 years	13 (5%)
More than 3 years to 7 years	8 (3%)
More than 7 years to 10 years	7 (3%)
More than 10 years to 16 years (Note 2)	6 (2%)
Total	256 (100%)

Source: Audit analysis of BD records

Note 1: For the 256 confirmed cases, the BD's computer system had not captured the information on whether the signboards were confirmed as dangerous or unauthorised (see para. 3.26).

Note 2: For the case with the longest outstanding period, the BD received the public report in November 2002 (i.e. outstanding for about 15 years and 5 months as of April 2018). For this case, Audit noted that the BD had carried out default works and the signboard was removed in March 2003. However, the records in the BD's computer system were not updated and the case was still recorded as outstanding as of April 2018 (see para. 3.26).

Large-scale operations and handling of public reports

3.26 In Audit's view, as dangerous or unauthorised signboards may pose safety threat to the public, it is unsatisfactory that the BD has taken a long time to take enforcement actions against some confirmed dangerous or unauthorised signboards arising from public reports. In order to address potential hazard to life or property as early as possible, the BD needs to strengthen actions to ensure that timely enforcement actions are taken against confirmed dangerous or unauthorised signboards, including meeting its time target for issuing removal orders. Furthermore, for confirmed dangerous or unauthorised signboards, the BD needs to make use of its computer system to capture such information (see Note 1 to Table 17 in para. 3.25) for taking appropriate enforcement actions, and take measures to ensure that the records in its computer system are timely and accurately updated (see Note 2 to Table 17 in para. 3.25).

Audit recommendations

3.27 **Audit has *recommended* that the Director of Buildings should:**

- (a) **strengthen actions to early determine the status of alleged unauthorised signboards arising from public reports for taking timely and appropriate enforcement actions, including meeting the BD's related time target;**
- (b) **set a time target for issuing a DSRN for a confirmed dangerous signboard arising from a public report after conducting an inspection;**
- (c) **strengthen actions to ensure that timely enforcement actions are taken against confirmed dangerous or unauthorised signboards arising from public reports, including meeting BD time target for issuing removal orders; and**
- (d) **make use of the BD's computer system to capture information on whether a signboard is confirmed as dangerous or unauthorised for taking appropriate enforcement actions, and take measures to ensure that the records in BD's computer system are timely and accurately updated.**

Response from the Government

3.28 The Director of Buildings agrees with the audit recommendations. He has said that the BD:

- (a) set a time target in October 2018 for issuing DSRNs within 30 days from the date of inspection; and
- (b) will make better use of the computer system to monitor cases arising from public reports.

PART 4: FOLLOW-UP ACTIONS ON STATUTORY NOTICES AND ORDERS

4.1 This PART examines the BD's follow-up actions after issuing statutory notices and orders for dangerous or unauthorised signboards, focusing on:

- (a) administration of statutory notices and orders (paras. 4.2 to 4.14); and
- (b) prosecution actions and default works (paras. 4.15 to 4.25).

Administration of statutory notices and orders

4.2 For any signboard issued with a DSRN (for dangerous or likely-to-become dangerous signboard) or a removal order (for unauthorised signboard), BD officers will conduct a compliance inspection after the specified period stated in the DSRN (normally 14 days) or the removal order (normally 60 days) to examine if the required removal or alteration works have been carried out. For a non-compliant DSRN or removal order, the BD may instigate prosecution action and/or carry out the necessary default works and recover the costs incurred from the owner.

4.3 Table 18 shows the number of DSRNs and removal orders issued for signboards by the BD from 2013 to 2017. A DSRN or a removal order may cover one or more than one signboard.

Table 18

**Number of DSRNs and removal orders issued for signboards
(2013 to 2017)**

Year	DSRN (No.)	Removal order (No.)
2013	360	523
2014	590	349
2015	816	682
2016	908	719
2017	860	1,019

Source: BD records

Long-outstanding DSRNs

4.4 According to the BD, dangerous or likely-to-become dangerous signboards pose potential danger to the safety of the public. To assess the time taken for compliance with DSRNs issued for dangerous or likely-to-become dangerous signboards, Audit conducted an ageing analysis of the 670 DSRNs that had been complied with in 2017. The analysis showed that 202 (30%) of these DSRNs were not complied with until more than six months after their issuance, far exceeding the 14-day time limit set out in the DSRNs (see Table 19). As of April 2018, there were 425 DSRNs that had not been complied with. Among them, 247 (58%) had remained outstanding for more than 6 months after the issuance of DSRNs, ranging from more than 6 to 22 months (see Table 20). Case 1 shows that the BD had not taken adequate and timely follow-up actions after the issuance of a DSRN.

Follow-up actions on statutory notices and orders

Table 19

Ageing analysis of DSRNs for signboards complied with in 2017

Period from issuance of DSRN to compliance date	Number of DSRNs complied with
14 days or less	33 (5%)
More than 14 days to 6 months	435 (65%)
More than 6 months to 12 months	112 (16%)
More than 12 months to 24 months	84 (12%)
More than 24 months to 36 months	5 (1%)
About 49 months	1 (1%)
Total	670 (100%)

} 202 (30%)

Source: *Audit analysis of BD records*

Remarks: *Of the 670 DSRNs complied with in 2017, the related signboards for 424 (63%) and 246 (37%) DSRNs were removed by the signboard owners and BD contractors respectively.*

Follow-up actions on statutory notices and orders

Table 20

**Ageing analysis of DSRNs for signboards not yet complied with
(April 2018)**

Period from issuance of DSRN to April 2018	Number of DSRNs not yet complied with
14 days or less	13 (3%)
More than 14 days to 6 months	165 (39%)
More than 6 months to 12 months	210 (49%)
More than 12 months to 22 months (Note) (see Case 1)	37 (9%)
Total	425 (100%)

Source: Audit analysis of BD records

Note: The DSRN with the longest outstanding period was issued in June 2016 (i.e. outstanding for about 22 months as of April 2018). For this case, in October 2017, the BD officers found that the signboard had been partially rectified, and considered that the signboard was no longer dangerous and recommended to withdraw the DSRN (i.e. outstanding for about 16 months from June 2016 to October 2017). In June 2018, the DSRN was withdrawn. Audit therefore selected the second longest case (i.e. 18 months) for study (see Case 1).

Case 1

Inadequate and not timely follow-up actions taken by the BD after the issuance of a DSRN (October 2016 to October 2018)

1. On 19 October 2016, the BD received a public report stating that fragments would be fallen off from a suspected defective signboard in Tin Hau. After conducting an inspection on 24 October 2016, the BD officers found two defective and potentially dangerous signboards, as follows:

- (a) the display of a signboard (Signboard A — the BD found it unauthorised and advised the signboard owner in August 2016 to remove it arising from a public report received in the same month) had been removed with supporting frame remaining; and
- (b) a shopfront signboard (Signboard B) had a display area of about 6.93 m² (width of 6.6 m and height of 1.05 m) and projection of 0.9 m from the external wall of a building.

2. After conducting another inspection on 27 October 2016, the BD officers found that the supporting frame of Signboard A had been partially removed with supporting steel brackets remaining. On 31 October 2016, based on the BD's assessment that Signboard A (the remaining structures) and Signboard B were dangerous, the BD issued a DSRN requiring removal of these structures within 14 days.

3. Under a 2017 LSO, the BD's inspections (on 6 March 2017, 31 May 2017, 7 June 2017, 24 August 2017 and 17 January 2018) covered Signboards A and B and found that:

- (a) the supporting steel brackets of Signboard A (the remaining structures — see para. 2) remained unrectified; and
- (b) Signboard B was partially repaired and no obvious sign of distress was noted. The four inspections between March and August 2017 revealed that Signboard B and two structures erected on the two sides of the shop front (referred to as the side structures) were UBWs. In August 2017, the BD issued a removal order requiring removal of Signboard B and the side structures within 60 days.

Case 1 (Cont'd)

4. In July 2018, Audit conducted a site visit and found that Signboard A (the remaining structures) and Signboard B had not been removed.

5. In September and October 2018, the BD informed Audit that:

- (a) it had arranged to carry out default works to remove Signboard A (the remaining structures) in October 2018; and
- (b) enforcement actions against the outstanding removal orders issued under the 2017 LSO, including the removal order issued for Signboard B, were being pursued.

Audit comments

6. The BD will pursue enforcement actions against Signboard B through the removal order (instead of DSRN) due to its changes in conditions (see paras. 3(b) and 5(b)). However, for Signboard A, while its conditions had remained unchanged since the issuance of the DSRN in October 2016 (see para. 3(a)), the BD had not taken adequate and timely follow-up actions on the non-compliant DSRN. It was not until about 2 years later in October 2018 that the BD arranged to carry out default works to remove Signboard A (see para. 5(a)).

Source: Audit analysis of BD records

4.5 Given that DSRNs are issued for dangerous or likely-to-become dangerous signboards which pose potential safety threat to the public and the BD will take priority enforcement actions against such signboards (see para. 1.9(b)(i)), Audit considers it unsatisfactory that some DSRNs had been outstanding for a long time. In Audit's view, the BD needs to strengthen actions (e.g. conducting timely compliance inspections) to ensure that DSRNs are promptly complied with. The BD also needs to take timely follow-up actions (e.g. instigating prosecution actions and/or carrying out default works) on those non-compliant cases.

Follow-up actions on statutory notices and orders

Long-outstanding removal orders

4.6 According to the BD, a removal order issued for an unauthorised signboard is considered as “cleared” when:

- (a) the related unauthorised signboard has been completely removed;
- (b) prosecution action has been initiated by the BD;
- (c) default works are being carried out by BD contractors; or
- (d) the order is superseded or withdrawn (Note 33).

4.7 The BD has set time targets (revised annually) to clear removal orders issued for UBWs (including unauthorised signboards). According to the BD’s clearance targets set in March 2017, by March 2018, all removal orders issued before 2010 and a percentage of the removal orders issued in each of 2010 to 2016 (ranging from 85% to 15%) should be cleared. Audit noted that, as of April 2018, the BD had met the targets of clearing a percentage of removal orders issued in each of 2010 to 2016 for unauthorised signboards. However, the BD had not met the target of clearing all removal orders issued before 2010, as there were 29 removal orders issued in 2006 to 2009 not yet cleared (i.e. outstanding for 8.3 to 12 years as of April 2018).

4.8 To assess the time taken for clearing removal orders issued for unauthorised signboards, Audit conducted an ageing analysis of the 825 removal orders that had been cleared in 2017. The analysis showed that 415 (50%) of these removal orders were cleared more than one year after their issuance, far exceeding the 60-day time limit set out in the removal orders (see Table 21). As of April 2018, there were 1,414 removal orders that had not been cleared. Among them, 598 (42%) had remained outstanding for more than 1 year after the issuance of removal orders, ranging from more than 1 to 12 years (see Table 22). Case 2 shows that the BD had not taken adequate and timely follow-up actions after the issuance of a removal order.

Note 33: *According to the BD, a removal order may be superseded by a new order or withdrawn (e.g. if there is a change in ownership or an error in the original order is found).*

Follow-up actions on statutory notices and orders

Table 21

Ageing analysis of removal orders for signboards cleared in 2017

Period from issuance of removal order to clearance date	Number of removal orders cleared	
60 days or less	62	(8%)
More than 60 days to 1 year	348	(42%)
More than 1 year to 3 years	278	(33%)
More than 3 years to 7 years	95	(11%)
More than 7 years to 10 years	41	(5%)
About 14 years	1	(1%)
Total	825	(100%)

Source: Audit analysis of BD records

Remarks: Of the 825 removal orders cleared in 2017, the related signboards for 527 (64%) removal orders were removed by the signboard owners, 171 (21%) withdrawn by the BD, 103 (12%) with prosecution action instigated by the BD, 15 (2%) superseded by the BD and the related signboards for 9 (1%) removed by BD contractors.

Follow-up actions on statutory notices and orders

Table 22

Ageing analysis of removal orders for signboards not yet cleared (April 2018)

Period from issuance of removal order to April 2018	Number of removal orders not yet cleared
60 days or less	107 (8%)
More than 60 days to 1 year	709 (50%)
More than 1 year to 3 years	387 (27%)
More than 3 years to 7 years	133 (9%)
More than 7 years to 8.3 years	49 (4%)
More than 8.3 years to 12 years (Note) (see Case 2)	29 (2%)
Total	1,414 (100%)

Source: *Audit analysis of BD records*

Note: *These were removal orders issued in 2006 to 2009 not meeting the clearance target (see para. 4.7).*

Case 2

**Inadequate and not timely follow-up actions
taken by the BD after the issuance of a removal order
(March 2006 to September 2018)**

1. On 25 March 2006, two days after receiving a public report on suspected UBWs under construction at a building in Jordan, the BD's consultant conducted an inspection and reported that the building works were too pre-mature to determine whether the works were UBWs. On 25 May 2006, two days after receiving another public report from the same informant on the same works related to two signboards under construction, the BD's consultant inspected again and reported that two new unauthorised signboards (Signboards C and D) had been constructed.

2. On 12 September 2006, the BD served a removal order on the owners of the premises where Signboards C and D were located, requiring removal of the two signboards within 60 days. In November 2006, after conducting a compliance inspection and noting that both signboards remained unrectified, the BD issued a letter to the owners warning them of its prosecution action on the non-compliant order. In December 2006, the responsible BD team referred the case to the BD Legal Services Section (see para. 4.15) for taking prosecution action.

3. In February 2008, after noting that the removal order was served on the owners of the premises (i.e. not the person for whom the signboards had been erected (see para. 1.6(b)(i)) or the person who would receive any related rent (see para. 1.6(b)(ii)), and there was no record showing that these two parties could not be found), the BD Legal Services Section requested the responsible BD team to provide related information. In August 2008, as no information was received, the BD Legal Services Section dropped the case with legal action discontinued (see para. 4.20).

4. In January 2011, after conducting another compliance inspection, the BD officers found that Signboards C and D remained unrectified.

Case 2 (Cont'd)

5. In 2015, the BD under an LSO found that Signboards C and D had been removed but a supporting metal frame of Signboard C had been left abandoned. In October 2015, the BD issued a removal order (requiring removal of the UBWs within 60 days) covering the supporting metal frame of Signboard C and an unauthorised structure on the flat roof of the same building. According to the BD, this removal order superseded the removal order issued in September 2006 as the building works stated under the two removal orders were different. The BD's inspections in March 2016, May 2018 and June 2018 found that the supporting metal frame of Signboard C remained unrectified.

6. In September 2018, the BD informed Audit that prosecution action against the removal order issued in October 2015 for the supporting metal frame of Signboard C was being arranged.

Audit comments

7. Signboards C and D were new unauthorised signboards against which the BD has set a policy of taking priority enforcement action (see paras. 1.7(b) and 1.9(b)(ii)). However, Audit noted that the BD's follow-up actions after the issuance of the removal order for Signboards C and D in September 2006 were inadequate and not timely in view of the fact that:

- (a) the responsible BD team had not provided the BD Legal Services Section with the information requested in February 2008; and
- (b) after the case was dropped (with legal action discontinued) in August 2008, BD officers conducted another compliance inspection in January 2011 (about 2.5 years later). Further follow-up action was only taken by the BD about 4 years later in 2015.

As a result of inadequate and not timely follow-up actions taken by the BD, the unauthorised Signboard C had still not been fully rectified long time after the issuance of the removal order in September 2006 (i.e. about 12 years as of September 2018).

Source: Audit analysis of BD records

Follow-up actions on statutory notices and orders

4.9 In Audit's view, the BD needs to strengthen actions (e.g. conducting timely compliance inspections) to ensure that removal orders issued for unauthorised signboards are promptly complied with. The BD also needs to take timely follow-up actions (e.g. providing its Legal Services Section with the information requested) on those non-compliant cases.

Some removal orders not registered at the Land Registry

4.10 As mentioned in paragraph 1.6(b), under the Buildings Ordinance, a removal order issued for an unauthorised signboard shall be served on the owner of the land or premises on which the signboard has been or is being erected (referred to as owner of land or premises) if the following persons cannot be found:

- (a) the person for whom the signboard has been erected or is being erected;
and
- (b) the person who would receive or is receiving any related rent or money consideration.

Where the order is served on owner of land or premises, it is the BD's standard procedure to register the order at the Land Registry (LR). According to the BD, registration of UBW information at the LR would enhance consumer protection on prospective property buyers, who will become aware of the existence of UBWs in the related premises through conducting a land search at the LR.

4.11 Audit noted that the BD had no readily available information regarding the registration of removal orders issued for unauthorised signboards at the LR. Audit thus selected 15 removal orders from the 700 removal orders issued in 2017 but remained outstanding as of April 2018 (Note 34) for examination of registration of removal orders at the LR. Audit noted that 11 of these removal orders were issued to the owners of land or premises and could be registered at the LR, while the remaining 4 orders were issued to other persons (see para. 4.10 (a) and (b)) and could not be registered at the LR. Of the 11 removal orders issued to owners of land or premises, 8 had not been registered at the LR as of April 2018 (ranging from 235 to

Note 34: *The 15 removal orders were selected based on the BD's computer system which indicated that they were issued to unit owners.*

Follow-up actions on statutory notices and orders

273 days after the issuance of the removal orders). Audit also noted that the BD had not set any time target for referring removal orders to the LR for registration.

4.12 In Audit's view, to enhance consumer protection and strengthen deterrent effects on UBW owners (see para. 4.10), the BD needs to take measures to ensure that all removal orders related to signboards served on owners of land or premises (including the 8 removal orders which had not been registered at the LR as identified by Audit) are timely referred to the LR for registration and consider setting a related time target.

Audit recommendations

4.13 **Audit has recommended that the Director of Buildings should:**

- (a) **strengthen actions (e.g. conducting timely compliance inspections) to ensure that DSRNs and removal orders issued for related signboards are promptly complied with;**
- (b) **take timely follow-up actions (e.g. instigating prosecution actions and/or carrying out default works and providing BD Legal Services Section with the information requested) on those non-compliant DSRNs and removal orders as related to signboards; and**
- (c) **take measures to ensure that all removal orders related to signboards served on owners of land or premises (including the 8 removal orders which had not been registered at the LR as identified by Audit in paragraph 4.11) are timely referred to the LR for registration and consider setting a related time target.**

Response from the Government

4.14 The Director of Buildings agrees with the audit recommendations. He has said that:

- (a) the follow-up actions on outstanding DSRNs and removal orders are being monitored in the BD's Sectional Progress Monitoring meetings. The BD has strengthened enforcement actions in recent years with the setting up of the Signboard Control Unit which takes more focused actions against signboard related cases. As shown in the ageing analyses of DSRNs and removal orders (see Table 19 in para. 4.4 and Table 21 in para. 4.8) and Case 3 (see para. 4.19), the Signboard Control Unit has cleared some long outstanding DSRNs and removal orders, and will continue to strengthen its efforts in this regard; and
- (b) the BD will review means to monitor the registration of removal orders related to signboards served on owners of land or premises at the LR.

Prosecution actions and default works

4.15 The BD may instigate prosecution actions against any person who fails to comply with the DSRNs or removal orders without reasonable excuse by referring these cases to the BD Legal Services Section (under the Corporate Services Division). Under delegated authority from the Department of Justice, certain officers of the Legal Services Section may act as prosecutors in these cases. For warranted cases, the Legal Services Section will arrange for issuance of summonses on the related owners. Prosecution actions against non-compliant DSRNs and removal orders are as follows:

- (a) **DSRNs.** Under the Public Health and Municipal Services Ordinance, a person subject to prosecution is liable, on conviction, to a fine at level 2 (currently between \$2,001 and \$5,000) and to a daily fine of \$100 for each day during which the failure to comply with a DSRN has continued. According to the BD records, from January 2013 to April 2018, no

Follow-up actions on statutory notices and orders

prosecution action had been instigated on non-compliant DSRNs relating to signboards (Note 35); and

- (b) **Removal orders.** Under the Buildings Ordinance, a person subject to prosecution is liable, on conviction, to a maximum fine of \$200,000 and to imprisonment for one year, and to a daily maximum fine of \$20,000 for each day during which the failure to comply with a removal order has continued. From January 2013 to April 2018, 399 summonses had been served on non-compliant removal orders issued for unauthorised signboards and 303 defendants had been convicted. The fines for each of the 303 convicted defendants ranged from about \$300 to \$100,000 (with average of about \$5,700), and no imprisonment had been imposed.

4.16 In addition, the BD may engage contractors to carry out the required works on behalf of the owners (i.e. default works) and recover the costs from the owners, as follows:

- (a) **DSRNs.** Under the Public Health and Municipal Services Ordinance, the BD may execute any work necessary to satisfy the requirements of a DSRN if it is not complied with within the specified period (or carry out emergency works if the BD considers a signboard poses an imminent danger to the public irrespective whether a DSRN has been issued), and recover the related expenses incurred from the signboard owner. For cases where the signboard owner is not known or could not be found, the cost of works carried out will be borne by the Government;
- (b) **Removal orders.** Under the Buildings Ordinance, if a signboard owner fails to comply with a removal order within the specified period, the BD may carry out default works, and recover the related costs plus a surcharge of not exceeding 20% of the costs from the owner; and
- (c) **Priority demolition orders.** Under the Buildings Ordinance, upon the grant of a priority demolition order by the Court, the BD may carry out works to remove the signboard within the time limit specified on the order, and

Note 35: *According to the BD, for non-compliant DSRNs, it will carry out the removal works because of the safety concern.*

Follow-up actions on statutory notices and orders

recover the related costs plus a surcharge of not exceeding 20% of the costs from the owner.

From 2013-14 to 2017-18, the BD had completed default works on 523 cases related to signboards, involving a total expenditure of \$8.3 million, of which \$3.9 million were borne by the Government (i.e. write-off cases) and \$4.4 million were recovered or to be recovered from the signboard owners.

Need to take timely prosecution actions against non-compliant cases

4.17 According to the BD's internal guidelines, within 150 days after the specified period (normally 60 days) stated in a removal order issued arising from a public report, the BD officers should carry out a compliance inspection and, for any non-compliant order, issue a warning letter to the signboard owner within 50 days before taking prosecution action. In other words, a warning letter for prosecution should be issued within 260 (60+150+50) days or about 9 months after a removal order is issued (Note 36). The BD may then instigate prosecution action on a non-compliant removal order by referring the case to the BD Legal Services Section. Upon receipt of a referral case, the BD Legal Services Section will study the case and decide whether to proceed with the legal action by serving a summons or drop the case (i.e. with the legal action discontinued).

4.18 To assess the time taken for referral of non-compliant removal orders to the BD Legal Services Section for instigating prosecution actions, Audit conducted an ageing analysis of the 214 non-compliant removal orders that had been referred to the Section in 2016 and 2017. The analysis shows that 132 (62%) of these non-compliant removal orders were not referred to the BD Legal Services Section until more than one year after their issuance (see Table 23).

Note 36: *For the LSOs, the time for instigating prosecution action after issuance of a removal order is also about 9 months as shown in Table 11 in paragraph 3.6. Taking the 2017 LSO as an example, the time interval between the commencement date of April 2017 for serving removal order and the end date of January 2018 for instigating prosecution action is about 9 months. For the regular survey, no such time target was set (see para. 2.39).*

Follow-up actions on statutory notices and orders

Table 23

Time taken from issuance of removal orders to referral to Legal Services Section for cases referred in 2016 and 2017

Time taken from issuance of removal order to referral to Legal Services Section	Number of removal orders
More than 60 days to 1 year	82 (38%)
More than 1 year to 2 years	72 (34%)
More than 2 years to 3 years	24 (11%)
More than 3 years to 4 years	15 (7%)
More than 4 years to 7 years	14 (7%)
More than 7 years to 10 years	7 (3%)
Total	214 (100%)

Source: *Audit analysis of BD records*

4.19 Furthermore, Audit examination revealed that, as of April 2018, of the 214 non-compliant removal orders referred to the BD Legal Services Section for instigating prosecution action in 2016 and 2017, 57 (27%) orders related to cases being studied by the BD Legal Services Section, 92 (43%) orders related to cases served with summonses and 65 (30%) orders related to cases dropped (i.e. with legal action discontinued). Of the 65 orders with cases dropped, 33 (51%) orders were not referred to the BD Legal Services Section until more than one year after their issuance (see Table 24). Case 3 shows that the BD had taken a long time in referring a case to the BD Legal Services Section for taking prosecution action.

Follow-up actions on statutory notices and orders

Table 24

**Time taken from issuance of removal orders to referral to
Legal Services Section for cases referred in 2016 and 2017
and subsequently dropped
(April 2018)**

Time taken from issuance of removal order to referral to Legal Services Section	Number of removal orders with cases dropped
1 year or less	32 (49%)
More than 1 year to 2 years	17 (26%)
More than 2 years to 3 years	5 (8%)
More than 3 years to 4 years	7 (11%)
More than 4 years to 7 years	2 (3%)
More than 7 years to 10 years (Note) (see Case 3)	2 (3%)
Total	65 (100%)

Source: Audit analysis of BD records

Note: For the case taking the longest time (i.e. about 10 years), Audit noted that: (a) the related defendant was convicted in June 2017; (b) the BD's compliance inspection in September 2017 found that the related unauthorised signboard remained unrectified; (c) the case was referred again to the BD Legal Services Section in October 2017; and (d) the BD's compliance inspection in February 2018 found that the related unauthorised signboard had been removed, and the case was then dropped. Audit therefore selected the case taking the second longest time (i.e. 7 years and 3 months) for study (see Case 3).

Case 3

Prosecution action discontinued due to long time taken in referring the case to BD Legal Services Section for instigating prosecution action (September 2008 to September 2018)

1. Between 17 September and 6 October 2008, in response to eight public reports received in the two months, the BD and its consultant conducted inspections at a building in Mong Kok and found a new unauthorised signboard (Signboard E) attached to the external wall of the building with supporting metal frames and with display area of about 96 m² (width of 16 m and height of 6 m) and projection of 3 m from the external wall. On 15 October 2008, the BD served a removal order on the two owners of the premises where Signboard E was located, requiring its removal within 30 days.
2. On 24 November 2008, a week after the BD's consultant conducting a compliance inspection and noting Signboard E remained unrectified, the BD issued a warning letter on its prosecution action. On 1 December 2008, the issuance of the removal order was appealed to the Appeal Tribunal (Note) which dismissed the appeal on 15 October 2009. In December 2008, November 2010 and October 2015, the BD conducted a second, third and fourth compliance inspection respectively and found that Signboard E still remained unrectified. In December 2015, the BD issued a second warning letter on its prosecution action.
3. In January 2016, the case was referred to the BD Legal Services Section for taking prosecution action. In October 2016, a summons was served. However, the BD could not obtain the witness statements as requested by its Legal Services Section in January 2017 from the two officers of its consultant who were involved in the case in 2008, as both officers had already left the company. In March 2017, the BD applied for withdrawal of the summons which was agreed by the Court, and the case was then dropped as the required witness statements could not be obtained. In November 2017, the BD withdrew the removal order.
4. In June 2018, Audit conducted a site visit and found that Signboard E still remained unrectified (see Photograph 5). Audit had referred the case to the BD for following up (see para. 3.13(c)(i)).

Case 3 (Cont'd)

Photograph 5

Signboard E



Source: Photograph taken by Audit staff on 19 June 2018 and blurred by Audit

5. In September 2018, the BD informed Audit that:
- (a) immediately upon withdrawal of the removal order in November 2017 (see para. 3), it commenced investigation for applying to the Court for a priority demolition order under section 24B of the Buildings Ordinance. The court hearing was held in June 2018 and the priority demolition order was granted in July 2018; and
 - (b) Signboard E was removed by a BD contractor in August 2018.

Case 3 (Cont'd)

Audit comments

6. Audit noted that the BD took 7 years and 3 months (counting from the issuance of the removal order in October 2008) to refer the case to its Legal Services Section for instigating legal action in January 2016. Excluding the 10.5 months awaiting the Tribunal's ruling (from December 2008 to October 2009), the BD still took 6 years and 4 months for instigating prosecution action, far exceeding the 9-month time target as stated in the BD guidelines (see para. 4.17). Owing to the long lapse of time, the required witness statements could not be obtained for proceeding with the prosecution action. In August 2018, the unauthorised Signboard E was rectified (see para. 5(b)).

Source: Audit analysis of BD records

Note: An Appeal Tribunal, appointed by the Chief Executive of the Hong Kong Special Administrative Region for each appeal case, is formed comprising a chairman (who is qualified for appointment as a District Judge) and not less than two members to hear and determine an appeal against a decision made by the BD in the exercise of a discretion under the Buildings Ordinance.

4.20 According to the BD, with regard to the non-compliant removal orders, vigorous prosecution demonstrates to the public the determination of the BD in enforcing the orders and serves a deterring effect to negate some owners' delaying tactics. In this connection, Audit noted that a review on selected cases conducted by the BD in 2016 after its management expressing concern on the high percentage of dropped cases found that reasons for dropping these cases included related signboards being removed before laying summonses, new evidence noted and outstanding reply from BD officers to enquiries from its Legal Services Section (see para. 3 of Case 2 in para. 4.8 for an example). The BD then reminded its staff to initiate prosecution action against non-compliant orders as soon as possible and to timely reply to enquiries from the Legal Services Section. In October 2018, the BD informed Audit that the BD staff generally followed the internal operational guidelines to instigate prosecution proceedings against non-compliant removal orders, taking into account circumstances of individual cases (e.g. extension of time granted).

Follow-up actions on statutory notices and orders

4.21 In Audit's view, the BD needs to take measures to ensure that prosecution actions against non-compliant removal orders for unauthorised signboards are timely instigated, including reminding its officers to follow the related time target in BD guidelines. In addition, the BD needs to keep under review the extent of and the reasons for cases related to signboards dropped after being referred to its Legal Services Section for instigating prosecution actions with a view to identifying room for improvement.

Need to take timely action to recover costs of default works

4.22 According to the BD guidelines, demand notes should be issued to pertinent owners within six months after completion of default works. However, Audit examination revealed that, as of April 2018, of the 79 cases relating to signboards and having completed default works with outstanding costs (involving a total outstanding cost of \$3.7 million), the BD had not issued demand notes to the signboard owners of 38 (48% of 79) cases (involving a total outstanding cost of \$2 million, or 54% of \$3.7 million). Audit noted that default works for 31 (82%) of these 38 cases had been completed for more than 6 months, ranging from more than 6 to 32 months and averaging 12 months (see Table 25).

Follow-up actions on statutory notices and orders

Table 25

Default works completed but not yet issued with demand notes (April 2018)

Period from works completion to April 2018	Number of cases not yet issued with demand notes relating to				
	Emergency works	DSRN	Removal order	Priority demolition order	Total
6 months or less	1	5	1	–	7
More than 6 months to 12 months	2	10	4	1	17
More than 12 months to 18 months	–	7	2	–	9
More than 18 months to 32 months	–	–	2	3	5
Total	3	22	9	4	38

Source: Audit analysis of BD records

4.23 In Audit's view, the BD needs to take measures to ensure that demand notes are issued to signboard owners within six months after completion of default works.

Audit recommendations

4.24 Audit has *recommended* that the Director of Buildings should:

- (a) take measures to ensure that prosecution actions against non-compliant removal orders for unauthorised signboards are timely instigated, including reminding BD officers to follow the related time target in BD guidelines;

- (b) **keep under review the extent of and the reasons for cases related to signboards dropped after being referred to BD Legal Services Section for instigating prosecution actions with a view to identifying room for improvement; and**

- (c) **take measures to ensure that demand notes are issued to signboard owners within six months after completion of default works.**

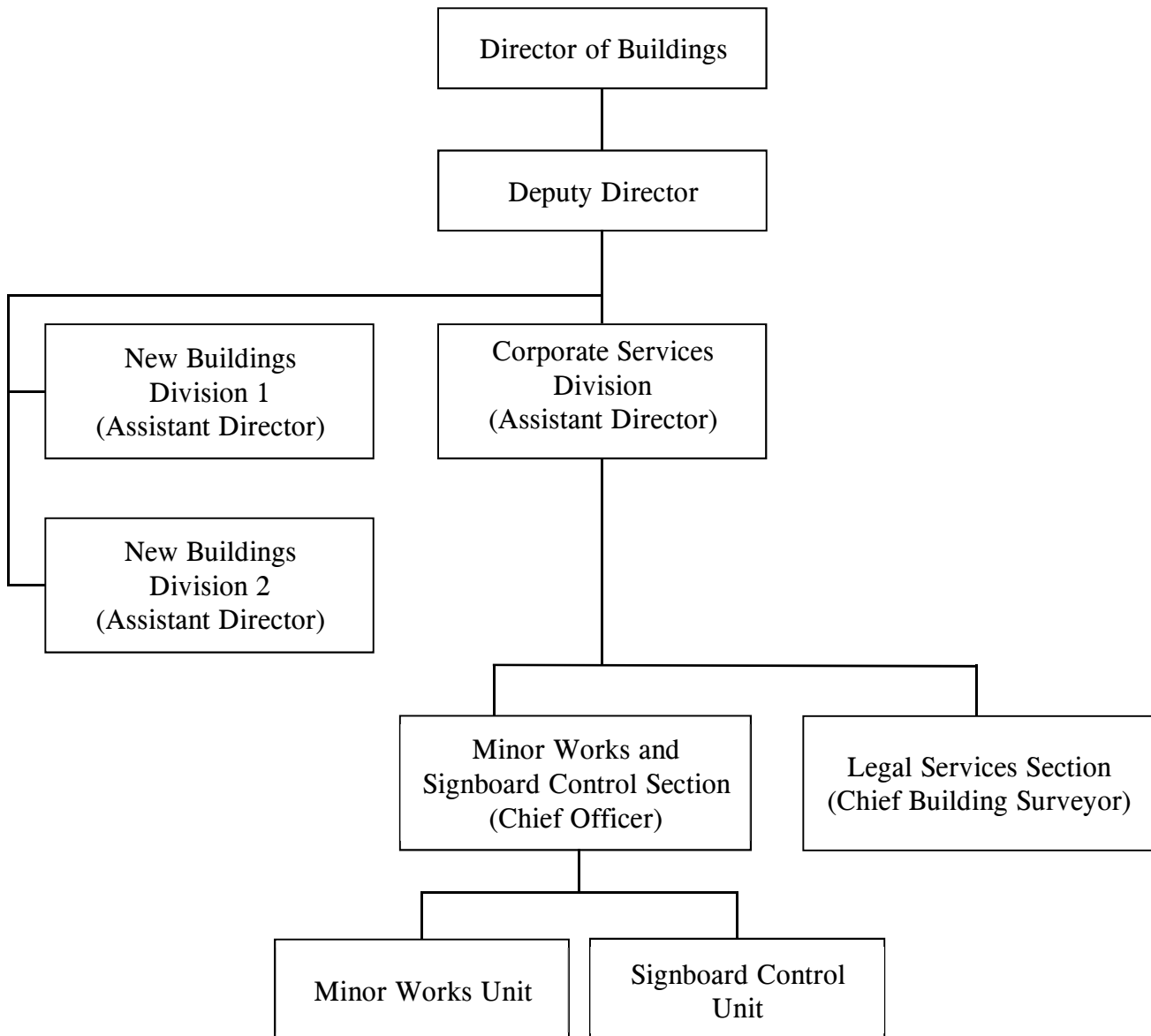
Response from the Government

4.25 The Director of Buildings agrees with the audit recommendations. He has said that the BD:

- (a) conducted a review on dropped cases in 2016 (see para. 4.20) and will continue to conduct review as needed; and

- (b) will enhance the computer system in monitoring the cost recovery actions.

**Buildings Department:
Organisation chart (extract)
(31 March 2018)**



Source: *BD records*

**Major technical specifications regarding minor works for the
erection, alteration and removal of signboards under
the Minor Works Control System**

Particulars	Minor works		
	Class III	Class II	Class I
Degree of complexity and risk to safety	Low	Medium	High
(a) Wall signboard (Note 1)			
(i) Erection/alteration			
- display area (without LED)	$\leq 5 \text{ m}^2$	$\leq 10 \text{ m}^2$	$> 10 \text{ m}^2$ to 40 m^2
- display area (with LED)	N/A	$\leq 5 \text{ m}^2$	$> 5 \text{ m}^2$ to 20 m^2
(ii) Removal			
- display area (without LED)	$\leq 10 \text{ m}^2$	$\leq 40 \text{ m}^2$	Removal of any signboard
- display area (with LED)	N/A	$\leq 20 \text{ m}^2$	
(b) Projecting signboard (Note 2)			
(i) Erection/alteration			
- display area	$\leq 1 \text{ m}^2$	$\leq 10 \text{ m}^2$	$> 10 \text{ m}^2$ to 20 m^2
- signboard thickness	≤ 300 millimetres (mm)	$\leq 600 \text{ mm}$	$\leq 600 \text{ mm}$
- projection from wall	$\leq 1 \text{ m}$	$\leq 4.2 \text{ m}$	$\leq 4.2 \text{ m}$
(ii) Removal			
- display area	$\leq 2 \text{ m}^2$	$\leq 20 \text{ m}^2$	Removal of any signboard
(c) Signboard on roof (Note 3)			
(i) Erection/alteration			
- display area	N/A	N/A	$\leq 20 \text{ m}^2$
- signboard thickness	N/A	N/A	$\leq 600 \text{ mm}$
- distance from roof level	N/A	N/A	$\leq 6 \text{ m}$
			No part of signboard projects beyond the external wall of a building

Appendix B
(Cont'd)
(paras. 2.3 and 2.17 refer)

Particulars	Minor works		
	Class III	Class II	Class I
(ii) Removal - display area - height of signboard - distance from the edge of roof	$\leq 5 \text{ m}^2$ $\leq 2 \text{ m}$ $> 1.5 \text{ m}$	$\leq 20 \text{ m}^2$ N/A N/A	Removal of any signboard
(d) Outdoor signboard fixed on-grade (i) Erection/alteration - display area - signboard thickness - distance from ground (ii) Removal - display area - distance from ground	N/A N/A N/A $\leq 1 \text{ m}^2$ $\leq 3 \text{ m}$	$\leq 10 \text{ m}^2$ $\leq 600 \text{ mm}$ $\leq 2 \text{ m}$ $\leq 20 \text{ m}^2$ N/A	$\leq 20 \text{ m}^2$ $\leq 600 \text{ mm}$ $\leq 6 \text{ m}$ Removal of any signboard
(e) Outdoor signboard with a spread footing (i) Erection/alteration - display area - signboard thickness - distance from ground - excavation depth for construction of footing (ii) Removal - display area - distance from ground	N/A N/A N/A N/A $\leq 1 \text{ m}^2$ $\leq 3 \text{ m}$	$\leq 1 \text{ m}^2$ $\leq 300 \text{ mm}$ $\leq 3 \text{ m}$ $\leq 500 \text{ mm}$ $\leq 20 \text{ m}^2$ N/A	N/A N/A N/A N/A N/A N/A

Appendix B
(Cont'd)
(paras. 2.3 and 2.17 refer)

Particulars	Minor works		
	Class III	Class II	Class I
(f) Signboard on or hung underneath balcony or canopy (Note 4)			
(i) Erection/alteration			
- display area	N/A	$\leq 2 \text{ m}^2$	N/A
- signboard thickness	N/A	$\leq 100 \text{ mm}$	N/A
- height of signboard	N/A	$\leq 600 \text{ mm}$	N/A
		No part of signboard projects beyond the balcony or canopy	
(ii) Removal			
- display area (if on balcony or canopy)	$\leq 5 \text{ m}^2$	$> 5 \text{ m}^2$	Removal of any signboard
- display area (if underneath the soffit of a balcony or canopy)	$\leq 2 \text{ m}^2$	$> 2 \text{ m}^2$	
- height of signboard	$\leq 1 \text{ m}$	$> 1 \text{ m}$	

Source: BD records

Note 1: A wall signboard means a signboard that is fixed to the external wall of a building and no part of which projects more than 600 mm from the wall. For a wall signboard, the works should not result in any additional load to any cantilevered slab or involve the alteration of any other structural elements, and the signboard should not consist of stone if the distance between any part of the signboard and the ground is more than 6 m.

Note 2: A projecting signboard means a signboard that is fixed to the external wall of a building and that projects more than 600 mm from the wall. For a projecting signboard, the works should not result in any additional load to any cantilevered slab or involve the alteration of any other structural elements, and the signboard should not consist of stone.

Note 3: For a signboard on the roof of a building, the works should not result in any additional load to any cantilevered slab or involve the alteration of any other structural elements, and the signboard should not consist of stone.

Note 4: For a signboard on or hung underneath balcony or canopy, no part of the signboard should project beyond the balcony or canopy and the signboard should not consist of stone.

Acronyms and abbreviations

Audit	Audit Commission
BD	Buildings Department
DSRN	Dangerous Structure Removal Notice
LED	Light-emitting diode
LegCo	Legislative Council
LR	Land Registry
LSO	Large-scale operation
m	Metres
m ²	Square metres
mm	Millimetres
MWCS	Minor Works Control System
UBWs	Unauthorised building works
WIP	Works-in-progress