

CHAPTER 6

**Culture, Sports and Tourism Bureau
Leisure and Cultural Services Department**

Management of public libraries

**Audit Commission
Hong Kong
31 March 2023**

This audit review was carried out under a set of guidelines tabled in the Provisional Legislative Council by the Chairman of the Public Accounts Committee on 11 February 1998. The guidelines were agreed between the Public Accounts Committee and the Director of Audit and accepted by the Government of the Hong Kong Special Administrative Region.

Report No. 80 of the Director of Audit contains 8 Chapters which are available on our website at <https://www.aud.gov.hk>



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MANAGEMENT OF PUBLIC LIBRARIES

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MANAGEMENT OF PUBLIC LIBRARIES

Executive Summary

1. The International Federation of Library Associations and Institutions (IFLA) — United Nations Educational, Scientific and Cultural Organization (UNESCO) Public Library Manifesto proclaims UNESCO's belief in the public library as a living force for education, culture, inclusion and information, as an essential agent for sustainable development, and for individual fulfillment of peace and spiritual welfare through the minds of all individuals. The Hong Kong Public Libraries (HKPL) aims to serve the public in various ways, including as an information centre where information and the latest development on all subject disciplines are freely and readily available to the public, as a tool for self-education and continuing education through resource-based learning, as a centre for the promotion of literary arts and literary research, as a source of enjoyment for the profitable use of leisure, and as a source for the enrichment of everyday living.

2. The provision of public library services in Hong Kong is the responsibility of the Leisure and Cultural Services Department (LCSD), which provides library services by operating a network of libraries. As at 31 December 2022, the network included 70 static libraries and 12 mobile libraries. HKPL also provides book drop service at three Mass Transit Railway (MTR) stations for people to return books and other library items, and operates three self-service library stations to provide round-the-clock services (such as borrowing and return). In 2022-23, the estimated expenditure in the provision of public library services amounted to \$1,428 million. As at 31 December 2022, the collection comprised 15.2 million items of books, other print materials (e.g. maps) and non-print materials (e.g. audio-visual materials). In addition, HKPL provided 14 electronic book (e-book) collections, 83 electronic databases (e-databases) and about 4,500 titles of newspapers and periodicals. LCSD manages HKPL with the support of two major library information technology (IT) systems, namely the Next Generation Integrated Library System (NGILS) and Multimedia Information System (MMIS). The Smart Library System (SLS) is being developed to replace the existing two major IT systems. The Audit Commission (Audit) has recently conducted a review of the management of public libraries.

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Collection development and management

3. ***Need to better monitor implementation of collection development plans (CDPs).*** LCSD formulates an annual CDP on the overall collection development (including acquisitions and withdrawals) of HKPL. According to LCSD, the quantity of new library materials proposed in CDPs is governed by a number of factors, such as requirements of branch libraries (i.e. 70 static libraries, 12 mobile libraries and 3 self-service library stations) and usage rates (paras. 2.5 and 2.8). Audit noted that:

- (a) ***Fulfillment by categories.*** For the lending collections, the actual number of new items for some categories deviated significantly from those in the CDPs. For example, in 2021-22, the fulfillment rate for Chinese books in adult collections was only 72% (i.e. the actual number of new library materials fell short of the CDP number by 28%). However, the reasons for the deviations were not documented (paras. 2.9 and 2.12); and
- (b) ***Fulfillment by subjects.*** The proportion of new library materials to be acquired by subjects was set out in the CDPs (e.g. 18% of the Chinese books for adult lending collections to be acquired in 2021-22 was fiction). However, due to system limitations, LCSD could not provide statistics on the actual acquisition proportion by subjects (para. 2.10).

4. ***Need to continue efforts to fulfill collection development needs of branch libraries.*** CDPs are formulated by consolidating the branch library-level requirements of new library materials, which reflect the needs of users in the respective libraries (para. 2.13). Audit found that:

- (a) there was no management information on the fulfillment rates at the branch library-level. Audit analysis revealed that the numbers of new library materials allocated to branch libraries varied significantly from the requested numbers in the CDPs for the period 2017-18 to 2021-22, which ranged from 54% to 272%;
- (b) there was no documentary evidence showing that new library materials had been allocated according to the branch libraries' suggestions on subjects they wished to strengthen; and

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- (c) the number of branch libraries making title-specific suggestions had decreased by 47% from 38 in 2018 to 20 in 2021 (paras. 2.13 and 2.14).

According to LCSD, the relevant data analytics and statistical reporting tools were unavailable and therefore it was infeasible to monitor the fulfillment at the branch library-level. It was expected that SLS could facilitate the tasks (para. 2.15).

5. *Need to keep under review demand for e-books and explore availability of appropriate indicators for measuring quantity of electronic resources (e-resources).*

The usage counts of e-books increased by about 5 times from 0.6 million times in 2018 to 3.6 million times in 2022. LCSD has been acquiring new e-books as well as additional copies of popular titles. From 2018 to 2022, the number of e-books increased by 67% from some 290,000 to some 490,000. Audit however noted that there was unmet demand for e-books, i.e. some popular e-books were not available for borrowing immediately (see para. 17(b)). Audit also noted that LCSD had not set any indicator for measuring the quantity of e-resources (paras. 2.17, 2.18 and 2.20).

6. *Need to improve monitoring of outstanding orders.* LCSD engages contractors for acquiring library materials and the contractors should deliver the items within a pledged timeframe stated in the contracts. LCSD staff monitor the order status based on bi-monthly order status reports submitted by the contractors (para. 2.21). The audit findings include:

- (a) there was a lack of management information to monitor the overall status of all the orders (para. 2.21); and
- (b) Audit analysis of status reports of two contracts revealed that a large proportion of the outstanding orders had exceeded the time pledge stated in the contracts for delivering the library materials ordered. For example, 568 outstanding orders of a contract had exceeded the time pledge (ranging from 4 to 646 days, with 19 orders which had been overdue for over 360 days). However, the criteria for cancellations of unfulfilled orders were not specified in LCSD's guidelines and justifications for keeping long outstanding orders were not documented (paras. 2.23, 2.24 and 2.26).

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7. ***Room for improvement in processing new library materials.*** Upon receipt of new library materials from the contractors, LCSD staff are responsible for processing the materials to ensure that they are made available for the public as soon as practicable (para. 2.29). Audit noted that:

- (a) time targets had not been set for some key stages of processing work (e.g. cataloguing and processing);
- (b) system-generated exception reports were not conducive to the monitoring work. For example, for the “preparation by holding library” stage, while the processing time target was 3 weeks, the time configured in the reports was 3 months. For the “binding” stage, while the processing time target was 30 days, no exception report had been configured;
- (c) some items under processing as at 31 January 2023 had been outstanding for a long time. For example, for the “binding” stage, 49% of the items (i.e. 12,026 of the 24,481 items) had exceeded the time target for 31 days or more (ranging from 31 to 5,550 days, averaging 48 days); and
- (d) no target was set on the overall processing time and there was no readily available management information on the overall processing time of new library materials (i.e. the total time taken from receipt of an item until it was made available for use by the public) (paras. 2.30 and 2.31).

8. ***Need to consider disclosing availability status of library materials and expedite processing of temporarily unavailable and non-serviceable library materials.*** Audit noted that:

- (a) as of December 2022, of the 15.2 million items of library materials reported on HKPL’s website, 1.3 million items (9%) were not available to the public (e.g. under processing, under review or pending for withdrawal) (paras. 2.43 and 2.45); and
- (b) as at 31 January 2023, there were some 0.4 million “temporarily unavailable to the public” items and 2.7 million “non-serviceable” items. 75% of the “temporarily unavailable to the public” items and 78% of the “non-serviceable” items had been classified under these categories for 1 year or more (para. 2.46).

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9. *Need to step up efforts in examining library materials for safeguarding national security and taking follow-up actions.* The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region stipulates that it is the constitutional duty of the Hong Kong Special Administrative Region to safeguard national security. Audit noted that LCSD, taking into account complaints/enquiries and national security risk considerations, commenced a preliminary review of the library materials in 2021. Since then, LCSD has been conducting examination of the materials identified in the preliminary review for taking necessary follow-up actions (e.g. suspension from library services). According to LCSD, HKPL has already completed the review of library books which are manifestly contrary to the interests of national security and removed them from the library collections. Up to February 2023, the examination work and the follow-up actions were still in progress (paras. 2.48, 2.49 and 2.61).

Library operation

10. *Need to strengthen actions in encouraging physical visits to libraries.* Audit noted that the number of physical visits to HKPL decreased by about 8% from 37.7 million in 2015 to 34.7 million in 2019. It decreased significantly by 79% to 7.4 million in 2020. According to LCSD, the decrease was mainly due to the temporary closure and service suspension of libraries in the midst of the coronavirus disease (COVID-19) epidemic. While the number increased by 91% to 14.1 million in 2021, it decreased by 16% to 11.9 million in 2022 (para. 3.3).

11. *Need to keep under review library opening hours.* LCSD conducted a pilot scheme to extend library opening hours in 2018. According to the review report of the pilot scheme of 2019, LCSD had drawn up a short-term plan (including launching a trial scheme to set up unmanned service corners after library opening hours by end of 2019) and a long-term plan (i.e. exploring measures of extending library opening hours in a more cost-effective way with the development of SLS and adoption of the radio frequency identification technology). Audit noted that as of January 2023, both the short-term and long-term plans had not been fully implemented as scheduled (paras. 3.8 and 3.9).

12. *Room for improvement in setting performance measures and achieving targets on usage of library services.* LCSD has set in its Controlling Officer's Report (COR) key performance targets and indicators in respect of usage of library services

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of HKPL, including registered borrowers, items of library materials borrowed and virtual visits (para. 3.12). Audit noted the following issues:

- (a) ***Some key performance targets on usage of library services not met.*** HKPL did not meet the target on items of library materials borrowed for eight consecutive years from 2015 to 2022 (with shortfalls ranging from 3 % to 50 %) and the target on virtual visits for three consecutive years from 2020 to 2022 (with shortfalls ranging from 22 % to 31 %) (para. 3.13); and
- (b) ***Room for improvement in setting performance measures on usage of library services.*** The usage of e-books and e-databases was not included in the performance measures in LCSD's COR. Besides, no performance indicators had been set on active borrowers as suggested in IFLA Guidelines (para. 3.15).

13. ***Scope for improvement in outsourced returned library materials processing services.*** Borrowers may borrow and return library materials at any public library and the self-service library stations, and may also use the book drop service of HKPL to return library materials. LCSD has signed a Service Level Agreement (SLA) with the Hongkong Post for the provision of returned library materials processing services (namely inter-library receipt and despatch service, MTR book drop collection service and self-service library station book replenishment service). The current SLA covered the period from October 2019 to September 2022, and an addendum was made for the extension of service period for one year to September 2023 (paras. 3.21 and 3.22). Audit noted the following issues:

- (a) ***Need to adopt open bidding as soon as practicable.*** The services of the Hongkong Post for processing returned library materials were procured directly without recourse to competitive bidding. According to LCSD, upon the implementation of a central sorter and a new logistics tracking system of SLS, the services would then be ready for open bidding (paras. 3.25 and 3.26);
- (b) ***Need to review service requirements.*** The service charges of the inter-library receipt and despatch service and the MTR book drop collection service were based on the numbers of library materials processed. While both services were subject to minimum monthly service charges with guarantee levels for quantities, the numbers of library materials processed under the two services were sometimes below the minimum monthly

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guarantee levels. For example, for the MTR book drop collection service, from October 2019 to September 2022, on average, 19,963 library materials were processed per month, which was about 33% below the minimum monthly guarantee level of 30,000 library materials. Besides, for the self-service library station book replenishment service, LCSD had not taken into account the number of library materials processed in reviewing the arrangement of the current SLA in 2019 (paras. 3.23 and 3.24); and

- (c) *Need to strengthen monitoring of compliance with performance standards.* Regarding the inter-library receipt and despatch service provided in the period from October 2019 to September 2022 and the MTR book drop collection service provided in 2022, Audit noted that the performance standards stipulated in SLA were not always achieved by the Hongkong Post and there was no clause in SLA specifying the penalty for not meeting the performance standards. Besides, the compliance with the performance standards of the self-service library station book replenishment service was not monitored (para. 3.31).

14. *Need to review book drop service at MTR stations.* HKPL has been providing book drop service at three major MTR interchange stations (i.e. Central, Kowloon Tong and Nam Cheong) to facilitate the return of library materials since September 2011 as a trial scheme. Audit noted that the usage rate of the book drop service was generally on a decreasing trend (from 45% in 2017 to 21% in 2022). Besides, LCSD had not conducted any review and publicity campaign for the scheme since 2013 (paras. 3.45 and 3.47).

15. *Scope for improvement in operation of self-service library stations.* LCSD has set up three self-service library stations to provide round-the-clock services (such as borrowing, return, payment and pickup of reserved library materials), one each on Hong Kong Island, in Kowloon and the New Territories. The maintenance of the book dispensers at the three self-service library stations has been outsourced to a contractor. According to the maintenance contract, the contractor shall commit at least 99% of the serviceability level for check-in and check-out service of each dispenser each month. For the 10-month period from February to November 2022, the committed serviceability level (i.e. at least 99%) had not been met in 5 (50%), 9 (90%) and 5 (50%) months for the library stations on Hong Kong Island, in

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Kowloon and the New Territories respectively (with serviceability level ranging from 95.89% to 98.99%) (paras. 3.49 and 3.50).

Use of information technology and publicity efforts

16. ***Delay in development of SLS.*** In February 2019, the Finance Committee of the Legislative Council approved the commitment of \$877.3 million for the development of SLS to replace NGILS and MMIS. Audit noted that there were delays in the implementation of SLS. According to the revised implementation schedule as of December 2022, the expected dates of launching all core functions and the full implementation of SLS were March 2024 and September 2025 respectively (i.e. about 9 months later than the target dates of June 2023 and December 2024 respectively) (paras. 4.5 and 4.6).

17. ***Need to strengthen actions in improving usage and accessibility of e-resources.*** LCSD maintains websites for HKPL (including HKPL website, MMIS website and e-Resources website) and provides two mobile applications (apps), namely “My Library” (hereinafter referred to as My Library App) and “Multimedia Information” (hereinafter referred to as MMIS App). As of December 2022, HKPL provided 14 e-book collections (with over 490,000 e-books) and 83 e-databases (paras. 4.3, 4.4 and 4.8). Audit noted the following issues:

- (a) ***Scope for enhancing accessibility of e-books and e-databases.*** Readers may use the e-books and e-databases via the Internet with library accounts (i.e. remote access) and the workstations in static libraries. Audit noted that of the 83 e-databases, 40 (48%) e-databases could be remotely accessed and 43 (52%) e-databases had to be accessed by using the workstations in static libraries. Of the 43 e-databases for use at static libraries, 33 (77%) could be accessed at all libraries while 10 (23%) could only be accessed at designated libraries. Besides, as of December 2022, the online catalogue and search engines of HKPL website and My Library App only included physical library materials, and various search engines were used for electronic library materials in different platforms. According to LCSD, SLS will provide, among others, a single platform for all forms of library resources and a discovery service for searching meta data of e-databases (paras. 4.11 to 4.15); and

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- (b) *Need to strengthen monitoring of usage of individual e-books.* E-books are available for online reading and/or borrowing (download). Audit noted that as of December 2022, of the 14 e-book collections, 9 (64%) e-book collections were with a quota for concurrent online reading. For the 9 e-book collections, borrowing was not available for 2 e-book collections and there were quotas for borrowing for the remaining 7 e-book collections. According to LCSD, the statistics on the reservation number and turnaway rate for borrowing e-books (when the quota for concurrent borrowing was exceeded) were not readily available. On 9 February 2023, Audit selected 30 e-books in an e-book collection for examination and noted that, while all the e-books were available for online reading, 14 (47%) e-books could not be borrowed immediately, with the number of readers reserving the e-books ranging from 1 to 335 (averaging 42 readers) (paras. 4.17 and 4.18).

18. *Scope for improving functions provided by library mobile apps.* Audit noted that: (a) the annual usage of My Library App and MMIS App decreased by about 36% and 14% respectively from 2017 to 2022; (b) a popular digitised collection, namely “Hong Kong Arts and Artist Clippings”, was accessible via library terminals only; and (c) MMIS App would be replaced upon the implementation of SLS (para. 4.21).

19. *Need to strengthen actions in organising extension activities.* LCSD has set in its COR a key performance target and an indicator on the attendance at extension activities programmes and the number of extension activities programmes for HKPL respectively. Audit noted that the number of extension activities programmes decreased by about 1% from 23,608 in 2018 to 23,278 in 2019, and further dropped by 81% to 4,316 in 2020. While the number increased to 14,735 in 2021 and further to 15,193 in 2022, it was still on the low side when compared with the pre-COVID-19 level. Besides, HKPL did not meet the target on attendance at extension activities programmes of 19.1 million in 2019 to 2022, with shortfalls ranging from 3% to 78%. According to LCSD, the decrease was mainly due to the impact of anti-epidemic measures including the temporary closure of public libraries and the cancellation of extension activities (paras. 4.31 and 4.32).

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Audit recommendations

20. 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 Leisure and Cultural Services should:

Collection development and management

- (a) take measures to enhance the monitoring of implementation of CDPs, in particular on fulfillment rates by categories (para. 2.27(a));
- (b) continue the efforts to fulfill the collection development needs of branch libraries as far as practicable including encouraging more branch libraries to make title-specific suggestions, and take measures to better monitor the fulfillment of collection development needs at branch library-level upon the implementation of SLS (para. 2.27(b));
- (c) keep under review the demand for e-books and take follow-up actions as appropriate (para. 2.27(c));
- (d) explore the availability of appropriate indicators for measuring the quantity of e-resources (para. 2.27(d));
- (e) take measures to improve the mechanism of monitoring outstanding orders and processing new library materials (paras. 2.27(e) and 2.34);
- (f) consider disclosing the availability status of library materials in reporting the total number of items in HKPL's collections (para. 2.60(c));
- (g) expedite the follow-up actions on library materials classified as “non-serviceable” and “temporarily unavailable to the public” (para. 2.60(d));
- (h) step up efforts in examining library materials for safeguarding national security and taking the related follow-up actions (para. 2.60(e));

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Library operation

- (i) keep under review the number of physical visits to HKPL and take further measures in encouraging visits to public libraries (para. 3.19(a));
- (j) expedite efforts in implementing the planned measures (e.g. unmanned operation) for providing longer library service hours (para. 3.19(c));
- (k) strengthen actions to improve the usage of library services and closely monitor the achievement of related performance targets (para. 3.19(d));
- (l) review the key performance targets and indicators on the usage of library services in LCSD's COR and take follow-up actions as appropriate (para. 3.19(e));
- (m) review the requirements of the outsourced returned library materials processing services, including the estimated/minimum number of library materials processed and the service charges (para. 3.32(a));
- (n) adopt open bidding for the provision of returned library materials processing services as soon as practicable (para. 3.32(b));
- (o) consider incorporating penalty clauses for non-compliances with performance standards in future agreements for the outsourced returned library materials processing services, and take measures to monitor the compliance with the performance standards for the self-service library station book replenishment service (para. 3.32(d) and (e));
- (p) take measures to improve the usage of the book drop service at MTR stations, and conduct a review of the effectiveness of the service (para. 3.54(a) and (b));
- (q) ascertain the reasons for the persistent non-compliance with the performance standard on the serviceability of some self-service library

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stations and take measures to minimise service disruption (para. 3.54(c));

Use of information technology and publicity efforts

- (r) step up monitoring of the development progress of SLS (para. 4.28(a));
- (s) keep under review the need for providing remote access for more e-databases and/or at more libraries as appropriate, and take measures to enhance the search engines of library websites and mobile apps upon the launch of SLS (para. 4.28(c) and (d));
- (t) strengthen measures in monitoring the usage of individual e-books (para. 4.28(e));
- (u) take measures to enhance the functions of new library mobile app under SLS (para. 4.28(g)); and
- (v) strengthen actions in organising extension activities and achieving the performance target on attendance (para. 4.38(a)).

Response from the Government

21. The Director of Leisure and Cultural Services 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 The International Federation of Library Associations and Institutions (IFLA — Note 1) — United Nations Educational, Scientific and Cultural Organization (UNESCO) Public Library Manifesto (Note 2) proclaims UNESCO's belief in the public library as a living force for education, culture, inclusion and information, as an essential agent for sustainable development, and for individual fulfillment of peace and spiritual welfare through the minds of all individuals. The Hong Kong Public Libraries (HKPL) aims to serve the public in the following ways:

- (a) as an information centre where information and the latest development on all subject disciplines are freely and readily available to the public;
- (b) as a tool for self-education and continuing education through resource-based learning;
- (c) as a centre for the promotion of literary arts and literary research in Hong Kong to cultivate public interest in creative writing and literary research, to encourage and promote literary writing, to preserve Hong Kong literature, and to promote cultural exchange;
- (d) as a source of enjoyment for the profitable use of leisure where library materials may be borrowed for home use; and

Note 1: *IFLA is an international library organisation and has a member base of library associations and institutions from the library and information science field from around 150 countries. IFLA publishes standards that reflect current consensus on rules, principles, guidelines, best practices or models for activities or services. The Hong Kong Public Libraries is one of its members.*

Note 2: *UNESCO is an agency of the United Nations that promotes international cooperation in education, science, culture, communication and information. The Manifesto was created in 1949 and was last updated in July 2022.*

Introduction

- (e) as a source for the enrichment of everyday living where members of the public may learn about current affairs, hobbies and leisure pursuits.

According to the Government, its vision is to develop Hong Kong as a knowledge-based economy. It is the Government's policy to leverage technology to provide innovative public library services as well as to enhance the facilities, service quality, cost-effectiveness and customer friendliness of the libraries to promote city-wide reading culture.

HKPL network

1.3 The provision of public library services in Hong Kong is the responsibility of the Leisure and Cultural Services Department (LCSD), which is committed to providing quality services for all library users. LCSD provides library services by operating a network of libraries. As at 31 December 2022, the network included 70 static libraries and 12 mobile libraries (see Table 1). According to LCSD, it operates a five-tier library system whereby service points at different levels provide library materials appropriate to their respective purposes and clienteles. The libraries are geographically evenly spread over the territory to provide convenient access to a wide range of library services for people of all age groups and walks of life.

Table 1
HKPL network
(31 December 2022)

Tier	Library	Purpose and scope of collection	Number
<i>Static libraries</i>			
1	Hong Kong Central Library (see Photograph 1)	Information hub of HKPL system and develops a comprehensive range of lending and reference collections	1
2	Major libraries	Regional information centres equipped with a dedicated reference library in addition to standard public library services	6
3	District libraries	Offer a full range of standard library services to serve the general needs of their respective districts	31
4	Small libraries	Provide basic lending services	32
Total number of static libraries			70
5	<i>Mobile libraries</i>	Provide basic lending services	12
Total number of public libraries			82

Source: Audit analysis of LCSD records

Photograph 1

Hong Kong Central Library



Source: LCSD records

1.4 HKPL also provides book drop service at Mass Transit Railway (MTR) stations, and operates self-service library stations and Library-on-Wheels, as follows:

- (a) ***Book drop service at MTR stations.*** As announced in the 2010-11 Policy Address, to facilitate the use of public library services, LCSD would provide drop-in boxes at major MTR interchange stations on a trial basis to make it more convenient for people to return books and other library items. Since September 2011, a trial book drop service at three major MTR interchange stations (i.e. Central, Kowloon Tong and Nam Cheong) has been launched. Four book drop boxes (see Photograph 2(a) for an example) are placed within the paid area of each of the three MTR stations;
- (b) ***Self-service library stations.*** As announced in the 2016 Policy Agenda, three self-service library stations would be provided on a trial basis at locations with heavier pedestrian flow and far from existing libraries. LCSD has launched a pilot scheme to set up three self-service library stations, one each on Hong Kong Island (i.e. Island East Sports Centre sitting-out area since December 2017) (see Photograph 2(b)), in Kowloon (i.e. Hong Kong Cultural Centre since December 2018) and the New Territories (i.e. Tsuen Nam Road in Tai Wai since January 2020). According to LCSD, these stations provide round-the-clock services, such as borrowing, return, payment and pickup of reserved library materials; and
- (c) ***Library-on-Wheels.*** LCSD launched the “Joyful Reading at Your Neighbourhood: Library-on-Wheels” pilot project in January 2020. Two specially designed trucks have turned into Library-on-Wheels (see Photograph 2(c) for an example) and visit locations with heavier pedestrian flow but far from existing library facilities in a convenient manner. The pilot project aims to promote theme-based reading, library self-charging service, electronic resources (e-resources) and online services, and familiarise non-frequent library users with the vast resources and accessible services of public libraries.

Photographs 2(a) to (c)

**(a) Book drop box
at MTR Central station**



**(b) Self-service library station
at Island East Sports Centre
sitting-out area**



(c) Library-on-Wheels



Source: LCSD records

1.5 The library network is further supplemented by the efforts made at the neighbourhood level. LCSD launched the “Libraries@neighbourhood — Community Libraries Partnership Scheme” in December 2005. The scheme aims to promote a reading culture in the community, and provide the public, especially children, youths, housewives, elderly persons and those who seldom visit library facilities, with more

accessible and convenient library material lending service free of charge. HKPL collaborates with non-profit-making organisations and local groups in providing community-based library services under the scheme. These organisations and groups are offered block loan of library materials as well as professional advice on setting up community libraries tailored to the needs of their target users. As at 31 December 2022, there were 191 community libraries.

Organisation and advisory structure for HKPL

1.6 ***Responsible division of LCSD.*** LCSD's work in providing and managing library services falls within the programme area "Public Libraries". In 2022-23, the estimated expenditure in the provision of public library services amounted to \$1,428 million. The Libraries and Development Division, under the Cultural Services Branch of LCSD, is responsible for providing public library services and promoting reading and the literary arts. As at 30 September 2022, there were 1,620 staff (comprising 1,453 permanent staff and 167 non-civil service contract staff) under the Division. An extract of the organisation chart of LCSD as at 31 December 2022 is at Appendix A.

1.7 ***Public Libraries Advisory Committee.*** The Public Libraries Advisory Committee comprises professionals, academics, community personalities and government representatives who are appointed by the Secretary for Culture, Sports and Tourism for a term of two years. The Committee advises the Government on the formulation of strategies and measures for the development of HKPL's facilities and services, as well as plans for the promotion of reading and collection development.

1.8 ***LCSD Expert Advisers on Literary Arts.*** The Cultural Services Branch of LCSD is supported by expert advisers who provide input on issues relating to performing arts, literary arts and museum activities. They include artists, authors, academics and others who have made significant contributions in their fields. For HKPL, the expert advisers advise LCSD on matters pertaining to the promotion of literary arts and presentation of literary arts programmes.

Strategic plan of HKPL

1.9 According to the Strategic Plan of HKPL (2020-2025) formulated in March 2020, HKPL aims to provide quality public library services to promote city-wide reading culture in Hong Kong. The missions include:

- (a) to enable access by providing a wide network of public libraries for free and equitable access to information and knowledge to serve all residents of Hong Kong;
- (b) to enrich knowledge by providing a gateway to information and knowledge of diverse points of view for supporting and encouraging lifelong learning;
- (c) to cultivate quality of life by enriching the documentary heritage of the history and culture of Hong Kong and promoting Hong Kong literature and local publications;
- (d) to inspire curiosity and creativity through reading;
- (e) to enhance quality of library services by leveraging on new technology and the use of information technology (IT); and
- (f) to build connection and engagement through public involvement and partnership in public library services.

HKPL's collection

1.10 LCSD aims at strengthening the library collection to provide a balanced mix of library materials for free use by the public so as to meet the community's needs for knowledge, information and research, to support life-long learning, continuous education and the profitable use of leisure time, and to promote reading and local literary arts. As at 31 December 2022, the collection comprised 13.5 million items of books and other print materials (including maps and music scores), and 1.7 million items of non-print materials (including audio-visual materials and microforms). In addition, HKPL also provided 14 electronic book (e-book) collections (with over

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490,000 e-books), 83 electronic databases (e-databases) (Note 3) and about 4,500 titles of newspapers and periodicals.

1.11 Some of these library materials may be borrowed whilst others are for use in the libraries. With about 4.8 million registered borrowers, some 24 million items (books and other library materials) were borrowed in 2022. HKPL adopts a performance indicator with a quantity comparable to that recommended by IFLA, i.e. 2 to 3 items per capita in LCSD's Controlling Officer's Report (COR). For 2021-22, the expenditure on acquisition of library materials amounted to \$111.5 million.

Use of IT in provision of library services and publicity efforts

1.12 LCSD aims to provide more efficient and effective library services through active use of IT. According to LCSD, the extensive use of IT has improved the efficiency in delivering library services, enhanced and speeded up access to the library collections, and optimised use of available staff resources. Remote access to library services includes telephone and web renewal service, online reservation service and email enquiry service.

1.13 LCSD manages HKPL with the support of two major library IT systems, namely the Next Generation Integrated Library System (NGILS) and Multimedia

Note 3: *E-resources, including e-books and e-databases, are sources of information or publications that can be accessed through the use of computers. According to LCSD:*

- (a) *the e-book collections cover a wide range of categories (e.g. locally published Chinese e-books and children picture books) and subjects (e.g. arts, fiction, and science and technology); and*
- (b) *the e-databases provide authoritative and online databases of different types (e.g. newspapers and audio-visual materials) and subjects (e.g. statistical information, business periodicals and scholarly journal articles).*

These e-resources have to be accessed through the platforms provided by respective service providers. Library users can access the e-resources through computer workstations at static libraries, or remotely accessed via the Internet for those with remote access feature (see para. 4.11).

Information System (MMIS) (Note 4). In February 2019, the Finance Committee of the Legislative Council (LegCo) approved a commitment of \$877.3 million for the development of a new system (i.e. Smart Library System (SLS)) to replace the existing two major systems. The new system will be implemented in phases. As of December 2022, the target launch dates of all the core functions and remaining functions of the system were March 2024 and September 2025 respectively.

1.14 LCSD promotes good reading habits and fosters the development and appreciation of literature through library extension activities, among others. Such activities include reading programmes, storytelling for children, book displays and exhibitions.

Audit review

1.15 In October 2022, the Audit Commission (Audit) commenced a review to examine the management of public libraries. The audit review has focused on the following areas:

- (a) collection development and management (PART 2);
- (b) library operation (PART 3); and
- (c) use of IT and publicity efforts (PART 4).

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

Acknowledgement

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

Note 4: *NGILS is an integrated library administration system that supports the core functions of HKPL, such as circulation control, acquisition, cataloguing and collection management of library materials, as well as searching of library resources. MMIS serves as a digital library system that provides access to subscribed e-databases, e-books and digitised items including old newspapers and digitised audio-visual recordings.*

PART 2: COLLECTION DEVELOPMENT AND MANAGEMENT

2.1 This PART examines the collection development and management of HKPL, focusing on:

- (a) acquisition of library materials (paras. 2.4 to 2.28);
- (b) processing of new library materials (paras. 2.29 to 2.35); and
- (c) maintenance of library materials (paras. 2.36 to 2.61).

Background

2.2 HKPL provides readers with free access to its library collections, which can also be broadly classified as lending collections (i.e. items available for loan by registered borrowers), reference collections (i.e. items solely for use in the libraries), and non-print collections (e.g. audio-visual materials). Table 2 shows the number of items in HKPL's collections from 2018 to 2022. According to LCSD, it aims to gradually increase the number of collection items to a quantity comparable to that recommended by IFLA, which is 2 to 3 items of library stock per capita (see para. 1.11). This had been achieved each year from 2018 to 2022 (ranging from 2.01 items per capita in 2018 to 2.08 items per capita in 2022).

Collection development and management

Table 2

**Collections of HKPL
(2018 to 2022)**

Collection	2018	2019	2020	2021	2022
	Number of items ('000)				
<i>Lending collections</i>					
Adult collections					
Chinese	5,256	5,282	5,208	5,188	5,099
English	1,552	1,555	1,575	1,587	1,578
Sub-total	6,808	6,837	6,783	6,775	6,677
Children/young adult collections					
Chinese	2,598	2,659	2,691	2,794	2,836
English	1,300	1,322	1,325	1,368	1,386
Sub-total	3,898	3,981	4,016	4,162	4,222
Total lending collections	10,706	10,818	10,799	10,937	10,899
<i>Reference collections</i>	2,436	2,474	2,505	2,546	2,552
Total books and print materials	13,142	13,292	13,304	13,483	13,451
<i>Non-print collections</i>	1,857	1,832	1,793	1,772	1,740
Total library materials	14,999	15,124	15,097	15,255	15,191
Library stock per capita (Note)	2.01	2.01	2.01	2.06	2.08

Source: Audit analysis of LCSD records

Note: According to LCSD's COR, the calculation was based on the provisional figures in Mid-year Population issued by the Census and Statistics Department.

Remarks: The figures represent the position as at 31 December in respective years.

2.3 Apart from the above collections, as at 31 December 2022, HKPL also provided about 4,500 titles of newspapers and periodicals, 83 e-databases and 14 e-book collections (with some 490,000 e-books). Table 3 shows the number of newspapers and periodicals, e-databases and e-book collections from 2018 to 2022.

Table 3**Newspapers and periodicals, e-databases
and e-book collections provided by HKPL
(2018 to 2022)**

Item	2018	2019	2020	2021	2022
	Number				
Newspapers/periodicals	about 5,000 titles	about 5,000 titles	about 5,000 titles	about 5,000 titles	about 4,500 titles
E-databases	76	77	79	82	83
E-book collections (E-books)	10 (294,542)	11 (338,084)	11 (378,135)	12 (418,530)	14 (491,576)

Source: Audit analysis of LCSD records

Remarks: The figures represent the position as at 31 December in respective years.

Acquisition of library materials

2.4 Acquisition and processing of new library materials are handled centrally and involve the following:

- (a) ***Collection Development Meeting (CDM)***. Chaired by the Chief Librarian (Collections and Technical Processing) and consisting of Librarian grade staff from various offices (see Appendix A), CDM is tasked to formulate and review strategies for collection development, review the existing library collections, and approve acquisition of library materials; and
- (b) ***Technical Processing Unit (TPU)***. TPU (under the Collections and Technical Processing Office — see Appendix A) is responsible for the preparation of collection development plans (CDPs), coordination of selection and ordering of new library materials, and handling of new library materials (including cataloguing and allocating books to branch libraries).

2.5 **CDPs.** An annual CDP is formulated on the overall collection development (including acquisitions and withdrawals) of HKPL. Each year, branch libraries (i.e. 70 static libraries, 12 mobile libraries and 3 self-service library stations — see paras. 1.3 and 1.4(b)) are required to prepare the branch library-level CDPs for the coming financial year, which consist of:

- (a) quantity of new library materials required in broad categories (Note 5) having regard to factors including usage statistics, readers' suggestions and the demographics in their respective districts;
- (b) estimated quantity of unserviceable library materials for withdrawal; and
- (c) a business plan on collection development with justifications and considerations, including any subjects the libraries wish to strengthen.

The plans are submitted to TPU for consolidation. After taking into account the quantity requirements for new libraries and schemes (e.g. thematic block loan to kindergartens), the consolidated CDP is submitted to CDM for approval.

2.6 **Collection development policy.** According to LCSD, the library materials acquired each year should comprise an appropriate mix of print, non-print and electronic resources in order to keep up with the emerging trends in information provision (Note 6) and usage patterns. LCSD's guidelines set out the principles in

Note 5: *Branch libraries are required to list out the quantity requirements for new library materials of:*

- (a) *adult/children/young adult books in Chinese/English in lending collections;*
- (b) *books in Chinese/English in reference collections; and*
- (c) *non-print materials.*

Note 6: *For example, in the CDP for 2022-23, in view of the opening of the Hong Kong Palace Museum in West Kowloon Cultural Area, HKPL planned to enrich the library collections on Chinese constitution, history and geography, as well as relevant e-books to enhance public understanding of national affairs and correct understanding of history, with a view to cultivating their sense of national identity and national pride.*

Collection development and management

determining the library materials to be acquired, including compliance with the law (Note 7), conformity with the collection development direction of HKPL, stock requirements of branch libraries, usage rates and demographic changes.

2.7 Selection of library materials. Library material contractors are engaged (Note 8) to provide bibliographies, trade catalogues or sample books for selection by HKPL's librarians. The recommendations by the librarians are consolidated by TPU and submitted to CDM for approval before ordering. The statistics of library materials acquired/subscribed is also reported at the monthly CDM meeting. Table 4 shows the expenditure and number of library materials acquired/subscribed for the period 2017-18 to 2021-22.

Note 7: *According to LCSD's guidelines, to ensure effective fulfillment of the duty to safeguard national security, as well as preventing and suppressing acts or activities that may endanger national security, in selecting library materials for purchase and considering suggestion for library purchase, donations of books and books received from the Books Registration Office, libraries shall ensure that the library collections are not contrary to the interests of national security.*

Note 8: *LCSD engaged the contractors in accordance with the Government's Stores and Procurement Regulations (e.g. by tender for procurement of over \$1.4 million).*

Table 4

**Expenditure and number of library materials acquired/subscribed
(2017-18 to 2021-22)**

Category	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Expenditure (\$ million)</i>					
Chinese books (Note 1)	26.3	27.1	24.4	24.2	27.6
English books	26.3	23.9	23.9	21.0	26.2
Non-print materials	10.3	9.4	8.6	8.6	7.2
Newspaper and periodicals	22.4	22.5	22.7	21.3	21.8
E-databases	6.2	8.3	10.8	11.6	13.1
E-books	4.0	6.0	6.1	6.0	7.2
Book data (Note 2)	N.A.	N.A.	6.2	10.8	8.4
Total	95.5	97.2	102.7	103.5	111.5
<i>Number of items acquired (Note 3)</i>					
Chinese books (Note 1)	520,117	523,300	486,849	454,776	501,525
English books	194,480	174,278	185,495	158,343	209,590
Non-print materials	44,145	33,429	28,781	33,365	22,392
Total	758,742	731,007	701,125	646,484	733,507

Source: Audit analysis of LCSD records

Note 1: These include books in Traditional Chinese and Simplified Chinese. In 2021-22, books in Simplified Chinese accounted for 7% of the expenditure and 6% of number of Chinese books acquired.

Note 2: According to LCSD, a new book database was launched in April 2020 to provide enriched information (e.g. digitised images of book cover and summaries) of local publications in HKPL's online catalogue to facilitate readers to select suitable local publications and promote the culture of quality reading.

Note 3: The number of items acquired only includes books and non-print materials. Newspapers and periodicals, e-databases, e-books and book data are generally on subscription basis.

Need to better monitor implementation of CDPs

2.8 According to LCSD, the quantity of library materials to be acquired is governed by a number of factors, such as requirements of branch libraries (see para. 2.5) and usage rates. In selecting materials to be acquired, the needs and interests of the community/users of branch libraries have to be taken into account. In other words, requirements from the branch libraries represent a major source of input reflecting the public needs and demand in the districts, and the branch library-level CDPs serves as a quantified indicator of the collection development needs of the respective libraries.

2.9 *Fulfillment by categories.* Audit compared the number of new library materials (Note 9) to those proposed in the CDPs for the lending collections (Note 10) for the period 2017-18 to 2021-22 (see Table 5) and noted that:

- (a) the overall number of new library materials each year slightly deviated from the CDPs, the fulfillment rates ranged from 88% in 2020-21 (i.e. the actual number of new library materials fell short of the CDP number by 12%) to 109% in 2017-18 (i.e. the actual number of new library materials exceeded the CDP number by 9%); and
- (b) analysis by library materials category showed that for some categories:

Note 9: *New library materials include library materials acquired, donations, and books received by the Books Registration Office. According to the Books Registration Ordinance (Cap. 142), the publisher of a new book shall, within one month after the book is published, printed, produced or otherwise made in Hong Kong, deliver to the Books Registration Office free of charge 5 copies of the book. According to LCSD's guidelines, HKPL holds one copy of the depository materials in its depository collection for preservation purpose. HKPL also selects suitable titles for incorporation in the library collections.*

Note 10: *Audit analysis focused on the categories under lending collections (i.e. excluding reference collections and non-print collections) because:*

- (a) *lending collections accounted for the majority of new library materials (e.g. 89% in 2021-22); and*
- (b) *the number of donated items and books received by the Books Registration Office fluctuated over time and some of the items were included in the reference collections or non-print collections.*

- (i) the actual number of new items deviated significantly from those in the CDPs, the fulfillment rates ranged from 72 % (Chinese books in adult collections in 2021-22) to 119 % (English books in adult collections in 2020-21); and
- (ii) in particular, for Chinese books in adult collections, the fulfillment rates showed a decreasing trend (from 108 % in 2017-18 to 72 % in 2021-22). In other words, the actual number of new library materials had fallen short of the requirements in the CDPs in an increasing trend for four consecutive years.

Table 5

**Fulfillment rate of new library materials for lending collections
(2017-18 to 2021-22)**

Collection	2017-18	2018-19	2019-20	2020-21	2021-22
	Fulfillment rate				
Adult collections					
Chinese	108 %	99 %	92 %	81 %	72 %
English	107 %	84 %	98 %	119 %	100 %
Children/young adult collections					
Chinese	106 %	91 %	90 %	84 %	95 %
English	117 %	88 %	87 %	99 %	111 %
Overall	109 %	93 %	91 %	88 %	89 %

Source: Audit analysis of LCSD records

Remarks: The fulfillment rates are calculated by:

$$\frac{\text{Aggregate number of new library materials in the year}}{\text{Number of new library materials required in the CDP}} \times 100\%$$

2.10 Fulfillment by subjects. When submitting the acquisition requirements to TPU for formulation of CDPs, the branch libraries can also suggest “subjects to be strengthened” (see para. 2.5(c)), so as to enrich the coverage of materials in their respective libraries subject to the needs of users. Taken into account of these

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suggestions and other relevant factors, TPU sets out the proportion of new library materials to be acquired by subjects (e.g. for acquisition for Chinese books for adult lending collections in 2021-22, 18% for fiction and 11% for language and literature). Audit requested LCSD to provide statistics on the actual acquisition proportion by subjects in 2021-22. In response, LCSD informed Audit in February 2023 that:

- (a) it was not available due to system limitations in compiling the relevant statistics;
- (b) the acquisition proportion by subjects served as a broad brush approach for an overview of subject distribution, and was never aimed as a hard target. Due to the growth and expansion of knowledge in recent years, subject classification/category had become a more fluid concept. Many books were covering multiple subjects and it became increasingly difficult to provide an accurate picture of collection distribution by subject disciplines with precise and accurate description; and
- (c) there was time gap between ordering and the actual arrival of the items (i.e. the items acquired this year might be from the order placed last year), and that the yearly actual acquisition percentage by subjects might not be comparable to the acquisition targets by subjects of the year.

2.11 Regarding the deviations of the numbers of library materials acquired from the planned numbers in the CDPs, LCSD informed Audit in March 2023 that:

- (a) the quantities set out in the CDPs were intended for planning purposes rather than serving as hard targets. As the quantities were estimated demand instead of actual demand, it would be unwise to rigidly adhere to the planned quantities without regard to actual demand over the course of the year;
- (b) acquisition of library materials was a dynamic process. The actual quantities acquired were subject to a basket of factors, such as market supply, book prices and readers' suggestions (which constituted 10% to 15% of total acquisitions). As far as the market supply was concerned, the publishing sector had been shrinking due to the adverse impact of the coronavirus disease (COVID-19) epidemic (e.g. fewer new titles released as book fairs were cancelled or scaled down). This was particularly true

for Chinese books, including those published in Hong Kong, the Mainland and Taiwan;

- (c) to safeguard national security, more time was required for selecting library materials and fewer suitable titles were available for acquisition; and
- (d) regarding the decreasing trend of fulfillment rates for Chinese books (see para. 2.9(b)(ii)), the supply of sample books for library selection had dropped by 30% on average in recent years and there was an increasing trend in average book prices that resulted in fewer quantities acquired. The adverse impact on Chinese children books was less apparent because of a smaller variety than that of adult books.

2.12 While noting LCSD's explanations, Audit noted that the deviations were significant for some categories and the reasons were not documented. In Audit's view, LCSD needs to take measures to enhance the monitoring of implementation of CDPs, in particular on fulfillment rates by categories.

Need to continue efforts to fulfill collection development needs of branch libraries

2.13 The annual CDPs are formulated by consolidating the branch library-level requirements of new library materials, which reflect the needs of users in the respective libraries (see paras. 2.5 and 2.8). Audit analysed the statistics of new library materials allocated to branch libraries (Note 11) for the period 2017-18 to 2021-22 and found that:

- (a) the numbers of new library materials allocated to branch libraries varied significantly from the requested numbers in the CDPs, which ranged from 54% to 272%. In this connection, Audit noted that there was no management information on the fulfillment rates at the branch library-level; and

Note 11: *According to LCSD, under the current allocation mechanism, the quantity of English books allocated to branch libraries was according to the fulfillment rate upon receipt of books, whereas Chinese books were allocated according to an allocation plan prepared at the order preparation stage.*

- (b) branch libraries could indicate the subjects they wished to strengthen in the submission of the CDPs (see para. 2.5(c)). However, there was no documentary evidence showing that TPU had allocated the new library materials according to the branch libraries' suggestions on those subjects.

2.14 Upon enquiry, LCSD informed Audit in February 2023 that the subjects suggested by the branch libraries in the CDPs were usually broad, and the allocated titles might not meet the requirements for the subjects they had in mind. Instead, branch libraries were encouraged and reminded to suggest specific titles for purchase as and when needed. Title-specific suggestions instead of some generalised subjects would better fit and meet their community interests and collection building needs. In this regard, Audit noted that the number of branch libraries making title-specific suggestions had decreased by 47%, from 38 in 2018 to 20 in 2021, and was on the low side (i.e. 24% of total number of branch libraries in 2021). In addition, since 2018 and up to 2021, no title-specific suggestions were made by 23 static libraries and all the 12 mobile libraries.

2.15 Regarding the fulfillment of collection development needs of branch libraries, LCSD further informed Audit in March 2023 that:

- (a) HKPL's collections were inter-connected through the library system and accessible to all users (i.e. "one-collection"). TPU would build a comprehensive stock for the whole library system and allocate sufficient new library materials with a balanced mix of subjects to the branch libraries. Fulfillment rates at the branch library-level could be supplemented by stock rotation (e.g. transferring library materials among the branch libraries) as and when required; and
- (b) data analytics and statistical reporting tools for collection development were currently unavailable, and therefore it was infeasible to monitor the fulfillment at the subject and branch library-levels. It was expected that the new collection tools in SLS (see para. 1.13) could facilitate the tasks.

2.16 In Audit's view, LCSD needs to:

- (a) continue the efforts to fulfill the collection development needs of branch libraries as far as practicable including encouraging more branch libraries

to make title-specific suggestions and initiating stock rotation as and when required; and

- (b) take measures to better monitor the fulfillment of collection development needs at branch library-level upon the implementation of SLS.

Need to keep under review demand for e-books and take follow-up actions as appropriate

2.17 According to LCSD, the usage of e-books experienced a significant increase in 2020 because of the closure of public libraries due to the COVID-19 epidemic. As readers got used to using e-books, the usage has remained high after 2020. The usage counts of e-books increased by about 5 times from 0.6 million times in 2018 to around 3.2 million to 3.6 million times in 2020 to 2022 (see para. 4.8). To meet the public demand for e-books, LCSD has been acquiring new e-books, as well as additional copies of popular titles. From 2018 to 2022, the number of e-books increased by 67% from some 290,000 to some 490,000 (see Table 3 in para. 2.3).

2.18 Audit however noted that there was unmet demand for e-books, i.e. some popular e-books were not available for borrowing immediately and the numbers of reservations were high (see para. 4.18). Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) HKPL aimed to meet the demand for e-books at both the quantity level and the quality level. Readers were encouraged to diversify to read a variety of titles instead of reading the same popular titles. That said, HKPL had already stepped up efforts to cater for the demand on exceptionally popular titles. To optimise the use of public fund, it would be infeasible to provide access to popular titles on an unrestricted basis and it would be prudent for HKPL to set a cap on the number of copies for each title (e.g. 15 copies for popular titles available on a popular Chinese e-book platform). The actual number of copies would depend on the agreements with the vendors of the e-book platforms (e.g. some publishers might be unwilling to supply a large number of additional copies for popular titles because it might hurt their sales in the retail market);

- (b) on some platforms, the online reading feature allowed readers to read the e-books without borrowing the books or waiting in the reservation queue. To some extent, the demand for popular titles could be satisfied by the feature; and
- (c) subject to agreements with the vendors, HKPL might propose a new system feature that when the popular e-books were not available for borrowing immediately, it would suggest readers to borrow other related titles.

2.19 While noting LCSD's explanations, Audit considers that LCSD needs to keep under review the demand for e-books and take follow-up actions as appropriate (e.g. reviewing the cap on copies of e-books in warranted cases).

Need to explore availability of appropriate indicators for measuring quantity of e-resources

2.20 Audit noted that LCSD had set an indicator on the quantity for library stock in its collection (i.e. 2 to 3 items per capita — see para. 2.2), but no indicator had been set for e-resources. Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) it had been searching for indicators for measuring the quantity of e-resources but no suitable indicator was found;
- (b) more e-books were acquired on a subscription basis, which were fundamentally different from physical books. E-book subscription was subject to market supply and licence agreements between e-book platform vendors and publishers. Those agreements might change from time to time and might affect the availability of each title and hence the quantity. Therefore, the quantity of e-books would fluctuate;
- (c) similar to e-books, materials provided in e-databases were subject to licence agreements between e-database vendors and the content providers (i.e. the copyright owners). Those agreements were subject to change and hence the quantity of materials provided in e-databases might also vary from time to time;

- (d) to set an indicator on the quantity of e-resources might be misleading and cause confusion to the public. In particular, members of the public might not be aware of the different nature between physical books and e-resources and the licensing issue; and
- (e) LCSD would continue to explore the availability of any internationally accepted indicator for measuring the quantity of e-resources.

In Audit's view, as e-resources form an integral part of the HKPL's collections and should complement the physical library stock, there is a need to take into consideration the quantity of e-resources in the collection development planning process. There are merits for LCSD to explore the availability of appropriate indicators for measuring the quantity of e-resources.

Need to improve monitoring of outstanding orders

2.21 LCSD engages contractors for acquiring library materials (see para. 2.7). Upon ordering of selected library materials, the contractors should deliver the items (if available in the market) within a pledged timeframe stated in the contracts. Under the existing mechanism, the contractors submit order status reports on a bi-monthly basis, which show the status of the orders including outstanding items (with reasons such as "out of stock" or "unavailable from publishers"). TPU staff manually monitor the order status of each contractor based on the order status reports. Audit noted that there was a lack of management information to monitor the overall status of all the orders. Furthermore, while the lists of the selected library materials to be ordered and the statistics of new library materials delivered (and after cataloguing and processing) were reported to CDM (Note 12), the statistics on outstanding orders and cancelled orders were not available.

2.22 In Audit's view, LCSD needs to improve the mechanism of monitoring outstanding orders, including automating the order tracking process (e.g. incorporating such feature in SLS).

Note 12: *NGILS (see Note 4 to para. 1.13) can only record the items after relevant records were created in the "cataloguing and processing" stage (see Table 6 in para. 2.29).*

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2.23 As regards unfulfilled orders, LCSD's guidelines state that cancellations of orders should be arranged in batches on a half-yearly basis (i.e. in January and July). Audit noted the following areas for improvement:

- (a) the guidelines did not specify the criteria for cancellations of unfulfilled orders (e.g. awaiting delivery for a prolonged period of time);
- (b) the frequency of arranging the cancellations had been increased to a 4-month interval (i.e. in January, May and September). However, the guidelines had not been updated; and
- (c) according to the guidelines, for unfulfilled orders which the contractors indicated as "out of stock" or "out of print", TPU staff should conduct a sample check of 3% of the items on the webpages of prime bookstores, and request contractors to provide further proof if necessary. However, the supporting documents for checking of English books were not available for audit examination.

2.24 Audit examined the bi-monthly order status reports of two contracts (Note 13) and found the following issues:

- (a) an analysis of the outstanding orders showed that a large proportion of the outstanding orders had exceeded the time pledge (Note 14) (i.e. 100% for Contract 1 (all 568 outstanding orders, ranging from 4 to 646 days and averaging 112 days) and 50% for Contract 2 (970 of 1,922 outstanding orders, ranging from 7 to 1,012 days and averaging 214 days)). Among those overdue orders, 3% for Contract 1 (19 orders) and 15% for Contract 2 (150 orders) had been long overdue for over 360 days

Note 13: *Contract 1 and Contract 2 were completed in December 2022 and September 2021 respectively. For the purpose of this analysis, the last status reports before the contract expiry dates were examined.*

Note 14: *For this analysis, the number of orders represents the number of book titles ordered, of which it might comprise more than one item (i.e. copy) per title. The time pledge for Contract 1 was 6 weeks from the date of order. For Contract 2, the time pledge was 4 weeks (by air-freight) or 16 weeks (by sea-freight) from the date of order, or the date of availability on the market, whichever was later. As the information on the mode of transport was not available on the order status reports, Audit had adopted a more prudent pledge (i.e. 16 weeks) for the analysis.*

(Note 15). It was unsatisfactory that the library materials ordered were not delivered within the timeframe pledged in the contracts, and LCSD did not take follow-up actions on some long outstanding orders (e.g. cancellation and ordering of other titles on the same subject as replacement); and

- (b) an analysis of 1,027 cancelled orders that had exceeded the time pledge (37 orders for Contract 1 and 990 orders for Contract 2) revealed that, while there was a large variation in the number of overdue days of the cancelled orders (ranging from 25 to 935 days and averaging 410 days), the reasons for cancellations were not documented. In the absence of clear guidelines specifying the criteria for cancellations of unfulfilled orders (see para. 2.23(a)) and justification, it was unclear under what circumstances LCSD cancelled an order.

2.25 Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) since the outstanding orders included readers' suggestions, pre-publication titles and temporarily out of stock titles, pre-mature cancellation of orders would adversely impair collection development;
- (b) the COVID-19 epidemic had seriously affected international shipment and hence adversely affected the fulfillment of orders;
- (c) for the outstanding and cancelled orders that had exceeded the time pledges under Contract 2:
 - (i) for the 970 outstanding orders (see para. 2.24(a)), 168 orders were invoiced and pending for delivery, and 379 orders were partially fulfilled (i.e. with some items/copies delivered or pending delivery).

Note 15: *According to LCSD, in terms of the number of items (i.e. copies of books) ordered:*

- (a) *as of the end of the contract periods, the outstanding items that had exceeded the time pledge accounted for 3.8% (Contract 1) and 2.3% (Contract 2) of the total numbers of items ordered during the contract periods respectively; and*
- (b) *subsequent to the end of the contract periods, as of February 2023, 72% (Contract 1) and 14% (Contract 2) of the overdue items had been delivered.*

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All the orders were either pending for delivery or on order. There was no good reason to cancel them; and

- (ii) for the 990 cancelled orders (see para. 2.24(b)), 152 orders were readers' suggestions or part of a book series that justified for a longer waiting time. Another 308 orders were partially fulfilled orders. It was believed that the contractor would fulfill the remaining quantities, so it took a longer time to decide for cancellation; and
- (d) instead of cancelling orders by simply following a timeframe, TPU staff took into account a number of factors before deciding not to cancel the orders (e.g. some titles were not yet published or print on demand).

2.26 Audit noted that the considerations mentioned in paragraph 2.25 were not documented. In Audit's view, LCSD needs to take measures to improve the mechanism of monitoring outstanding orders, including:

- (a) setting out the criteria for cancelling outstanding orders in guidelines and documenting justifications for keeping long outstanding orders;
- (b) ensuring that guidelines for cancelling orders are up-to-date; and
- (c) keeping records of checking unfulfilled English book orders.

Audit recommendations

2.27 Audit has *recommended* that the Director of Leisure and Cultural Services should:

- (a) take measures to enhance the monitoring of implementation of CDPs, in particular on fulfillment rates by categories;
- (b) continue the efforts to fulfill the collection development needs of branch libraries as far as practicable including encouraging more branch libraries to make title-specific suggestions and initiating stock rotation as and when required, and take measures to better monitor the

fulfillment of collection development needs at branch library-level upon the implementation of SLS;

- (c) keep under review the demand for e-books and take follow-up actions as appropriate;**
- (d) explore the availability of appropriate indicators for measuring the quantity of e-resources; and**
- (e) take measures to improve the mechanism of monitoring outstanding orders, including:**
 - (i) automating the order tracking process (e.g. incorporating such feature in SLS);**
 - (ii) setting out the criteria for cancelling outstanding orders in guidelines and documenting justifications for keeping long outstanding orders;**
 - (iii) ensuring that guidelines for cancelling orders are up-to-date; and**
 - (iv) keeping records of checking unfulfilled English book orders.**

Response from the Government

2.28 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

- (a) LCSD has already been taking measures to enhance the monitoring of the implementation of the CDPs, including:**
 - (i) starting from April 2023, conducting quarterly reviews on the quantity requirements as set out in the CDPs to take into account changes in demand for and supply of library materials and other factors over the course of the year; and**

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- (ii) monitoring the fulfillment rates through the new module of Collection Development Planning Solution of SLS upon system launch scheduled in 2025. The preparation for the implementation of the system is now in full swing;
- (b) LCSD is taking measures to enhance the submission and fulfillment of CDPs at the branch library-level, including:
 - (i) starting from April 2023, requiring suggestions from branch libraries for strengthening individual subjects to be title-specific;
 - (ii) facilitating the online submission of title-specific suggestions and stock rotation of branch libraries respectively, through the new acquisition module and inventory module of SLS upon system launch; and
 - (iii) monitoring the fulfillment rates at the branch library-level through the new module of Collection Development Planning Solution of SLS upon system launch;
- (c) as a long-term commitment, LCSD has been closely monitoring and reviewing the demand for e-books. LCSD will continue to duly keep under review the demand for e-books and make necessary acquisitions to fulfill the public demand;
- (d) LCSD has all along been searching for indicators used in libraries elsewhere for measuring the quantity of e-resources but no suitable indicator has been identified to date. LCSD will continue to explore the availability of suitable and internationally accepted indicators for measuring the quantity of e-resources; and
- (e) as a trade practice, most English titles are ordered on a pre-publication basis (i.e. titles are not yet published when ordered) and hence there will be a longer lead time for fulfilling the orders. Besides, the COVID-19 epidemic seriously affected international shipment and in turn the fulfillment of orders. LCSD is taking measures to improve the mechanism of monitoring outstanding orders, including:

- (i) updating the criteria for order cancellations in the relevant guidelines and ensuring that the guidelines are up-to-date. LCSD targets to complete the update in 2023;
- (ii) recording the justifications for keeping long outstanding orders with immediate effect;
- (iii) keeping records of supporting documents for the checking of “out of stock” or “out of print” titles of unfulfilled English book orders with immediate effect;
- (iv) monitoring the outstanding orders through the new acquisition module of SLS upon system launch; and
- (v) exploring the feasibility of incorporating a new feature of automating the order tracking process in SLS.

Processing of new library materials

Room for improvement in processing new library materials

2.29 Upon receipt of library materials from the contractors, TPU and the branch libraries allocated with the items (hereinafter referred to as holding libraries) are responsible for processing the new library materials. It is important that the library materials are made available for the public as soon as practicable. Table 6 shows the key stages of processing new library materials and the respective target on processing time specified in LCSD’s guidelines/agreements.

Table 6

Key stages and time targets of processing new library materials

Key stage	Description	Processing time target
1. Checking and acceptance upon receipt	TPU performs checking and acceptance of items, and attaches barcodes on items	30 days for books; 30 to 90 days for audio-visual materials; and 120 days for microforms
2. Cataloguing and processing	TPU creates bibliographic records, inputs records and additional information in system manually, and generates and sticks “spine labels” on items	N.A.
3. Packing	TPU prepares packing list and sorts/packs items for despatch	N.A.
4. Binding	The Correctional Services Department performs binding (for books which require binding for durability)	30 days (from collection from TPU to delivery to holding libraries upon completion of binding)
5. Delivery to holding library	The Hongkong Post collects items (which do not require binding) and despatches them to holding libraries	3 (non-peak season) or 4 (peak season) working days
6. Preparation by holding library	Holding libraries carry out preparation work (e.g. fixing anti-theft magnetic strips and stamping library chops)	3 weeks

Source: Audit analysis of LCSD records

Remarks: The processing time targets shown in the Table are specified in LCSD’s guidelines or agreements with relevant parties.

2.30 Audit noted room for improvement in processing new library materials as follows:

- (a) as shown in Table 6, time targets had not been set for some key stages, i.e. no targets had been set for the “cataloguing and processing” and “packing” stages in LCSD’s guidelines. There was also no target set on the overall processing time;

- (b) system-generated exception reports were prepared monthly for TPU and the holding libraries to monitor the time spent on the processing work. However, the design of the reports was not conducive to monitoring the progress because there were discrepancies between the processing time targets set in LCSD's guidelines/agreements and those specified in the reports. Audit analysed the data of the items under processing as at 31 January 2023 (Note 16) and noted that:
- (i) for the "delivery to holding library" stage (Stage 5 in Table 6), while the processing time target stated in the agreement was 3 to 4 working days, the time specified in the system-generated exception reports was 14 days. As such, of the 11,162 items under this stage, while 4,338 (39%) had exceeded the time target stated in the agreement, the exception reports would only highlight 2,053 (18%) items; and
 - (ii) for the "preparation by holding library" stage (Stage 6 in Table 6), while the processing time target stated in the guidelines was 3 weeks, the time configured in the system-generated exception reports was 3 months. As such, of the 39,319 items under this stage, while 14,272 (36%) had exceeded the time target (Note 17), the exception reports would only highlight 279 (1%) items;
- (c) while a processing time target was set for the "binding" stage (Stage 4 in Table 6), no exception report had been configured. Audit analysis found

Note 16: *The current system could only record the items after bibliographical and relevant records were created after the "cataloguing and processing" stage. For library materials which were acquired for building up initial collections of a new library, delivery of these items would only be arranged when the site was ready, and the time taken might be subject to factors other than the processing time of the library materials. For the purpose of the analysis, the items for new libraries were excluded from the "delivery to holding library" and "preparation by holding library" stages. The analysis was based on the system-generated records of 122,415 items under processing (i.e. after completing the "cataloguing and processing" stage) as at 31 January 2023.*

Note 17: *Since the opening hours of branch libraries varied (e.g. 7 days a week for major libraries and 6 days a week for small libraries), for simplicity, 24 days was adopted as the time target for this analysis.*

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that of the 35,228 items under this stage, 24,481 (69%) had exceeded the time target (i.e. 30 days); and

- (d) Audit performed an ageing analysis of items with processing time exceeding the time targets and noted that some items had been outstanding for a long time. In particular:
 - (i) for the “preparation by holding library” stage, 45% of the items (i.e. 6,379 of the 14,272 items — see (b)(ii)) had exceeded the time target (i.e. 3 weeks) for 31 days or more (ranging from 31 to 1,099 days, averaging 51 days); and
 - (ii) as regards the “binding” stage, 49% of the items (i.e. 12,026 of the 24,481 items — see (c)) had exceeded the time target (i.e. 30 days) for 31 days or more (ranging from 31 to 5,550 days, averaging 48 days).

2.31 Audit also noted that currently, there was no readily available management information on the overall processing time of new library materials (i.e. the total time taken from receipt of an item until it was made available for use by the public). Audit examined the overall processing time of 59 items (Note 18) that were made available for use by the public in 2021 and noted that:

- (a) the overall processing time ranged from 44 to 246 days, averaging 128 days;
- (b) 43 (73%) items (comprising 21 items that required binding and the remaining did not) took more than 90 days for processing, with 9 (15%) items took more than 180 days; and
- (c) on average, 41 days were spent on the “cataloguing and processing” stage and 14 days on the “packing” stage, in which no processing time target was set.

Note 18: *Audit selected 60 items for examination and LCSD could not provide information on the processing time for 1 item.*

2.32 In relation to the processing time for new library materials, LCSD informed Audit in March 2023 that:

- (a) the exception reports (see para. 2.30(b)) listed out all items under a specific status beyond a certain period as defined by HKPL. The purpose of the report on the “delivery to holding library” status (see para. 2.30(b)(i)) was to track the number of items delivered to and checked-in by branch libraries (changed to the “preparation by holding library” status) within 14 days, instead of monitoring the delivery time of library materials (i.e. 3 or 4 working days). New reports would be available upon the implementation of SLS (e.g. for tracking the time on the “delivery to holding library” and “binding” stages); and
- (b) assuming the processing time target for the “cataloguing and processing” and “packing” stages were set at 45 days and 14 days respectively, the total processing time target would be about 143 days. The average processing time of the 59 audit samples of 128 days (see para. 2.31(a)) fell within this target range.

2.33 In light of the audit findings, LCSD needs to take measures to improve the mechanism of processing new library materials.

Audit recommendations

2.34 Audit has *recommended* that the Director of Leisure and Cultural Services should take measures to improve the mechanism of processing new library materials, including:

- (a) setting targets on processing time for key stages and the overall processing time;
- (b) compiling reports for monitoring the achievement of processing time targets, long outstanding cases and overall processing time;
- (c) taking follow-up actions promptly on overdue cases; and

- (d) exploring measures to expedite the overall processing time of new library materials.

Response from the Government

2.35 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that LCSD is taking measures to improve the mechanism of processing new library materials, including:

- (a) setting processing time targets for key stages including the processes of “cataloguing and processing” and “packing” at 45 days and 14 days respectively with immediate effect;
- (b) monitoring the processing time targets, long outstanding cases and overall processing time, and promptly following up on overdue cases through the new reporting tools of SLS upon system launch; and
- (c) streamlining the processing of new library materials with a view to expediting the overall process as a regular practice.

Maintenance of library materials

Need to improve accuracy of management information on withdrawals

2.36 According to LCSD, regular and systematic weeding is conducted to identify items for withdrawal from the collections, so as to ensure the vitality and usefulness of the collections, and to make room for new and updated materials. According to LCSD’s guidelines, materials that should be withdrawn include:

- (a) physically damaged items (e.g. worn out, damaged and beyond binding or rebinding);
- (b) content outdated items (e.g. new/updated versions are available); or
- (c) items not found (e.g. lost or long overdue by readers, or missing and cannot be located for 12 months).

In 2021-22, about 369,000 items of library materials were withdrawn, of which 98% were physically damaged items. According to LCSD, the physically damaged items would generally be disposed of by paper recycling, while the content outdated items were planned to be donated (see para. 2.40).

2.37 According to LCSD, from the collection development perspective, when making decisions on acquisitions, reference would be made to the withdrawal of library materials, so as to maintain a balanced mix in the collections. Each year, a summary of the withdrawal figures is submitted to CDM. Audit noted that there were discrepancies between the statistics generated from the system in December 2022 and that reported to CDM in each of the year from 2017-18 to 2021-22 (see Table 7). The percentage of discrepancies ranged from 11% to 57%.

Table 7

**Withdrawal of library materials
(2017-18 to 2021-22)**

Item	2017-18	2018-19	2019-20	2020-21	2021-22
	Number of items				
The system report generated in December 2022 (a)	519,704	617,614	583,122	533,104	368,935
Reported to CDM (b)	379,018	393,621	437,631	401,449	330,898
Discrepancy (c) = (a) – (b)	140,686	223,993	145,491	131,655	38,037
Percentage of discrepancy (d) = (c) ÷ (b) × 100%	37%	57%	33%	33%	11%

Source: Audit analysis of LCSD records

2.38 Upon enquiry about the discrepancies, LCSD informed Audit in January and March 2023 that:

- (a) the reports to CDM were generated in October each year. Due to the lead time in seeking approvals for withdrawing the items and/or recording the

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approvals in the computer system, the reports to CDM might not capture some of the items; and

- (b) the reports to CDM only included unserviceable items, whereas the figures provided to Audit in December 2022 also included not found items (see para. 2.36).

2.39 As the information on withdrawal (i.e. the number of and reasons for withdrawal) of library materials forms part of the considerations in the collection development planning and is used by various parties (e.g. CDM, TPU and branch libraries), LCSD needs to ensure that the relevant information is comprehensive and consistent.

Need to improve the implementation of donation scheme of library materials

2.40 According to LCSD, it has been exploring means of donating outdated library materials. Upon a review commenced in 2018, HKPL planned to launch a Books Sharing in the Community Scheme (the Scheme) to donate the outdated books in 2020 under the following two approaches:

- (a) ***Open approach.*** Books were made available to organisations participating in the Community Libraries Partnership Scheme (see para. 1.5) for selection on a first-come-first-served basis; and
- (b) ***Partnership approach.*** Partnering with non-governmental organisations (NGOs), the unselected books after the open approach would be distributed to other users via the network of their service centres, or re-create the remaining books into art pieces or sculpture with a series of workshops.

2.41 Audit noted that:

- (a) the Scheme was postponed to 2021 due to the COVID-19 epidemic. In 2021, under the open approach of the Scheme, a total of 20,199 items were

made available to 129 community libraries (Note 19). A total of 31 (24%) community libraries participated in the book selection process and selected 1,259 (6%) items. As for the partnership approach, it was suspended due to the COVID-19 epidemic and hygienic concerns. All the unselected books would be arranged for disposal by paper recycling; and

- (b) for 2022, the open approach commenced in November 2022 and the book selection process was planned to be completed by February 2023. According to LCSD, the partnership approach would remain suspended due to the epidemic.

2.42 As HKPL has resumed normal operation and the Scheme is a good initiative to promote better use of library resources, Audit considers that LCSD needs to keep under review the implementation of the Scheme, including stepping up efforts in encouraging more community libraries to participate in the Scheme and consider launching the partnership approach at an opportune time.

Need to consider disclosing availability status of library materials and expedite processing of temporarily unavailable and non-serviceable library materials

2.43 As reported on HKPL's website, as of December 2022, there were 15.2 million items of library materials in its collections (see para. 2.2). According to LCSD's computer records, serviceable items included:

- (a) items available to the public (e.g. in the lending collections on library shelves and the reference collections for use in the libraries);
- (b) items under processing (see paras. 2.29 to 2.32); and
- (c) items that were temporarily unavailable to the public.

Note 19: *According to LCSD, a community library is eligible to participate in the Scheme only if it fulfills the requirements on donation set out in the Stores and Procurement Regulations, i.e. it is an NGO established solely or principally for education, scientific, cultural or charitable purpose.*

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Non-serviceable materials were also included in the records. Table 8 shows an analysis of the records as at 22 December 2022 and 31 January 2023.

Table 8

**Status of HKPL's library materials
(22 December 2022 and 31 January 2023)**

Status	22 December 2022	31 January 2023
	Number of items ('000)	
Before service to the public (i.e. under processing)	143 (1%)	132 (1%)
Available to the public	13,857 (81%)	14,144 (81%)
Temporarily unavailable to the public (e.g. action required, under review)	655 (4%)	380 (2%)
Serviceable	14,655 (86%)	14,656 (84%)
Non-serviceable (e.g. pending for withdrawal, missing)	2,423 (14%)	2,706 (16%)
Total	17,078 (100%)	17,362 (100%)

Source: Audit analysis of LCSD records

Remarks: Library materials for new libraries were excluded.

2.44 Audit noted that there was a discrepancy between the number of serviceable items in the computer records (i.e. 14.7 million) and the number of items of library materials reported on HKPL's website (i.e. 15.2 million). The discrepancy was mainly due to the inclusion of about 0.6 million "pending for withdrawal" items (under the category of "non-serviceable") in the reported library stock figure. Upon enquiry, LCSD informed Audit in March 2023 that an item remained in the library stock until the withdrawal process was completed and hence, the official stock figure shown on the website should include the "pending for withdrawal" items which had not been formally withdrawn.

2.45 While noting LCSD’s explanations, given that the number of items of library materials not available to the public is not small (e.g. 0.65 million “temporarily unavailable to the public” items and about 0.6 million “pending for withdrawal” items, totalling 1.3 million items which accounted for 9% of the 15.2 million items as of December 2022), for the sake of accountability and transparency, LCSD needs to consider disclosing the availability status of library materials in reporting the total number of items in HKPL’s collections.

2.46 Audit conducted an ageing analysis of the “temporarily unavailable to the public” items and the “non-serviceable” items as at 31 January 2023 (see Table 9), and noted that:

- (a) the majority of the items had been classified under these categories for 1 year or more, representing 75% of the “temporarily unavailable to the public” items and 78% of the “non-serviceable” items; and
- (b) 6% of the “temporarily unavailable to the public” items and 32% of the “non-serviceable” items had been classified under these categories for more than 5 years.

Table 9

**Ageing analysis of “temporarily unavailable to the public”
and “non-serviceable” library materials
(31 January 2023)**

Number of years classified under the category	Temporarily unavailable to the public	Non-serviceable
	Number of items (’000)	
< 1 year	96 (25%)	591 (22%)
1 to 5 years	262 (69%)	1,248 (46%)
> 5 years	22 (6%)	867 (32%)
Total	380 (100%)	2,706 (100%)

Source: Audit analysis of LCSD records

2.47 Library materials identified as non-serviceable (excluding items not found) would take up storage space. Under LCSD's current practice, these materials would be withdrawn and disposed of by paper recycling or donated through the Books Sharing in the Community Scheme (see paras. 2.36 and 2.40). In Audit's view, LCSD needs to expedite the processing of the "non-serviceable" items. As for the materials classified as "temporarily unavailable to the public", LCSD also needs to expedite the follow-up actions with a view to making the items available to the public as soon as practicable.

Need to step up efforts in examining library materials for safeguarding national security and taking follow-up actions

2.48 The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (National Security Law) was implemented on 30 June 2020. The National Security Law stipulates that it is the constitutional duty of the Hong Kong Special Administrative Region to safeguard national security. The Government shall take necessary measures to strengthen public communication, guidance, supervision and regulation over matters concerning national security, including those relating to the Internet. According to LCSD, to ensure effective fulfillment of its duty to safeguard national security, it would make sure that the library collections are not contrary to the interests of national security during its work on acquisition and maintenance of library materials. The measures taken include:

- (a) HKPL had re-examined and updated the procedures for and guidelines on purchasing library materials and accepting donations of books and periodicals. Safeguarding national security had now been included as one of the considerations to ensure that the library collections for loan by members of the public free of charge conform to the laws of Hong Kong (see para. 2.6); and
- (b) in addition to carefully selecting library materials to be included in the library collections, HKPL also, taking into account complaints/enquiries and national security risk considerations, conducted a preliminary review of its library stock to identify materials with contents which may be contrary to the interests of national security. Any library material which was suspected of breaching the National Security Law or other laws would be suspended from library services. Upon careful examination, if it was ascertained that the content of the material concerned posed a risk of

violating the law, it would be withdrawn from the library collections permanently and disposed of. Only when the material concerned was ascertained that its content did not violate the relevant laws would it be put on library shelves again.

2.49 Audit noted that the preliminary review of the library materials commenced in 2021. Since then, LCSD has been conducting examination of the materials identified in the preliminary review for taking necessary follow-up actions (i.e. suspension from library services, withdrawn for disposal or resumption of library services). Up to February 2023, the examination work and the aforementioned follow-up actions were still in progress.

2.50 Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) it was an on-going exercise to examine library books for safeguarding national security. HKPL needed to examine library materials from time to time upon receiving complaints from the public. Hence, the number of books to be examined was increasing continuously. It was unlikely that there was a clear end date for book examination;
- (b) library books varied in complexity of content, and hence there was no standard indicator on the number of days required for completion of examining a library book; and
- (c) as HKPL had a vast collection of over 2 million titles, LCSD had to set priorities for examining library books. HKPL had already completed a preliminary review of its library stock including publications of those authors or publishers that had been suspected of publishing books on “Hong Kong independence” previously.

2.51 In Audit’s view, LCSD needs to step up efforts in examining library materials for safeguarding national security and taking the related follow-up actions.

Need to review sample size for stocktaking library materials

2.52 Stocktaking of library collections helps maintain the accuracy of the library stock records, as well as facilitate both library users and staff to search and retrieve library items effectively. LCSD has set out in its guidelines that each of the branch libraries should conduct an annual stocktake of the library collections. The guidelines have also specified the sample size (on random samples of library materials retrieved from the computer system) for each type of library, which ranges from 50 (for small libraries, mobile libraries and self-service library stations) to 3,960 (for the Hong Kong Central Library). In the 2021-22 stocktaking cycle (from October 2021 to August 2022), some 25,000 items (i.e. about 0.16% of the library stock of some 15 million items) were checked.

2.53 Audit analysed the ratios of the sample size for stocktaking to the inventory level for different types of libraries (see Table 10) and noted that the ratios varied, ranging from 0.07% to 0.8%.

Table 10

**Sample size for stocktaking for different types of libraries
(31 March 2022)**

Library	Sample size (Note 2) (a) (No. of items)	Inventory level (b) (No. of items)	Ratio of sample size to inventory level (c) = (a) ÷ (b) × 100%
• Hong Kong Central Library	3,960	2,830,000	0.14%
• Major libraries	700 or 750	501,000 to 753,000	0.10% to 0.15%
• District libraries (except for 2 libraries (Note 1))	300 or 350	109,000 to 308,000	0.11% to 0.32%
• 2 District libraries (Note 1) • Small libraries (except for 6 libraries (Note 1))	150 or 200	51,000 to 108,000	0.17% to 0.39%
• 6 Small libraries (Note 1) • Mobile libraries • Self-service library stations	50 or 100	12,000 to 93,000	0.07% to 0.8%

Source: Audit analysis of LCSD records

Note 1: According to LCSD, the sample size for the 2 district libraries and 6 small libraries had been adjusted downward having regard to the inventory level.

Note 2: Sample sizes are set for lending collections, reference collections and materials on reserve stacks respectively. For calculating the ratio of sample size to inventory level, the respective sample sizes are aggregated.

2.54 According to LCSD, SLS could automate the data collection process of the stocktaking procedures using the radio frequency identification (RFID) technology (see para. 4.5(b) to (d)). As the sample size on stocktaking of library materials was last reviewed in 2015-16 and that the inventory level has changed over the years (i.e. increased by 13% from 13.5 million in 2014 to 15.2 million in 2022), LCSD needs to review and adjust the sample size as appropriate (e.g. setting the sample size as a percentage of inventory) pending the implementation of SLS.

Need to ensure timely completion and review of stocktaking reports

2.55 According to LCSD, in the 2021-22 stocktaking cycle, a total of 153 stocktaking exercises were conducted and all were with satisfactory results (Note 20). According to LCSD's guidelines, librarians responsible for the stocktakes should complete a first stocktaking report on the same day, and a final stocktaking report within 30 days of the stocktaking day. Audit examined the reports of the stocktakes in 2021-22 and noted room for improvement as follows:

- (a) ***Timeliness of completing reports.*** There were delays in completing 24 (11%) of the 218 reports (Note 21). The delays ranged from 1 to 203 days, averaging 16 days; and
- (b) ***Timeliness of reviewing reports.*** The stocktaking reports were submitted to the Chief Librarian overseeing the stocktaking exercise for review. Currently, the guidelines had not set out the timeframe on the review of the reports. Audit noted that the time taken on reviewing the reports varied significantly, ranging from 0 (i.e. on the same day) to 443 days (i.e. 14 months — (Note 22)), averaging 13 days.

2.56 According to LCSD, among the cases with delays in completion and review of the stocktaking reports, some were because of longer time taken in delivery and work-from-home arrangements during the COVID-19 epidemic. In Audit's view, LCSD needs to take measures to ensure the timely completion and review of stocktaking reports (e.g. setting guidelines on the timeframe on reviewing all reports).

Note 20: *According to LCSD's guidelines, any un-located items on the stocktaking day should be located or confirmed outstanding within 30 days. The result of a stocktake is considered satisfactory if the number of items located reaches 97% of the total sample size.*

Note 21: *It is LCSD's general practice that for stocktaking exercises with no discrepancy, only the first stocktaking report is submitted. The 218 reports for the stocktaking exercises in 2021-22 comprised 153 first stocktaking reports and 65 final stocktaking reports.*

Note 22: *In December 2022, Audit found that the reports of two stocktakes (conducted in October 2021 and May 2022) were not signed by the Chief Librarians. Subsequent to Audit's enquiry, the reports were submitted to and reviewed by the Chief Librarians in January 2023 (i.e. 14 months and 7 months respectively after the stocktakes).*

Need to ensure that SLS incorporates functions and capabilities to address issues in collection development and management processes

2.57 Currently, the collection development and management of library materials involve many manual processes and substantial manpower. For example, due to limitations of the current computer systems, some management information is lacking (e.g. analysis of acquisition proportion of library materials by subjects (see para. 2.10(a)); management information on the overall order status of library materials (see para. 2.21); and overall processing time of new library materials (see para. 2.31)). For stocktaking, HKPL only performed manual stocktakes with a small sample size (see paras. 2.52 and 2.53).

2.58 According to LCSD, SLS would improve the collection development and management processes with automated functions and capabilities including the following:

- (a) ***Collection development planning.*** To provide data for preparation of the annual CDPs, perform stock analysis and recommend listing for the withdrawal of library materials;
- (b) ***Acquisition of library materials.*** To facilitate the process on consolidating, reviewing and approving selection lists, creating and placing orders, receiving goods and cancelling orders;
- (c) ***Processing of new library materials.*** To facilitate the process on creating and maintaining bibliographic records, importing data and completing the cataloguing process;
- (d) ***Management information.*** To provide management information, generate operational and ad-hoc reports (e.g. statistics and reports on usage of e-resources, exception reports on missing items for stocktakes); and
- (e) ***Stocktaking.*** To facilitate comprehensive stocktaking on a regular basis with RFID and an inventory module.

2.59 The core functions and remaining functions of SLS are expected to be implemented in March 2024 and September 2025 respectively (see para. 4.6). In

Collection development and management

Audit's view, LCSD needs to ensure that functions and capabilities are incorporated in SLS to address the issues in the collection development and management processes (including those identified by Audit) as far as practicable.

Audit recommendations

2.60 **Audit has *recommended* that the Director of Leisure and Cultural Services should:**

- (a) **ensure that the information on withdrawal of library materials is comprehensive and consistent;**
- (b) **keep under review the implementation of the Books Sharing in the Community Scheme, including stepping up efforts in encouraging more community libraries to participate in the Scheme and consider launching the partnership approach at an opportune time;**
- (c) **consider disclosing the availability status of library materials in reporting the total number of items in HKPL's collections;**
- (d) **expedite the follow-up actions on library materials classified as "non-serviceable" and "temporarily unavailable to the public";**
- (e) **step up efforts in examining library materials for safeguarding national security and taking the related follow-up actions;**
- (f) **review and adjust the sample size of stocktaking of library materials as appropriate pending the implementation of SLS;**
- (g) **take measures to ensure the timely completion and review of stocktaking reports; and**
- (h) **ensure that functions and capabilities are incorporated in SLS to address the issues in the collection development and management processes as far as practicable.**

Response from the Government

2.61 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

- (a) LCSD is taking measures to ensure that comprehensive and consistent withdrawal figures would be available to CDM. This will be achieved by setting 31 December as the report generation date and including all types of withdrawals in the analysis;
- (b) LCSD has been keeping under review the implementation of the Books Sharing in the Community Scheme. LCSD will also continue to explore potential partners for implementing the partnership approach. In fact, LCSD has already been taking measures to encourage participation of community libraries in the Scheme, including: (i) increasing the types and number of books for selection as far as practicable; (ii) providing more time slots for selection; (iii) arranging more rounds of selection on a need basis; (iv) extending the time of collecting the donated books; and (v) strengthening the promotion of the Scheme to the community libraries;
- (c) LCSD will disclose the availability status of library materials in reporting the total number of HKPL's library items;
- (d) while most of the "non-serviceable" and "temporarily unavailable to the public" items were processed timely, LCSD will generate lists of these items to facilitate individual branch libraries to enhance double-checking and expedite follow-up actions;
- (e) LCSD agrees that it is of utmost importance in taking actions to safeguard national security. It is an on-going exercise to examine library books for safeguarding national security. HKPL has already completed the review of library books which are manifestly contrary to the interests of national security and removed them from the library collections. Upon receipt of public complaints on books which are suspected of violating the National Security Law, HKPL will first suspend the services of the relevant books and review their contents. If the books are found contrary to the interests of national security, they will be withdrawn and permanently removed from the library collections;

Collection development and management

- (f) LCSD will take into account the latest inventory level of different types of libraries and operational feasibility in setting the sample size of stocktaking of library materials, where a certain percentage will be adopted to replace the absolute quantity. The measure will be implemented in full in 2023-24;
- (g) while most branch libraries have been able to adhere to the completion of the stocktaking reports in 2021-22 within 30 days in general, the delays encountered were mainly attributed to the epidemic. To further improve the timeliness of completion and review of stocktaking reports, LCSD will, starting from 2023-24, streamline the workflow of completing the stocktaking reports and setting timeframe for signing off the reports by responsible officers to complete the reviewing process; and
- (h) LCSD has been closely monitoring and will continue to steer the development of SLS, the preparation for implementation is now in full swing, with a view to providing suitable functions in relation to collection development planning, acquisition of library materials, processing of new library materials, management information and stocktaking upon the launch of the system.

PART 3: LIBRARY OPERATION

3.1 This PART examines the operation of HKPL, focusing on the following areas:

- (a) library patronage and usage (paras. 3.2 to 3.20);
- (b) processing of returned library materials (paras. 3.21 to 3.34);
- (c) library fees and charges (paras. 3.35 to 3.44); and
- (d) other operational issues (paras. 3.45 to 3.55).

Library patronage and usage

3.2 According to LCSD, the public libraries are evenly spread over the territory of Hong Kong to provide convenient access to a wide range of library services for people of all age groups and walks of life. While free lending of library materials is available at all public libraries, other services and facilities are also offered by most of the public libraries. Such services and facilities include adult libraries, children's libraries, newspaper and periodical services, reference and information services, computer and information centres, multi-media libraries, students' study rooms, extension activities and block loan services.

Need to strengthen actions in encouraging physical visits to libraries

3.3 According to the Strategic Plan of HKPL (2020-2025), one of the missions of HKPL is to enable access by providing a wide network of public libraries for free and equitable access to information and knowledge to serve all residents of Hong Kong (see para. 1.9(a)). The strategy includes reaching out and promoting library services to serve different user segments while continuing to attract user patronage to libraries. Audit examined the number of physical visits to HKPL from 2015 to 2022 and noted that:

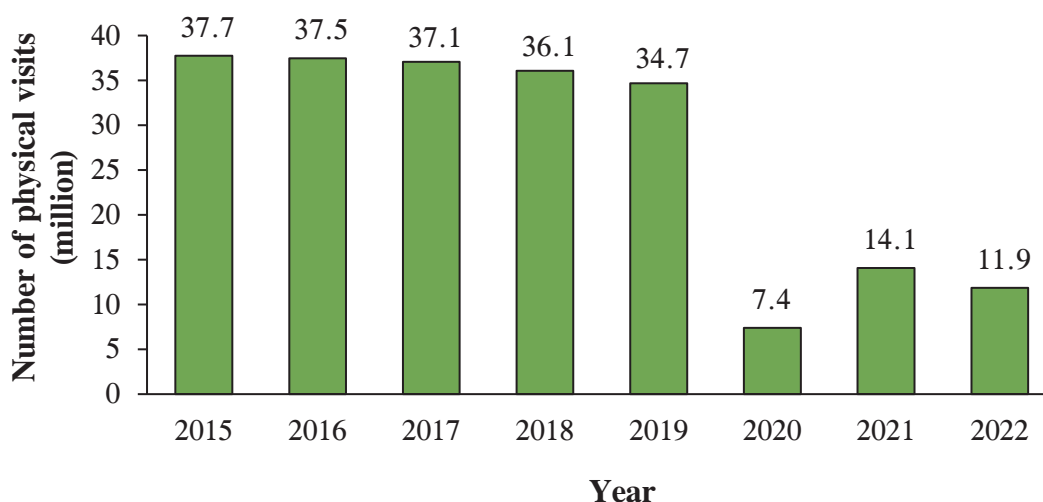
- (a) the number of physical visits to HKPL was generally on a decreasing trend over the years (see Figure 1). The number of physical visits decreased by

Library operation

about 8% from 37.7 million in 2015 to 34.7 million in 2019. The number further decreased significantly by 79% to 7.4 million in 2020. According to LCSD, the decrease was mainly due to the temporary closure and service suspension of libraries in the midst of the COVID-19 epidemic (Note 23). While the number increased by 91% to 14.1 million in 2021 mainly due to the gradual resumption of normal operation as the situation of the COVID-19 epidemic stabilised locally, it decreased by 16% to 11.9 million in 2022 as the libraries were temporarily closed in the first four months under the fifth wave of the COVID-19 epidemic; and

Figure 1

Number of physical visits to HKPL (2015 to 2022)



Source: LCSD records

Remarks: The number of physical visits included visits to static libraries, mobile libraries and Library-on-Wheels.

- (b) while the numbers of physical visits of static libraries were collected according to meters placed at the security gates, the numbers of physical

Note 23: The static libraries, mobile libraries and Library-on-Wheels were closed with services suspended temporarily and intermittently for 169 to 221 days in 2020, 48 to 84 days in 2021, and 82 to 100 days in 2022. The self-service library stations were closed for 127 days in 2020 and remained open in 2021 and 2022.

visits of mobile libraries and Library-on-Wheels were counted by library staff at the entrance manually. In addition, the numbers of physical visits of the three self-service library stations were not collected.

3.4 According to LCSD, public libraries worldwide tend to record a gradual decline in physical visits, loans and usage, partly attributable to the impact of the Internet, bringing information and entertainment at the fingertips. As stated in the Strategic Plan of HKPL (2020-2025), LCSD will continuously enhance the static libraries (e.g. setting up and reprovisioning major and district libraries, such as setting up a new library in Sham Shui Po in 2021) and the library self-services (e.g. launching self-service library stations and the Library-on-Wheels pilot project). Audit noted that for the Sham Shui Po Public Library, the students' study room was open to the public in October 2022. As of December 2022, the library was expected to commence services in the first quarter of 2023 (i.e. more than one year later than the expected commencement date of 2021). In this connection, Audit's research found that in view of the challenges posed by the fast-expanding cyberspace, some public libraries overseas/in the Mainland had taken on new functions (e.g. assigning areas for community activities).

3.5 Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) though the epidemic had affected the physical library services, it had continued to provide online library services with access to e-books and online databases as well as reading and library activities via LCSD Edutainment Channel. With the gradual resumption to normalcy of the society from COVID-19, it was expected that the number of physical visits would gradually increase; and
- (b) HKPL would continue to adopt a multi-pronged approach to promote its services and improve library patronage as directed along with the missions and strategies that were formulated for the development of HKPL. In addition, HKPL had been exploring new ways to upgrade its services and functions. Examples of recent projects which aimed at re-purposing space in the libraries to attract the youth in particular included "CreateInfo Zone" at Young Adult Library of the Hong Kong Central Library and "Smart Learning Space" in the Kowloon Public Library. For new libraries, LCSD was formulating strategies and plans for construction of new cultural facilities (including new libraries) under the 10-year development blueprint

on cultural and arts facilities that had been announced in the Policy Measures of the 2022 Policy Address.

3.6 Given the important role of public libraries in education, culture, inclusion and provision of information, LCSD needs to keep under review the number of physical visits to HKPL and take further measures in encouraging visits to public libraries including continuing to upgrade HKPL's services and functions. LCSD also needs to explore the use of IT in collecting data of physical visits to public libraries (including mobile libraries, Library-on-Wheels and self-service library stations) for planning and management purposes.

Need to keep under review library opening hours

3.7 According to IFLA Guidelines, in order to provide the best possible access to library services, a library must be open at times of maximum convenience to those who live, work and study in the community. The opening hours of HKPL vary according to their respective types and functions. At present, the Hong Kong Central Library, major/district libraries, small libraries and mobile libraries open for 74 hours, 71 hours, 14 to 56 hours and 42 hours a week respectively.

3.8 The last major change in library opening hours took place in April 2009, with the opening hours of major and district libraries being extended from 61 or 62 hours to 71 hours per week to provide seven-day-a-week library services. In 2018, LCSD conducted a pilot scheme to extend opening hours at four public libraries for a three-month period. According to the review report of the pilot scheme of February 2019, LCSD had drawn up short-term and long-term plans for the extension of library opening hours, as follows:

- (a) *Short-term plan (2019 to 2021).* The short-term measures included launching a three-month trial scheme by selecting three libraries for setting up unmanned service corners after library opening hours by end of 2019. During the extended service hours, only designated reading areas of the libraries would remain open to provide book reading and self-services for borrowing and returning of library materials. In addition, the Library-on-Wheels pilot project (i.e. mobile library with self-service equipment and extended service hours) would be launched by end of 2019; and

- (b) **Long-term plan (2021 to 2023).** With the development of SLS and adoption of RFID technology (see para. 4.5(b)), LCSD would explore measures of extending library opening hours in a more cost-effective way.

3.9 Audit noted that as of January 2023, both the short-term and long-term plans had not been fully implemented as scheduled, as follows:

- (a) **Short-term plan.** While the Library-on-Wheels pilot project was launched in January 2020, the trial scheme for unmanned service corners had not yet been implemented as of December 2022 (i.e. three years after the scheduled date of end of 2019). Upon enquiry, LCSD informed Audit in January 2023 that the setting up of unmanned service corners after library opening hours in existing library venues was found to be impracticable due to the constraints of physical layout and security concerns. New libraries and libraries under renovation projects would be designed to allow access to self-service library services beyond normal opening hours as far as practicable; and
- (b) **Long-term plan.** As of December 2022, there was a delay in the development of SLS by about 9 months (see para. 4.6). Concrete plans on extending library opening hours in a more cost-effective way had yet to be explored.

3.10 Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) with the development of SLS, a wider use of information and communications technology and self-service facilities enabled with RFID technology would enable HKPL to examine options to extend the service hours in a more cost-effective and sustainable manner in the long run. For instance, RFID-enabled facilities for pickup of reserved library materials could be installed outside branch libraries where feasible for providing services beyond the normal opening hours; and
- (b) it was planning to set up a “Self-service Zone” in newly built branch libraries (e.g. Lei King Road Public Library) in which extended hours of convenient access of books, self-charging and self-returning services, and pickup lockers/dispensers would be available.

3.11 From time to time, LCSD received requests from the public and the District Councils for extension of library opening hours. To improve the accessibility of library services, LCSD needs to expedite efforts in implementing the planned measures (e.g. unmanned operation) for providing longer library service hours.

Room for improvement in setting performance measures and achieving targets on usage of library services

3.12 According to IFLA Guidelines, the availability of reliable performance information is a necessary tool for evaluation and the improvement of efficiency, effectiveness and quality of service. A number of key performance indicators have been suggested in IFLA Guidelines to evaluate and monitor the achievement of the library's objectives, including usage indicators. LCSD has set in its COR key performance measures (including targets and indicators) in respect of usage of library services of HKPL, including registered borrowers, items of library materials borrowed and virtual visits.

3.13 ***Some key performance targets on usage of library services not met.*** Table 11 shows the achievement of the performance targets on usage of library services from 2015 to 2022. Audit noted that the targets on items of library materials borrowed and virtual visits were not always met, as follows:

- (a) ***Items of library materials borrowed.*** While the target on items of library materials borrowed decreased by 18% from 55 million in 2015 to 45 million in 2022, HKPL still did not meet the target for eight consecutive years from 2015 to 2022 (with shortfalls ranging from 3% to 50%). According to LCSD:
 - (i) the target was revised having regard to the changing pattern in the use of physical library materials and e-books, as well as the growing trend of an Internet-based lifestyle in society while more varieties of free online reads/resources were available conveniently for access via the Internet; and
 - (ii) the shortfalls between the target and actual figures in 2020 to 2022 were mainly due to the impact of anti-epidemic measures including the temporary closure of public libraries and service suspension. The increase in actual figure in 2021 was mainly due to the gradual

resumption of normal operation as the situation of the COVID-19 epidemic stabilised locally; and

- (b) **Virtual visits.** For virtual visits, HKPL did not meet the target of 25 million in 2020 to 2022, with shortfalls ranging from 22% to 31%. According to LCSD, the suspension of services (such as borrowing and onsite reading) as a result of the temporary closure of libraries in the midst of the COVID-19 epidemic had led to the decrease in the number of virtual visits in 2020 to 2022.

Table 11

**Achievement of performance targets
on registered borrowers, items of library materials borrowed and virtual visits
(2015 to 2022)**

	2015	2016	2017	2018	2019	2020	2021	2022
	Number ('000)							
Registered borrowers								
Target (a)	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330
Actual (b)	4,372	4,454	4,533	4,610	4,682	4,710	4,770	4,820
Variance (c)=(b) – (a)	42	124	203	280	352	380	440	490
(%) (d)=(c) ÷ (a) × 100%	(1%)	(3%)	(5%)	(6%)	(8%)	(9%)	(10%)	(11%)
Items of library materials borrowed								
Target (e)	55,000	52,000	52,000	51,000	51,000	48,000	45,000	45,000
Actual (f)	51,344	50,504	50,251	48,009	45,018	23,852	29,205	24,302
Variance (g)=(f) – (e)	(3,656)	(1,496)	(1,749)	(2,991)	(5,982)	(24,148)	(15,795)	(20,698)
(%) (h)=(g) ÷ (e) × 100%	(-7%)	(-3%)	(-3%)	(-6%)	(-12%)	(-50%)	(-35%)	(-46%)
Virtual visits (Note)								
Target (i)	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000
Actual (j)	23,755	24,156	26,194	25,923	25,481	18,508	19,405	17,137
Variance (k)=(j) – (i)	3,755	4,156	6,194	923	481	(6,492)	(5,595)	(7,863)
(%) (l)=(k) ÷ (i) × 100%	(19%)	(21%)	(31%)	(4%)	(2%)	(-26%)	(-22%)	(-31%)

Source: Audit analysis of LCSD records

Note: Virtual visits refer to the number of single visits (sessions) to the relevant websites/online services of HKPL, regardless of the number of web pages viewed.

3.14 As the library operation has resumed normal, LCSD needs to strengthen actions to improve the usage of library services and closely monitor the achievement of related performance targets.

3.15 ***Room for improvement in setting performance measures on usage of library services.*** Audit noted the following issues regarding the performance measures on usage of library services of HKPL:

(a) ***Usage of e-books and e-databases not included in performance measures in LCSD's COR.*** The performance target of library materials borrowed did not include the usage of e-books and e-databases. Besides, according to LCSD, the performance target on virtual visits referred to the number of single visits (sessions) to the relevant websites/online services of HKPL, and the usage of e-resources could not be reflected as the e-book collections and e-databases had to be accessed through the platforms provided by respective service providers. Upon enquiry, LCSD informed Audit in March 2023 that:

(i) unlike the usage of lending physical materials which could be measured by an objective and unified metric of circulation rate, there was currently no universally accepted way of measuring use counts of e-books and e-databases. Different vendors adopted different means of measures. In light of the heterogeneous nature of e-resources, it was infeasible to formulate a single index for measuring the usage of an array of e-resources providing a wide variety of materials through different modes of services; and

(ii) the total usage of e-books reported to the public so far was merely a proxy for portraying a rough picture of the utilisation of e-book usage, not an authoritative or scientific figure for the purpose of performance target. HKPL would explore the availability of any internationally accepted indicator for measuring the usage of e-resources; and

(b) ***Room for improvement concerning performance measures for registered and active borrowers.*** The usage indicators suggested in IFLA Guidelines include registrants versus active registrants (an active borrower refers to a registered user who has borrowed at least one item during the reporting period). LCSD had set in its COR a performance target for registered

borrowers and two related indicators (i.e. registered borrowers as percentage of population and items on loan per registered borrower). Audit noted that:

- (i) the number of registered borrowers increased by about 10% from about 4.37 million as of 2015 to about 4.82 million as of 2022. During the seven-year period, on average, there were about 64,700 new registered borrowers per year and about 800 borrowers de-registered per year (Note 24). According to LCSD, the cancellation of registration was mainly initiated by borrowers (Note 25). Audit noted that the number of de-registration was not high (Note 26); and
- (ii) no performance indicators had been set on active borrowers as suggested in IFLA Guidelines. As of December 2022, the number of active registered borrowers (i.e. borrowing physical library materials within the last 12 months) was about 566,400 (i.e. about 12% of 4.82 million registered borrowers in 2022).

3.16 In light of the audit findings, LCSD needs to review the key performance targets and indicators on the usage of library services in its COR and take follow-up actions as appropriate (e.g. exploring the availability of suitable targets/indicators on the usage of e-resources, and introducing more targets/indicators such as active borrowers). Regarding the performance target on registered borrowers, LCSD needs to explore measures to remove deceased registered borrowers as far as practicable.

Note 24: *According to LCSD, it did not record the reasons for de-registration.*

Note 25: *According to LCSD, family members or friends of a deceased patron may approach the library and enquire the handling of items of the deceased patron's account with the provision of library account information and official documents which can indicate the date of death (e.g. death certificate).*

Note 26: *According to the statistics of the Census and Statistics Department, in the seven-year period from 2016 to 2022, the total number of deaths was 354,100 (averaging about 50,600 per year).*

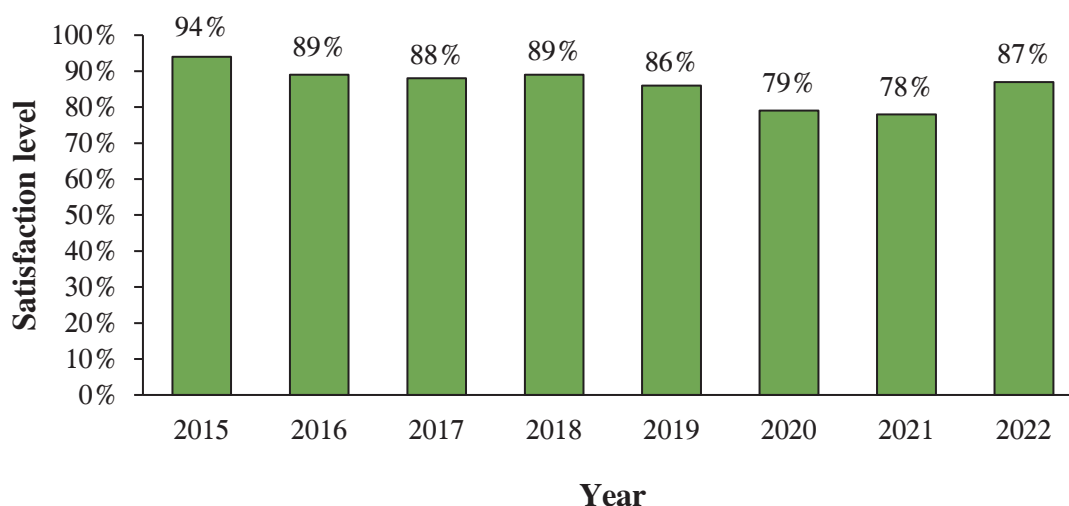
Need to keep under review reader satisfaction level

3.17 LCSD conducts reader liaison group workshops and/or reader opinion surveys annually to collect the level of readers' satisfaction on various aspects of library facilities and services. Audit noted that based on the results of the annual reader opinion surveys conducted in the period from 2015 to 2022, the reader satisfaction level (i.e. rating as satisfied/satisfactory or very satisfied/very good) for overall impression of HKPL decreased from 94% in 2015 to 87% in 2022 (see Figure 2). Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) a three-point rating scale (i.e. very good, satisfactory and unsatisfactory) was adopted in the feedback form in 2015 while a five-point rating scale (i.e. very satisfied, satisfied, average, dissatisfied and very dissatisfied) was adopted from 2016 onwards, which might attribute to the noticeable change of the reader satisfaction level after 2015; and
- (b) it was believed that the decrease in the reader satisfaction level, in particular in 2020 and 2021, was mainly due to the temporary closure of libraries and the implementation of social distancing measures such as reduced number of seats and limited admission quota for library programmes under the impact of the COVID-19 epidemic. With the gradual resumption of normal operation of HKPL, the reader satisfaction level recorded an increase to 87% in 2022.

Figure 2

**Reader satisfaction level for overall impression of HKPL
(2015 to 2022)**



Source: LCSD records

3.18 Audit noted that while the reader satisfaction level increased to 87% in 2022, it was still slightly below the level in 2018 or before. In Audit's view, LCSD needs to keep under review the reader satisfaction level on HKPL and take measures to further improve the library facilities and services as appropriate.

Audit recommendations

3.19 Audit has *recommended* that the Director of Leisure and Cultural Services should:

- (a) keep under review the number of physical visits to HKPL and take further measures in encouraging visits to public libraries including continuing to upgrade HKPL's services and functions;
- (b) explore the use of IT in collecting data of physical visits to public libraries (including mobile libraries, Library-on-Wheels and self-service library stations) for planning and management purposes;

Library operation

- (c) **expedite efforts in implementing the planned measures (e.g. unmanned operation) for providing longer library service hours;**
- (d) **strengthen actions to improve the usage of library services and closely monitor the achievement of related performance targets;**
- (e) **review the key performance targets and indicators on the usage of library services in LCSD's COR and take follow-up actions as appropriate;**
- (f) **explore measures to remove deceased registered borrowers as far as practicable; and**
- (g) **keep under review the reader satisfaction level on HKPL and take measures to further improve the library facilities and services as appropriate.**

Response from the Government

3.20 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

- (a) LCSD has noted a changing pattern in the use of public library services, having regard to, inter alia, the growing trend of an Internet-based lifestyle in the society and easy access to information on the Internet. To keep abreast of the needs of the public under the changing environment, LCSD has been devoting efforts to devise strategies in developing and enriching the library services in different aspects. In particular, the newly introduced "CreateInfo Zone" and "Smart Learning Space" in libraries where technically feasible (see para. 3.5(b)) aim to recreate libraries as a community focal point. LCSD will continue to strengthen the promotion and publicity of enhanced services and facilities through different channels, including social media and interactive platforms to arouse public awareness and interests in using HKPL's services and encourage physical visit to libraries;

- (b) LCSD will explore the use of IT to count and collect data of physical visits to mobile libraries, Library-on-Wheels and self-service library stations for planning and management purposes, and for replacing the current practice of physical counting;
- (c) taking the opportunity of SLS development, the full implementation of RFID-enabled facilities will enable HKPL to explore the extension of the service hours in a cost-effective and sustainable manner. LCSD has been expediting efforts in planning for longer library service hours in a self-service delivery mode. The preparation works for installation of RFID-enabled self-service facilities in existing libraries are underway, with a view to providing longer service hours of the RFID-enabled facilities at libraries where technically feasible upon the launch of SLS. Besides, the provisions and space for accommodating new self-service library facilities have already been incorporated in the design of new library projects;
- (d) LCSD has already adopted a multi-pronged approach to promote the usage of library services and to monitor the performance to achieve targets. LCSD will continue to strengthen the existing measures which include:
 - (i) providing a current and relevant collection for people of all ages in physical and digital formats;
 - (ii) promoting awareness and use of the physical collection and e-resources to arouse users' interests in various subject disciplines;
 - (iii) reaching out and promoting library services to serve different user segments (such as out-reaching programmes in collaboration with community partners to raise awareness and expand readership);
 - (iv) promoting reading with more utilisation of library collections via electronic means and web channels; and
 - (v) organising a wide variety of reading activities at both territory and district levels to enhance reading experience and expand readership to different user segments and non-library users.

Library operation

In addition, LCSD has planned to organise large scale reading activities under “Hong Kong Reading Day” from 2024 onwards to synchronise with the Hong Kong Book Fair in July each year for promotion of reading;

- (e) LCSD has been keeping under review the key performance targets and indicators on the usage of library services in COR through yearly comparison and taking follow-up actions as appropriate;
- (f) despite the difficulties in identifying deceased registered borrowers, LCSD will study and explore further measures to remove such borrowers as far as practicable on top of the existing procedures for handling the report of deceased registered borrowers; and
- (g) LCSD has all along been keeping under review the reader satisfaction level. With the exception of 2015 during which a different feedback form was adopted as well as 2020 and 2021 when libraries were closed intermittently due to the COVID-19 epidemic (see para. 3.17(a) and (b)), the reader satisfaction level has been generally maintained at a level ranging from 86 % to 89 % from 2016 to 2022.

Processing of returned library materials

3.21 HKPL provides lending services to registered borrowers. Each registered borrower may borrow a maximum of 8 items of library materials together with accompanying library materials, or a maximum of 16 items of back issues of periodicals. Borrowers may borrow and return library materials at any public library and the self-service library stations, and may also use the book drop service of HKPL (including the service at the three MTR stations) to return library materials. The returned library materials will be sorted and delivered back to the holding library.

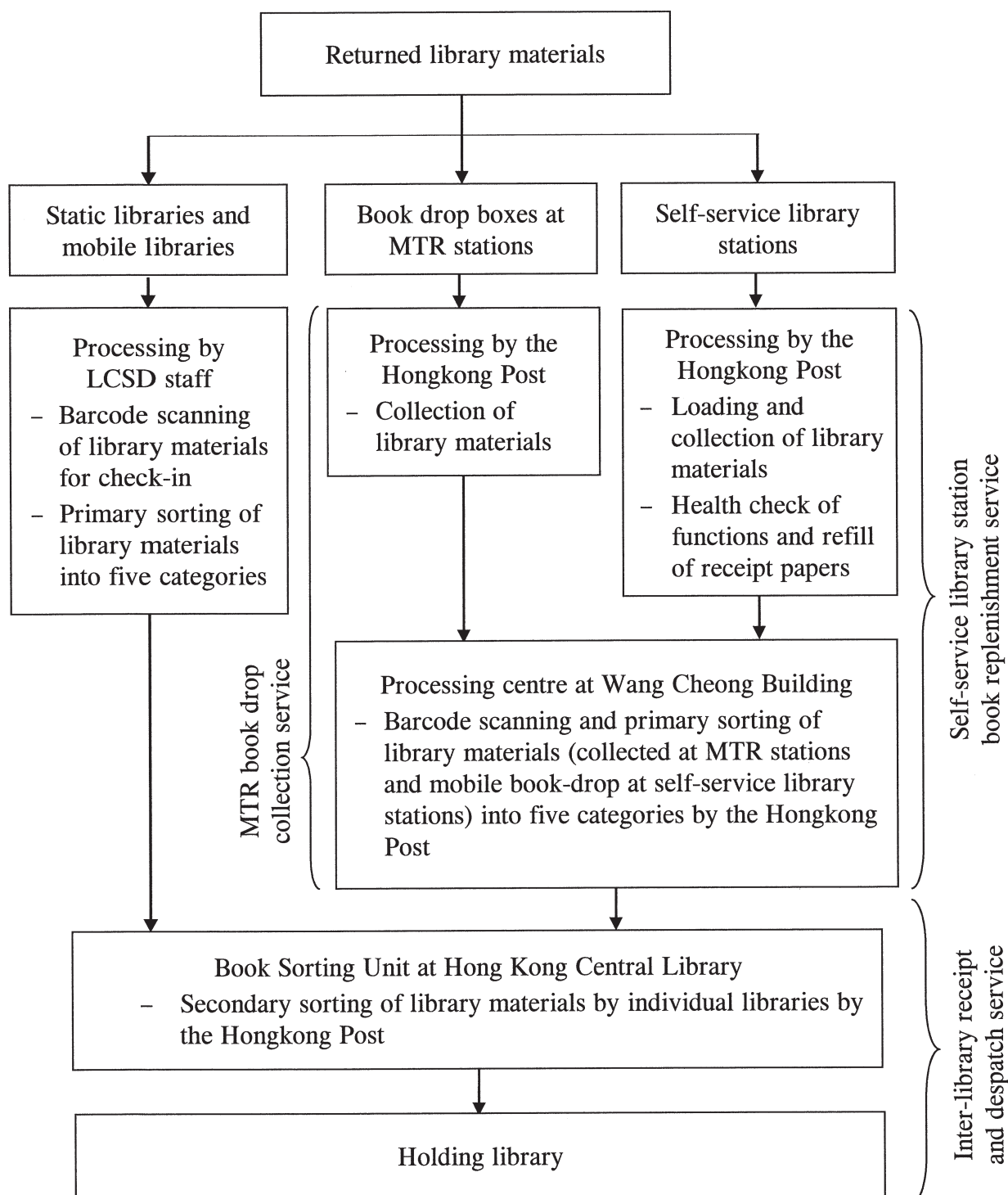
3.22 To facilitate the processing of returned library materials, LCSD has engaged the Hongkong Post to provide the inter-library receipt and despatch service, MTR book drop collection service and self-service library station book replenishment service. LCSD and the Hongkong Post have signed a Service Level Agreement (SLA) for the provision of the services. The current SLA covered the period from October 2019 to September 2022, and an addendum was made for the extension of service period for one year to September 2023. The services provided by the Hongkong Post under the current SLA are as follows:

- (a) ***Inter-library receipt and despatch service.*** When the library materials are returned to 82 libraries (comprising 70 static libraries and 12 mobile libraries), LCSD staff will carry out barcode scanning of the library materials for check-in and primary sorting of library materials (for those belonging to other libraries) into five categories (i.e. reserved library materials, the Hong Kong Central Library, Hong Kong Island, Kowloon and the New Territories areas). The Hongkong Post provides the scheduled inter-library receipt and despatch service among the 82 libraries and two sorting/processing centres (i.e. the Book Sorting Unit at the Hong Kong Central Library and the processing centre at Wang Cheong Building in Cheung Sha Wan);
- (b) ***MTR book drop collection service.*** The service includes scheduled collection of library materials from the drop-in boxes at the three MTR stations and conveyance to the processing centre at Wang Cheong Building twice daily. In addition, the service covers barcode scanning for check-in and primary sorting of collected library materials into five categories (see (a) above) at Wang Cheong Building; and
- (c) ***Self-service library station book replenishment service.*** The service includes daily scheduled library materials loading and collection services, health check of functions (including loading, check-out, check-in and receipt printing) and refill of receipt papers at the three self-service library stations. In addition, the service covers conveyance of library materials collected to the processing centre at Wang Cheong Building, barcode scanning for check-in and primary sorting of library materials collected from mobile book-drop (i.e. those returned by the public during loading and unloading of books of the stations) into five categories (see (a) above).

Figure 3 summarised the major steps in processing returned library materials.

Figure 3

Major steps in processing returned library materials



Source: Audit analysis of LCSD records

Need to review requirements of outsourced returned library materials processing services

3.23 Under the current SLA between LCSD and the Hongkong Post, the total service fee for the period from October 2019 to September 2022 was about \$50 million. The service charge for each service and the respective number of library materials processed (see Table 12) were as follows:

- (a) ***Inter-library receipt and despatch service.*** For the inter-library receipt and despatch service for the 82 public libraries, the service charge was based on the number of library materials processed. For the period from October 2019 to September 2022, on average, the service charge was about \$2.53 per library material and 341,494 library materials were processed per month. The addendum for the extension of one-year service period (from October 2022 to September 2023) added a minimum monthly service charge of \$973,000 for processing 350,000 library materials or below. Audit noted that from October to December 2022, the number of library materials processed was below 350,000 for 1 (33%) of the 3 months, and a minimum monthly service charge was paid for the month;
- (b) ***MTR book drop collection service.*** For the MTR book drop collection service, the service charge was based on the number of library materials processed, with a minimum monthly service charge (gradually increased from \$348,080 to \$380,120 during the three-year period) for processing 30,000 library materials or below. Audit noted that for the period from October 2019 to September 2022, on average, the service charge was about \$18.31 per library material and 19,963 library materials were processed per month, which was about 33% below the minimum monthly guarantee level of 30,000 library materials; and
- (c) ***Self-service library station book replenishment service.*** For the self-service library station book replenishment service, the service charge was a monthly lump-sum fee (Note 27). According to LCSD, when reviewing the arrangement of the current SLA in 2019, it had not taken into

Note 27: *In 2017 (i.e. before the launch of the first self-service library station), when considering the amount of lump-sum fee for the service to be added in an addendum to the then SLA, LCSD estimated that based on the Hongkong Post's quotation and the projection of 49,500 library materials to be processed by the three stations per month, the estimated service charge was about \$4.3 per library material.*

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account the number of library materials processed, instead a monthly lump-sum charge for completing all the required tasks (including routine and ad hoc tasks) within an agreed time period and cost was adopted. Audit noted that for the period from October 2019 to September 2022, on average, the service charge was about \$19 per library material and 14,077 library materials were processed per month.

Table 12

**Service charges and library materials processed under SLA
(October 2019 to September 2022)**

	Inter-library receipt and despatch service	MTR book drop collection service	Self-service library station book replenishment service
Basis of service charge	No. of library materials processed	No. of library materials processed	Lump-sum fee
Service charge (a)	\$29,404,212	\$12,059,160	\$8,560,324
No. of library materials processed (b)	11,610,807	658,766	450,457
Average service charge per library material (c) = (a) ÷ (b)	\$2.53	\$18.31	\$19.00
Average no. of library materials processed per month (d) (Note)	341,494	19,963	14,077

Source: Audit analysis of LCSD records

Note: According to LCSD, for the 36-month period from October 2019 to September 2022, the services under SLA had been suspended for certain periods with no service charge from the Hongkong Post. In calculating the average number of library materials processed per month, the base period referred to the period with services provided, as follows:

- (a) inter-library receipt and despatch service: 34 months (service suspended for 2 months);*
- (b) book drop service at MTR stations: 33 months (service suspended for 3 months); and*
- (c) self-service library stations: 32 months (service suspended for 127 days or about 4 months).*

3.24 Audit noted that the number of library materials processed under the inter-library receipt and despatch service was sometimes below the minimum monthly guarantee level, and that under the MTR book drop collection service was considerably below the minimum monthly guarantee level (see para. 3.23(a) and (b)). For the self-service library station book replenishment service, LCSD had not taken into account the number of library materials processed in reviewing the arrangement of the current SLA in 2019 (see para. 3.23(c)). Audit considers that LCSD needs to review the requirements of the outsourced returned library materials processing services, including the estimated/minimum number of library materials processed and the service charges.

Scope for improvement in engagement of service provider for processing returned library materials

3.25 The services of the Hongkong Post for processing returned library materials were procured directly without recourse to competitive bidding. Approval had been obtained in accordance with the Financial Circular (Note 28). According to LCSD, it had explored the possibility of open bidding for the provision of services but considered not feasible, the reasons included:

- (a) in 2016, when reviewing the arrangement for the previous SLA (for the period from October 2016 to September 2019), LCSD found that the IT systems used by the commercial service providers could not synchronise with HKPL's system, and a further feasibility study on the system integration would be required for tracking and acknowledgement of in-transit library items if the services were to be contracted out; and

Note 28: *According to the Financial Circular on procurement of services involving trading funds, a Controlling Officer may enter into SLA with the trading fund direct, without recourse to competitive bidding, if the Controlling Officer is clearly satisfied that:*

- (a) *a trading fund is fully capable of delivering in a cost-effective manner specific services that his or her department needs; and*
- (b) *having regard to the circumstances of the case (such as urgency or the special requirements of the services required), inviting competitive bidding for the delivery of such services is not appropriate.*

- (b) in 2019, when LCSD reviewed the arrangement of the current SLA, it decided to include in the tender specifications of SLS the requirements of a central sorter and a new logistics tracking system. According to LCSD, the future logistics tracking process would be solely handled by the new logistics tracking system and the integration with external IT systems of service providers would no longer be required. The concerns on tracking and acknowledgement arrangement should be duly addressed upon the implementation of SLS by 2024 tentatively and the services would then be ready for open bidding.

3.26 *Need to adopt open bidding as soon as practicable.* According to LCSD, the central sorter, which would support both barcode and RFID technology, would replace the manual sorting of inter-library book transfer at the Book Sorting Unit at the Hong Kong Central Library. The central sorter with barcode mode sorting was originally planned to be launched in mid-2022, while the central sorter with RFID mode sorting together with the new logistics tracking system were planned for launch with the core library functions of SLS in mid-2023. Upon enquiry, LCSD informed Audit in February and March 2023 that:

- (a) due to the delay in the implementation of SLS (see para. 4.6) and the COVID-19 epidemic, the rollout schedule for the central sorter (barcode mode only) had been revised to April 2023; and
- (b) the central sorter with RFID mode sorting and the new logistics tracking system would be available with the launch of the core library functions of SLS in March 2024.

3.27 As stipulated in the Stores and Procurement Regulations, the policy of government procurement is underpinned by, inter alia, the principle of open and fair competition, and as a norm, open bidding should be adopted as far as practicable. According to LCSD, the provision of returned library materials processing services would be ready for open bidding upon the implementation of SLS (see para. 3.25(b)). In Audit's view, LCSD needs to closely monitor the implementation progress of the central sorter and the new logistics tracking system of SLS, and adopt open bidding for the provision of returned library materials processing services as soon as practicable.

3.28 ***Room for streamlining procedures in processing returned library materials.*** Audit noted that, for the MTR book drop collection service and self-service library station book replenishment service, the library materials returned were subject to two rounds of sorting by the Hongkong Post at two locations (see Figure 3 in para. 3.22). While the central sorter would replace the manual secondary sorting conducted at the Hong Kong Central Library (see para. 3.26), the primary sorting would still be carried out manually at the processing centre at Wang Cheong Building. Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) the primary sorting would only be required during the transition period when the central sorter was running with barcode mode sorting, i.e. before the launch of the core library functions of SLS (including the new logistics tracking system) and the RFID mode sorting of central sorter; and
- (b) the library system would support all sorting at one location after the full launch of RFID mode sorting.

In Audit's view, LCSD needs to explore measures to streamline the procedures in processing returned library materials to enhance effectiveness and efficiency (e.g. carrying out all sorting at one location upon the implementation of SLS).

Need to strengthen monitoring of compliance with performance standards

3.29 The SLA between LCSD and the Hongkong Post stipulates the performance standards for the provision of services. The performance standards under the current SLA are shown in Table 13.

Table 13

**Performance standards for provision of services under SLA
(October 2019 to September 2023)**

Service type	Performance standard
Inter-library receipt and despatch service	Library materials should be delivered to the holding library by A+3 for non-peak season and A+4 for peak season (Note)
MTR book drop collection service	Achievement of 98% for completion of scanning all collected library materials for check-in within 34 hours after collection at MTR stations
Self-service library station book replenishment service	All library materials collected should be returned to the processing centre at Wang Cheong Building on the same day and despatched to the Book Sorting Unit at the Hong Kong Central Library on the following day

Source: LCSD records

Note: According to the SLA, “A” is the date of collecting the library materials by the Hongkong Post and “3” and “4” are the number of working days.

3.30 According to LCSD, the following measures have been adopted to monitor the compliance with the performance standards:

- (a) ***Inter-library receipt and despatch service.*** Regular sorting-cum-delivery service tests are conducted to ensure compliance with the performance standard. Every two months, three to four selected libraries will conduct the testing (including selecting at least three titles of library materials for testing the delivery and sorting services). The Hongkong Post will be required to provide justifications for the failure to meet the performance standards;
- (b) ***MTR book drop collection service.*** The Hongkong Post is required to generate daily statistical reports from HKPL’s system which will record the number of returned library materials checked in per MTR trip for collecting library materials. The Hongkong Post staff will also input the statistical data and necessary information in computerised spreadsheets for

submission to LCSD to ensure compliance with the performance standard;
and

- (c) *Self-service library station book replenishment service.* LCSD monitors the performance of the Hongkong Post via closed-circuit television daily and performs monthly regular on-site surprise inspections to check the Hongkong Post's staff attendance and any irregularities. LCSD also conducts random checks on the transaction logs from HKPL's system for the Hongkong Post's performance of check-in and despatch duties.

3.31 For monitoring of the compliance with the performance standards under SLA, Audit noted the following room for improvement:

- (a) *No penalty for not meeting performance standards.* Audit noted that the performance standards were not always achieved by the Hongkong Post, as follows:
 - (i) for the inter-library receipt and despatch service, for the period from October 2019 to September 2022, a total of 221 library materials had been selected for sorting-cum-delivery service tests, of which the delivery time for 9 (4%) items did not meet the performance standard (i.e. A+3/A+4 where applicable — see Table 13 in para. 3.29) with the longest time of 10 days. According to the Hongkong Post, the longer delivery time was mainly due to items being mis-sorted to the wrong libraries; and
 - (ii) for the MTR book drop collection service, in 2022, the Hongkong Post had collected the library materials at the three MTR stations 2,150 times, of which the scanning of all collected library materials for check-in was completed within 34 hours for 2,096 (97.5%) times and longer than 34 hours for 54 (2.5%) times. Hence, the performance standard of “achievement of 98% for completion of scanning all collected library materials for check-in within 34 hours” (see Table 13 in para. 3.29) was not met for the year. According to the Hongkong Post and LCSD, the 54 failed times occurred during the fifth wave of the COVID-19 epidemic between February and April 2022 due to reduced manpower and closure of the venue for sterilisation.

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Audit noted that there was no clause in SLA specifying the penalty for not meeting the performance standards. In Audit's view, LCSD needs to consider incorporating penalty clauses for non-compliances with performance standards in future service agreements; and

- (b) ***Compliance with performance standards of self-service library station book replenishment service not monitored.*** According to LCSD, regular on-site surprise inspections and random checks on the transaction logs from HKPL's system are conducted to check the Hongkong Post's staff attendance and any irregularities (see para. 3.30(c)). However, Audit noted that the inspections and checks mainly covered the operation of the self-service library stations (such as cleanliness and serviceability of the stations) but not on the compliance with the performance standards (i.e. timeliness in delivery of library materials to processing centre/Book Sorting Unit — see Table 13 in para. 3.29). In Audit's view, LCSD needs to take measures to monitor the compliance with the performance standards for the self-service library station book replenishment service.

Audit recommendations

3.32 Audit has *recommended* that the Director of Leisure and Cultural Services should:

- (a) review the requirements of the outsourced returned library materials processing services, including the estimated/minimum number of library materials processed and the service charges;
- (b) closely monitor the implementation progress of the central sorter and the new logistics tracking system of SLS, and adopt open bidding for the provision of returned library materials processing services as soon as practicable;
- (c) explore measures to streamline the procedures in processing returned library materials to enhance effectiveness and efficiency (e.g. carrying out all sorting at one location upon the implementation of SLS);

- (d) **consider incorporating penalty clauses for non-compliances with performance standards in future agreements for the outsourced returned library materials processing services; and**
- (e) **take measures to monitor the compliance with the performance standards for the self-service library station book replenishment service.**

Response from the Government

3.33 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

- (a) LCSD is taking measures to review the requirements of the outsourced returned library materials processing services, including the estimated/minimum number of library materials processed and the service charges when drawing up requirements in the new SLA in 2023;
- (b) the central sorter is being installed and tested for the launching of the barcode mode sorting during the transition period starting from the second quarter of 2023 (i.e. before the launch of the new logistics tracking system of SLS). The progress of further implementation of the RFID mode sorting together with the launch of the new logistics tracking system planned for commissioning upon the launch of SLS will be closely monitored. Upon launch of the new system, LCSD will adopt open bidding for the provision of returned library materials processing services when practicable;
- (c) LCSD is taking measures to streamline the procedures in processing returned library materials by setting up a new central sorting centre to accommodate the existing sorting centres for processing returned library materials in one location. LCSD has identified a possible site of new government joint-user complex to set up the new central sorting centre and the planning work is underway;
- (d) LCSD will continue to closely monitor the performance of the Hongkong Post under the SLA, and is taking measures to incorporate penalty clauses for non-compliances with performance standards in the new SLA for the outsourced returned library materials processing services in 2023; and

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- (e) LCSD is exploring measures to enhance the monitoring of the performance standards for self-service library station book replenishment service in the new SLA in 2023. In a slightly longer term, the tracking of performance on delivery of returned library materials will be further enhanced by using the new logistics tracking system of SLS to be launched.

3.34 The Postmaster General has said that the Hongkong Post will continue to monitor the service performance to ensure the standards as laid down in the SLA are met.

Library fees and charges

3.35 The library fees and charges collected by HKPL include:

- (a) ***Overdue fine.*** An overdue fine is imposed on each and every loan item and accompanying library material returned late. For each loan item or accompanying library material borrowed from an adult library, the charging rate is \$1.5 per day or part of a day, and the fine is limited to \$130 per item. For each loan item or accompanying library material borrowed from a young adult or children's library, the charging rate is \$0.5 per day or part of a day, and the fine is limited to \$25 per item;
- (b) ***Reservation fee.*** Each reader can reserve up to 8 library items for a fee of \$3.3 per item. The reservation fee has to be paid once the reservation request has been processed with the requested item available for collection;
- (c) ***Replacement cost for lost library materials.*** If any library material borrowed is lost, the borrower shall be liable to pay such sum of money to replace such library material or the whole set of library material of which such library material forms a part. In addition, the borrower may be required to pay a surcharge amounting to 20% of such sum; and
- (d) ***Other charges.*** These charges include other miscellaneous items, such as charges for damaged library materials and card replacement fee.

3.36 According to LCSD, library materials for lending can be borrowed for 14 days. The borrowing can be renewed for another 14 days each time for up to five consecutive times. When a library item is not returned, LCSD will take various follow-up actions, including issuing due date reminders, overdue notices and payment notices, suspending borrowing rights (Note 29) of the borrowers and taking prosecution actions. After all recovery actions have been taken and the amount remained outstanding, the unpaid amount will be written off after the expiration of the six-year statutory time bar from the date on which the cause of action accrued (Note 30).

Need to step up efforts in recovering outstanding library fees and charges

3.37 As at 31 January 2023, the amount of unpaid library fees and charges was about \$5.7 million, which were incurred in the financial years from 2016-17 to 2022-23 (i.e. outstanding for up to seven years). Audit noted that:

- (a) the \$5.7 million comprised about \$3.9 million (68%) of overdue fines, about \$1.8 million (31%) of replacement costs for lost library materials, about \$54,000 (0.9%) of reservation fees and about \$3,000 (0.1%) of other charges; and
- (b) the percentage of fees and charges incurred but not paid within the same financial year increased. As at the year-end (i.e. 31 March) of 2016-17 to 2018-19, about 9% of the total fees and charges incurred in the year was not paid within the same year. The percentage increased to 11%, 21% and 15% in 2019-20, 2020-21 and 2021-22 respectively. As at 31 January 2023, about 38% of the total fees and charges incurred from 1 April 2022 to 31 January 2023 was not yet settled.

3.38 In Audit's view, LCSD needs to step up efforts in recovering outstanding library fees and charges in a timely manner.

Note 29: *Borrowing rights include checkout, renewal and request (i.e. hold/loan).*

Note 30: *According to section 4 of the Limitation Ordinance (Cap. 347), actions to recover any sum recoverable shall not be brought after the expiration of six years from the date on which the cause of action accrued.*

Need for promoting use of notification services

3.39 LCSD takes various follow-up actions on overdue library items. According to LCSD:

- (a) the notification services provided to borrowers include:
 - (i) the library email notification service under which upon registration, HKPL will send notifications including due date reminders, overdue notices, hold awaiting notices and renewal confirmation notices to the borrowers' registered email addresses. Audit noted that as of December 2022, only about 13% of registered borrowers had opted to receive library email notification from HKPL (Note 31); and
 - (ii) borrowers may use the mobile application (app), namely "My Library" (hereinafter referred to as My Library App) (see para. 4.4(a)), as an alternate way to receive notifications of reminders and notices. Audit noted that as of December 2022, the cumulative number of downloads for the mobile app was about 0.71 million (about 15% of 4.82 million registered borrowers) (Note 32); and
- (b) all payment notices have to be sent by post to the registered addresses of the borrowers (Note 33) as proper records in accordance with LCSD's guidelines. Upon enquiry, LCSD informed Audit in February 2023 that

Note 31: *Upon enquiry, LCSD informed Audit in March 2023 that a message encouraging readers to register for the email notification service was included in the printed overdue notice.*

Note 32: *According to LCSD, for the mobile app, readers need to enable the "auto login" function (so that the account information and password would be stored in the mobile phone/device) in order to receive the notifications.*

Note 33: *According to LCSD's guidelines:*

- (a) *when a payment notice has been returned, a note has to be added to the patron's record in HKPL's system to alert the library staff when the patron shows up at counter for transaction; and*
- (b) *when the patron shows up, the library staff should advise the patron to update his/her address in writing as soon as possible.*

while the percentage of returned payment notices was not maintained, the returned mails would be sent back to the registering libraries for taking follow-up actions.

3.40 To improve the usage of email and mobile app notification services and reduce instances of returned payment notices, Audit considers that LCSD needs to promote the use of the services and take measures to remind library users to update the registered addresses.

Need to carry out fees and charges review in a timely manner

3.41 According to the Financial Circular on fees and charges, fees should generally be reviewed and, where necessary, revised on an annual basis. In 2014-15, LCSD conducted a review of the library fees and charges. The fee review was planned to be implemented by two phases. The revised administrative fee items (Note 34) (not requiring legislative amendments) under Phase I had been implemented with effect from September 2017 and full alignment of the A4-size computer colour printout charges in urban area and the New Territories from September 2018. The proposal for revision of statutory fee items (Note 35) under Phase II was planned to be submitted to LegCo in 2018-19. Upon enquiry, LCSD informed Audit in February 2023 that:

- (a) the review of the statutory fee items under Phase II was suspended as the Government had implemented a fee review moratorium from 15 August 2019 to 31 December 2021 (Note 36). The review was

Note 34: *The administrative fee items include reservation fee of library materials, replacement fee of library cards and refundable deposit for temporary library card for non-Hong Kong residents.*

Note 35: *The statutory fee items include overdue fine for library materials and fee for use of cloakroom and electronic locker.*

Note 36: *According to the Financial Services and the Treasury Bureau Circular Memoranda on fee review moratorium, the Government would implement a fee review moratorium on fees and charges from 15 August 2019 to 31 December 2021 with a view to supporting the business and relieving people's financial burden. When the moratorium remained in force, bureaux and departments were not required to review the fees and charges in accordance with the procedures set out in the Financial Circular on fees and charges.*

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re-activated in the fourth quarter of 2022 and completed in December 2022;
and

- (b) the Culture, Sports and Tourism Bureau had given policy support and endorsed the recommendations of the fee review proposal (i.e. maintaining the fees at existing level) on 27 January 2023. As of February 2023, the proposal had been submitted to the Financial Services and the Treasury Bureau (FSTB).

In March 2023, FSTB informed LCSD that it had no comment on the fee proposal.

3.42 Audit noted that while the statutory fee items were reviewed in the fourth quarter of 2022, the administrative fee items had not been reviewed as of January 2023 (the last fee review was conducted in 2014-15 and the revised administrative fees have come into effect from September 2017). In Audit's view, LCSD needs to carry out the review of the library fees and charges in accordance with the Financial Circular.

Audit recommendations

3.43 Audit has *recommended* that the Director of Leisure and Cultural Services should:

- (a) **step up efforts in recovering outstanding library fees and charges in a timely manner;**
- (b) **promote the use of the email and mobile app notification services and take measures to remind library users to update the registered addresses; and**
- (c) **carry out the review of the library fees and charges in accordance with the Financial Circular.**

Response from the Government

3.44 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

- (a) the increase of outstanding library fees and charges in 2019-20, 2020-21 and 2021-22 (see para. 3.37(b)) was due to the temporary closure of libraries intermittently due to the COVID-19 epidemic. LCSD will explore enhancement measures to step up the recovery of outstanding library fees and charges in a timely manner by multiple ways of issuing notifications and suspend the borrowing rights at an earlier stage;
- (b) LCSD is taking measures to enhance publicity in promoting the use of email and mobile app notification services and to remind library users to update the registered addresses in 2023, including:
 - (i) enhancing publicity at libraries, library web page and social media;
 - (ii) enhancing promotion to the community libraries, schools and NGOs by outreach programmes; and
 - (iii) reminding library patrons to update registered addresses by library notices on a regular basis; and
- (c) LCSD will continue to conduct fee review of library fees and charges in consultation with FSTB and in accordance with the Financial Circular.

Other operational issues

Need to review book drop service at MTR stations

3.45 HKPL has been providing book drop service at three major MTR interchange stations (i.e. Central, Kowloon Tong and Nam Cheong) to facilitate the return of library materials since September 2011 on a trial basis. A total of 12 book drop boxes are placed in the paid areas of the three MTR stations. Audit examined the usage of the book drop service for the period from 2017 to 2022 (see Table 14) and noted that:

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- (a) the usage of the book drop service was generally on a decreasing trend over the years, decreasing by about 52% from 474,879 library materials collected in 2017 to 225,979 library materials collected in 2022. The usage rate (Note 37) also decreased from 45% in 2017 to 21% in 2022. According to LCSD, due to the outbreak of the COVID-19 epidemic in 2020, public libraries were closed intermittently which in turn seriously affected the borrowing rate. As a result, the usage of the MTR book drop service had inevitably dropped drastically since 2020; and
- (b) the usage rate of book drop boxes located at Nam Cheong station was the lowest (average usage rate of 19%), followed by Kowloon Tong station (average usage rate of 35%) and Central station (average usage rate of 40%).

Table 14

**Usage of book drop service at MTR stations
(2017 to 2022)**

Year	No. of library materials collected (Usage rate)			
	Central	Kowloon Tong	Nam Cheong	Overall
2017	206,623 (59%)	187,077 (53%)	81,179 (23%)	474,879 (45%)
2018	203,946 (58%)	180,124 (51%)	79,268 (23%)	463,338 (44%)
2019	165,475 (47%)	158,240 (45%)	74,474 (21%)	398,189 (38%)
2020	65,609 (19%)	62,389 (18%)	39,497 (11%)	167,495 (16%)
2021	109,830 (31%)	88,571 (25%)	60,582 (17%)	258,983 (25%)
2022	99,429 (28%)	68,291 (19%)	58,259 (17%)	225,979 (21%)
Average	141,819 (40%)	124,115 (35%)	65,543 (19%)	331,477 (32%)

Source: Audit analysis of LCSD records

Note 37: According to LCSD, at each of the MTR stations, there are four book drop boxes, each of which can contain 120 books (the holding capacity has remained unchanged since the launch of the service in September 2011), and the books are collected twice daily. The maximum capacity for each MTR station is 960 books a day. The usage rate is calculated using the following formula:

$$\text{Usage rate} = \frac{\text{Number of books returned}}{\text{Total maximum capacity of the book drops}}$$

3.46 In January 2013, LCSD completed a review of the book drop service at MTR stations. According to the review, the way forward for the service included the following:

- (a) it was not the opportune time to extend the book drop service to more than three MTR stations in view of the relatively low usage level (Note 38) and the significant expenditure being incurred, but two options for the three MTR stations had to be considered. The first option was to maintain status quo for the provision of the service at the existing three MTR stations, and the second option was to continue providing the book drop service at Central and Kowloon Tong stations while replacing Nam Cheong station by Mei Foo station; and
- (b) more publicity efforts should be made to further promote and increase the public's awareness of the book drop service at the existing MTR stations.

3.47 Audit noted that:

- (a) LCSD had not conducted further review of the scheme as of January 2023 (i.e. about 10 years after the review of January 2013), including the two options identified for the three MTR stations (see para. 3.46(a)) and the effectiveness of the scheme. Since 2013, there had been extensions to the MTR network (Note 39) which might affect the passenger flow at different stations; and
- (b) regarding publicity efforts (see para. 3.46(b)), according to LCSD, efforts had been made to further promote and increase the public's awareness of the service at the libraries and the MTR stations (e.g. distribution of posters and leaflets to government district offices, community organisations and

Note 38: *According to the review report of 2013, for the period from 29 September 2011 (i.e. launch of the service) to 31 December 2012, the total numbers of library materials collected from the book drops at Central, Kowloon Tong and Nam Cheong stations were 140,192, 172,773 and 66,580 (with usage rates of about 32%, 39% and 15%) respectively.*

Note 39: *The major extensions to MTR network included the opening of the Whampoa and Ho Man Tin stations in October 2016, the opening of South Island Line in December 2016, full opening of Tuen Ma Line in June 2021 and extension of East Rail Line to Admiralty station in May 2022.*

schools, and advertising within the selected major MTR interchange stations) in January 2013. However, no further publicity campaign had been launched since 2013.

3.48 The book drop service at MTR stations has remained as a trial scheme since its launch in September 2011. In Audit's view, LCSD needs to take measures to improve the usage of the book drop service at MTR stations (e.g. stepping up publicity efforts), and conduct a review of the effectiveness of the service taking into account the changes in the passenger flow at MTR stations and the latest developments.

Scope for improvement in operation of self-service library stations

3.49 LCSD has launched a pilot scheme to set up three self-service library stations to provide round-the-clock services such as borrowing, return, payment and pickup of reserved library materials, one each on Hong Kong Island (i.e. Island East Sports Centre sitting-out area since December 2017), in Kowloon (i.e. Hong Kong Cultural Centre since December 2018) and the New Territories (i.e. Tsuen Nam Road in Tai Wai since January 2020). According to LCSD, two reviews had been conducted for the scheme in June 2021 and February 2022, and the services provided by the self-service library stations were well-received by the public.

3.50 The maintenance of the book dispensers at the three self-service library stations has been outsourced to a contractor by quotation (Note 40). The contractor is responsible for regular inspection and maintenance works and urgent maintenance works. Audit noted room for improvement in the following areas:

- (a) ***Performance standard for serviceability of self-service library stations not met.*** According to the maintenance contract, the contractor shall commit at least 99% of the serviceability level for check-in and check-out service (Note 41) of each dispenser each month. In the event that a book dispenser cannot achieve the monthly committed serviceability level, the contractor

Note 40: *For the maintenance contract for the period from 29 January 2022 to 28 January 2023, the contract sum was about \$1.39 million.*

Note 41: *The serviceability level is calculated by dividing the net serviceable time by the scheduled available time for check-in or check-out service (after deducting closedown time such as for maintenance/repair).*

shall pay to the Government liquidated damages as specified in the contract. For the 10-month period from February to November 2022, the committed serviceability level (i.e. at least 99%) had not been met in 5 (50%), 9 (90%) and 5 (50%) months for the library stations on Hong Kong Island, in Kowloon and the New Territories respectively (with serviceability level ranging from 95.89% to 98.99%) (Note 42). In Audit's view, LCSD needs to ascertain the reasons for the persistent non-compliance with the performance standard on the serviceability of some self-service library stations and take measures to minimise service disruption; and

- (b) *Need to consider laying down guidelines on issue of service suspension notices.* According to LCSD, a service suspension notice will be put up at the self-service library station and on HKPL website for urgent maintenance. Audit noted that:
- (i) from January to August 2022, there were 446 fault cases which required urgent maintenance works, of which 84 (19%) cases were classified as "critical" and 362 (81%) cases were classified as "non-critical" (averaging about 4 critical and 15 non-critical fault cases per month for each station). However, suspension notices had not been issued on HKPL website for these urgent maintenance cases; and
 - (ii) there was no guideline setting out the criteria (e.g. length of service suspension time) for issuing service suspension notices.

Upon enquiry, LCSD informed Audit in February 2023 that suspension notices would be published on HKPL website and posted on-site when there were any scheduled/prolonged urgent maintenances. In Audit's view, LCSD needs to consider laying down guidelines setting out the criteria (e.g. length of service suspension time) for issuing service suspension notices for self-service library stations and take measures to ensure compliance.

Note 42: *For the months when the serviceability level was not met, LCSD deducted the liquidated damages from the fees paid to the contractor.*

Need to strengthen monitoring of community libraries

3.51 Under the “Libraries@neighbourhood — Community Libraries Partnership Scheme”, HKPL collaborates with non-profit-making organisations and local groups in providing community-based library services. These organisations and groups are offered block loans of library materials as well as professional advice on setting up community libraries tailored to the needs of their target users. As at 31 December 2022, there were 191 community libraries (involving about 66,000 library materials), of which 66 (35%) libraries were open to the public and 125 (65%) libraries were accessible by members of the partnership organisations.

3.52 In its guidelines, LCSD requires its staff to pay a site visit to the organisation and provide professional advice to the organisation for maintaining and managing the stock in the community library at least once a year. The inspection checklist for the goodwill visit includes observation of the general operation and usage of the community library, as well as comments and recommendations for improvement. According to LCSD, goodwill visits were conducted for the 191 community libraries from January 2022 to January 2023. Audit noted that:

- (a) the goodwill visits were conducted on-site and via telephone for 118 (62%) libraries and 73 (38%) libraries respectively. According to LCSD, visits were conducted via telephone due to the COVID-19 outbreak from 2020 to late 2022 where social distancing measures to fight epidemic were in place, and the community libraries were either closed or provided limited services restricting the conduct of goodwill visits. For goodwill visits conducted via telephone, assessment of the physical conditions of HKPL’s library materials and library environment (as required in the inspection checklist) could not be carried out; and
- (b) for the attendance and usage statistics as required in the inspection checklist, of the 191 community libraries:
 - (i) the attendance data was only reported for 57 (30%) libraries. According to LCSD, the data was not available for 49 (26%) libraries due to the suspension of service (e.g. due to the COVID-19 epidemic and renovation), 47 (24%) libraries due to layout constraints (e.g. only overall attendance of the entire venue was available), and 38 (20%) libraries due to manpower constraints (e.g. shortage of manpower); and

- (ii) lending service was not available for 129 libraries. For the remaining 62 libraries with lending service provided, the number of books issued to public/members was reported for 38 (62%) libraries. According to LCSD, the number was not available for 12 (19%) libraries as lending service was suspended temporarily (e.g. due to the COVID-19 epidemic and renovation), and 12 (19%) libraries due to manpower constraints or with no particular reason.

3.53 With the gradual resumption to normalcy of society, Audit considers that LCSD needs to conduct on-site goodwill visits to community libraries as required, and explore measures to facilitate operators of the community libraries to report attendance and usage statistics as appropriate for monitoring and identifying room for improvement.

Audit recommendations

3.54 Audit has *recommended* that the Director of Leisure and Cultural Services should:

- (a) take measures to improve the usage of the book drop service at MTR stations (e.g. stepping up publicity efforts);
- (b) conduct a review of the effectiveness of the book drop service at MTR stations taking into account the changes in the passenger flow at MTR stations and the latest developments;
- (c) ascertain the reasons for the persistent non-compliance with the performance standard on the serviceability of some self-service library stations and take measures to minimise service disruption;
- (d) consider laying down guidelines setting out the criteria (e.g. length of service suspension time) for issuing service suspension notices for self-service library stations and take measures to ensure compliance;
- (e) conduct on-site goodwill visits to community libraries as required; and

- (f) **explore measures to facilitate operators of the community libraries to report attendance and usage statistics as appropriate for monitoring and identifying room for improvement.**

Response from the Government

3.55 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

- (a) LCSD is taking measures to enhance the publicity with a view to improving the usage of the book drop service at MTR stations in 2023, including:
 - (i) promotion on HKPL website, in My Library App and LCSD Plusss (social media platforms of LCSD);
 - (ii) publicising the service in social media; and
 - (iii) reaching out to community libraries, schools and NGOs to widely publicise the service to local community;
- (b) the introduction of the MTR book drop service aims to facilitate commuters of the MTR to return library materials conveniently. In view of MTR's latest development, LCSD will conduct a review of service points and the effectiveness of the book drop service in 2023, taking into account the addition of new MTR stations and the change of passenger flow;
- (c) the persistent non-compliance with the performance standard on the serviceability of some self-service library stations had mainly arisen from the ageing of the library station dispensers, relatively complicated mechanical operation of the machines and inadequate support from the maintenance contractor during the COVID-19 epidemic. LCSD will replace the existing library station dispensers with new kinds of equipment to resolve the problem of ageing and minimise the service disruption. The works are targeted for completion in 2024;

- (d) LCSD will review the current operations and prepare guidelines for issuing service suspension notices for self-service library stations in 2023 to ensure compliance;
- (e) with the resumption to normalcy after the epidemic, LCSD has already resumed on-site goodwill visits to community libraries annually; and
- (f) LCSD has been closely working with the operators of the community libraries and provided professional advice to address their operational problems, including exploring measures and tools (such as a computerised spreadsheet template) to facilitate record taking of community libraries on attendance and usage statistics.

PART 4: USE OF INFORMATION TECHNOLOGY AND PUBLICITY EFFORTS

4.1 This PART examines LCSD's work in the use of IT and publicity efforts for HKPL, focusing on the following areas:

- (a) use of IT in provision of library services (paras. 4.2 to 4.29); and
- (b) publicity efforts and extension activities (paras. 4.30 to 4.39).

Use of information technology in provision of library services

4.2 According to the Strategic Plan of HKPL (2020-2025), one of the missions of HKPL is to enhance quality of library services by leveraging on new technology and the use of IT (see para. 1.9(e)). LCSD manages HKPL with the support of two major library IT systems, namely NGILS and MMIS (see Note 4 to para. 1.13). According to LCSD, SLS is being developed to enhance the quality, cost-effectiveness and customer friendliness of the facilities and services of HKPL.

4.3 LCSD maintains websites for HKPL (hereinafter collectively referred to as library websites), including:

- (a) HKPL website for providing library information such as searching the library catalogue, reserving or renewing library materials, checking readers' personal loan records, and checking library addresses and opening hours;
- (b) MMIS website for browsing digitalised library materials (e.g. Hong Kong old newspapers, arts and artist clippings and HKPL publications) in MMIS and providing access to e-books and e-databases; and
- (c) e-Resources website for accessing e-books, e-databases and digital collections (e.g. old newspapers and photograph collections).

4.4 LCSD also provides two mobile apps for HKPL (hereinafter collectively referred to as library mobile apps), namely “My Library” and “Multimedia Information”, for readers to access library services through mobile devices, as follows:

- (a) the functions of My Library App include access to personal library accounts, searching, reserving and renewing library materials, and offering addresses and contact information for all libraries; and
- (b) Multimedia Information mobile app (hereinafter referred to as MMIS App) allows users to access digitised resources in MMIS from mobile devices.

Delay in development of SLS

4.5 In February 2019, the Finance Committee of LegCo approved the commitment of \$877.3 million for the development of SLS. According to the information provided to the Finance Committee:

- (a) NGILS and MMIS would reach the end of their serviceable life by 2021 when technical support for the obsolete hardware or software would no longer be available in the market and the scope for further enhancement would either be not feasible or limited;
- (b) the new system would replace the existing two major systems (see (a) above) with wider use of information and communications technology and self-service facilities enabled with RFID technology (Note 43). The anticipated benefits of the new system included streamlining the workflow of processing returned materials, providing smart multi-functional

Note 43: *RFID is a generic term for technologies that use radio waves to automatically identify objects. According to LCSD, RFID technology allows the introduction of more user-friendly self-service facilities and services, including: (a) borrowing of library materials inside the library by using patrons’ own mobile devices, where patrons could check out items instantly with simple taps complementary to RFID-enabled self-charging terminals; (b) provision of smart multi-functional self-service kiosks to cover a wide array of library services including patron registration, facility booking, activity enrolment, printing, payment and catalogue searching; and (c) installation of smart lockers or dispensers for patrons to pick up their reserved items, rendering it unnecessary for them to queue up for such services.*

self-service kiosks, exploring the extension of library hours in a more cost-effective way, providing a single platform for all forms of library resources (e.g. physical books, e-books and digitised images) using a single, unified and customer-friendly user interface, and facilitating the collection and analysis of data on patrons' profile, usage, reading habits and interest for planning, procurement, maintenance (including stocktaking), promotion and development of library collections and services (see para. 2.58);

- (c) savings and cost avoidance would also be achieved upon decommissioning of the existing systems and full implementation of the new system (e.g. efficiency gain after the full implementation of RFID-enabled and self-service facilities, and for system maintenance and contract staff costs of existing NGILS and MMIS); and
- (d) the new system would be implemented in phases with the aim of launching all the core functions (including Digital Resources Management and Integrated Library System) by mid-2023 and the remaining functions by 2024. The implementation of RFID would start from late 2021 in individual branches, while full implementation at all libraries together with the remaining functions would be rolled out by 2024.

4.6 LCSD awarded contracts to contractors for the development of SLS (Note 44) by open tender or quotation. Audit noted that there were delays in the implementation of SLS. According to the revised implementation schedule as of December 2022, the expected dates of launching all core functions and the full implementation of SLS were March 2024 and September 2025 respectively (i.e. about 9 months later than the target dates of June 2023 and December 2024 respectively). Appendix B shows the implementation schedule of SLS. According to LCSD:

Note 44: *LCSD awarded nine contracts at a total contract sum of \$1,035.5 million for the development of SLS, of which \$603.8 million was capital expenditure funded under the project vote approved by LegCo Finance Committee in February 2019, \$426.8 million was recurrent expenditure (i.e. 10-year maintenance charge) and \$4.9 million was for feasibility study of redevelopment of HKPL information systems. According to LCSD, the actual expenditure for development of SLS as of December 2022 was about \$16.1 million.*

- (a) the implementation schedule was revised mainly because of the longer-than-expected time required for the tendering process due to complication of the tender and the outbreak of the COVID-19 epidemic; and
- (b) the implementation schedule was also affected by the manpower issues of the contractors' project teams, including high staff turnover and under-estimation of time for manpower replacement.

4.7 According to LCSD, the implementation of SLS will bring about a number of benefits and achieve savings and cost avoidance (see para. 4.5(b) and (c)). To ensure the timely implementation of SLS, Audit considers that LCSD needs to step up monitoring of the development progress of SLS and the contractors' performance including their actions to address the manpower issues.

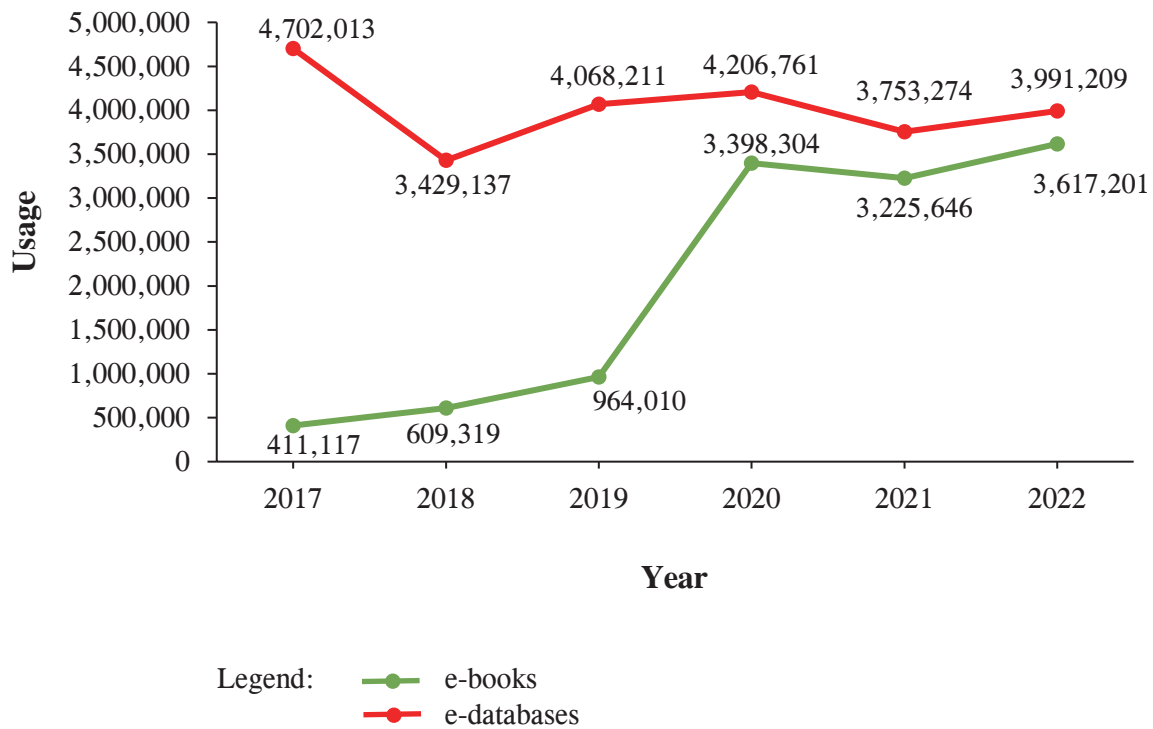
Need to strengthen actions in improving usage and accessibility of e-resources

4.8 ***Need to keep under review usage of e-databases.*** As of December 2022, HKPL provided 14 e-book collections (with over 490,000 e-books) and 83 e-databases. The usage of e-books and e-databases from 2017 to 2022 is shown in Figure 4. Audit noted that:

- (a) the usage of e-books (based on the number of e-books consulted (i.e. borrowed or downloaded)) increased by about 780% from 411,117 in 2017 to 3,617,201 in 2022; and
- (b) the usage of e-databases (based on various statistics including the number of searches, logins and tracks played) decreased by about 15% from 4,702,013 in 2017 to 3,991,209 in 2022.

Figure 4

Usage of e-books and e-databases
(2017 to 2022)



Source: LCSD records

4.9 According to LCSD, the reasons for the fluctuations in the usage of e-databases were mainly as follows:

- (a) the significant drop in the usage in 2018 was mainly due to decrease in the usage of an e-database providing the news searching service (from 3.5 million in 2017 to 2.2 million in 2018), which was probably caused by the growing trend for the public browsing news stories through mobile devices and social media; and
- (b) the drop in the usage in 2021 was mainly due to the cessation of the subscription of an e-database, which had the highest usage (1.9 million) among all e-databases in 2020, since December 2020. According to LCSD, the e-database was not available for subscription. The usage of e-databases

rebounded to about 4 million after the full resumption of library services since April 2022.

4.10 Audit noted that the usage of e-databases in 2022 (i.e. about 4 million) was still about 15% below the level in 2017 (i.e. about 4.7 million). In Audit's view, LCSD needs to keep under review the usage of e-databases and take actions to improve the usage as appropriate (e.g. exploring subscriptions to other e-databases with content that is in high public demand).

4.11 *Scope for enhancing accessibility of e-books and e-databases.* The e-books and e-databases have to be accessed through the platforms provided by respective service providers. Readers may use the e-books and e-databases via the following means:

- (a) access via the Internet with library accounts (i.e. remote access); and
- (b) use the workstations in static libraries during opening hours.

4.12 As of December 2022, all of the 14 e-book collections could be remotely accessed by readers via the Internet. However, for e-databases, Audit noted that:

- (a) of the 83 e-databases, 40 (48%) e-databases could be remotely accessed and 43 (52%) e-databases had to be accessed by using the workstations in static libraries; and
- (b) of the 43 e-databases for use at static libraries, 33 (77%) could be accessed at all libraries while 10 (23%) could only be accessed at designated libraries (ranging from 1 to 7 libraries, averaging 5 libraries).

4.13 HKPL currently operates different and separate platforms and systems for searching and accessing different types of library materials, such as physical books, digitised materials, e-books and journals. Furthermore, e-book services are provided through different service providers using different platforms, access procedures and interfaces. According to LCSD:

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- (a) this compartmentalised approach renders it difficult, inconvenient and confusing for library patrons to understand, search, access and use the e-books and library collections; and
- (b) SLS will provide a single platform, via web portal and mobile app, for all forms of library resources using a single, unified and customer-friendly user interface. SLS will also allow popular external search engines to display relevant HKPL items in their search results, and help patrons locate the library materials and services of HKPL they are looking for in a more efficient manner.

4.14 Audit noted that as of December 2022:

- (a) the online catalogue and search engines of HKPL website and My Library App only included physical library materials;
- (b) different search engines for electronic library materials were used for the library websites and mobile apps. For example:
 - (i) for MMIS website, the search engine included information for individual e-books but not for individual articles/materials in e-databases (only the titles of the related e-databases were shown in the search results);
 - (ii) for MMIS App, the search engine only included information available in MMIS App such as old newspapers, but not other electronic library materials (e.g. e-books and e-databases); and
 - (iii) for e-Resources website, readers were required to login with library accounts before conducting the search for articles/materials in e-databases. For e-books, the searching had to be conducted through individual platforms provided by the service providers after logging in with library accounts;
- (c) for MMIS App, when readers chose the category of “Digital Collection” in the mobile app, they would be redirected to MMIS website (i.e. could not view digital collection directly in MMIS App); and

- (d) the single platform for searching all forms of library resources in SLS (see para. 4.13(b)) was expected to be implemented in March 2024.

4.15 Upon enquiry, LCSD informed Audit in March 2023 that:

- (a) for accessibility of e-databases (see para. 4.12), for commercial reasons, some service providers were not willing to provide remote access to HKPL, probably owing to restriction of license agreement between e-database vendors and their content providers (copyright holders). Even if some vendors might be willing to provide access, the cost would be too high and not value for money; and
- (b) for search engines of library websites and mobile apps (see para. 4.14), it was an industry practice that e-databases only allowed registered users to search and use their contents for the purpose of protection of their copyrights and related interests. Upon the launch of SLS, a discovery service would be provided for the public to search meta data of e-databases of the service providers without login to the HKPL patron account. The extent of databases covered would depend on the databases provided by the service providers.

4.16 In Audit's view, in order to enhance the accessibility of e-databases, LCSD needs to keep under review the need for providing remote access for more e-databases and/or at more libraries as appropriate. LCSD also needs to take measures to enhance the search engines of library websites and mobile apps upon the launch of SLS (e.g. enhancing the completeness of library resources available for searching).

4.17 *Need to strengthen monitoring of usage of individual e-books.* E-books are available for online reading and/or borrowing (download) (Note 45). For some e-book collections, there is a quota for concurrent use of each e-book. Audit noted that as of December 2022, of the 14 e-book collections, 5 (36%) e-book collections

Note 45: *The articles/materials in e-databases are only available for online reading. According to LCSD, most e-databases are gigantic repository of very rich information resources containing millions of records, and it will not be feasible to require e-database service providers to provide usage figures down to item level.*

allowed unlimited concurrent online reading while the remaining 9 (64%) e-book collections were with a quota for concurrent online reading (ranging from 1 to 40 concurrent users). According to LCSD, for the 9 e-book collections with a quota for concurrent online reading:

- (a) the service provider of only 2 (22%) collections could provide the statistics on the turnaway rate (i.e. the rate of access that was “turned away” when the quota for concurrent online reading had been exceeded); and
- (b) borrowing (Note 46) was not available for 2 e-book collections. For the remaining 7 e-book collections, there were quotas for borrowing, but the statistics on the reservation number (Note 47) and turnaway rate for borrowing e-books (when the quota for concurrent borrowing was exceeded) were not readily available.

4.18 Audit selected the e-book collection with the highest usage in 2022 for examination to ascertain the demand for borrowing individual e-books. The e-book collection had a quota for concurrent on-line reading (2 concurrent users) and a quota for concurrent borrowing for each e-book (ranging from 1 to 15 copies) as of December 2022. On 9 February 2023, among the most popular books recommended by the e-book collection platform, Audit selected 30 e-books for examination and noted that 14 (47%) e-books could not be borrowed immediately, with the number of readers reserving the e-books ranging from 1 to 335 (averaging 42 readers). For each e-book, there were 1 to 15 copies available for borrowing and assuming readers borrow the e-books for 7-day (i.e. the maximum loan period), the waiting time would range from 4 days to about 3.2 years (averaging 217 days). On the other hand, all the 30 e-books concerned were available for online reading.

4.19 Upon enquiry, LCSD informed Audit in March 2023 that:

Note 46: *For borrowing of e-books, the borrowing limit varies among different e-book collections. In general, each registered borrower can borrow a maximum of 4 items for a 7-day period in each e-book collection.*

Note 47: *An e-book is not available for borrowing if the number of copies borrowed has reached the total number of copies (i.e. the quota) subscribed by HKPL. Readers can make a reservation and will be notified when the e-book becomes available.*

- (a) it monitored and assessed e-book collections through a mixture of quantitative and qualitative measures of performance, such as use counts, reservation numbers, user feedback, comments and enquiries. Besides, all e-book platforms (except two platforms due to technical issues) could provide usage statistics of individual e-books; and
- (b) for the 30 e-books selected by Audit (see para. 4.18), an “online reading” function (with 2 concurrent users) was provided in the e-book platform that enabled readers to read the whole e-book online instantly even though it could not be borrowed immediately. For the 14 e-books which could not be borrowed immediately, LCSD had conducted test on 1 March 2023 and found that they were all available for online reading.

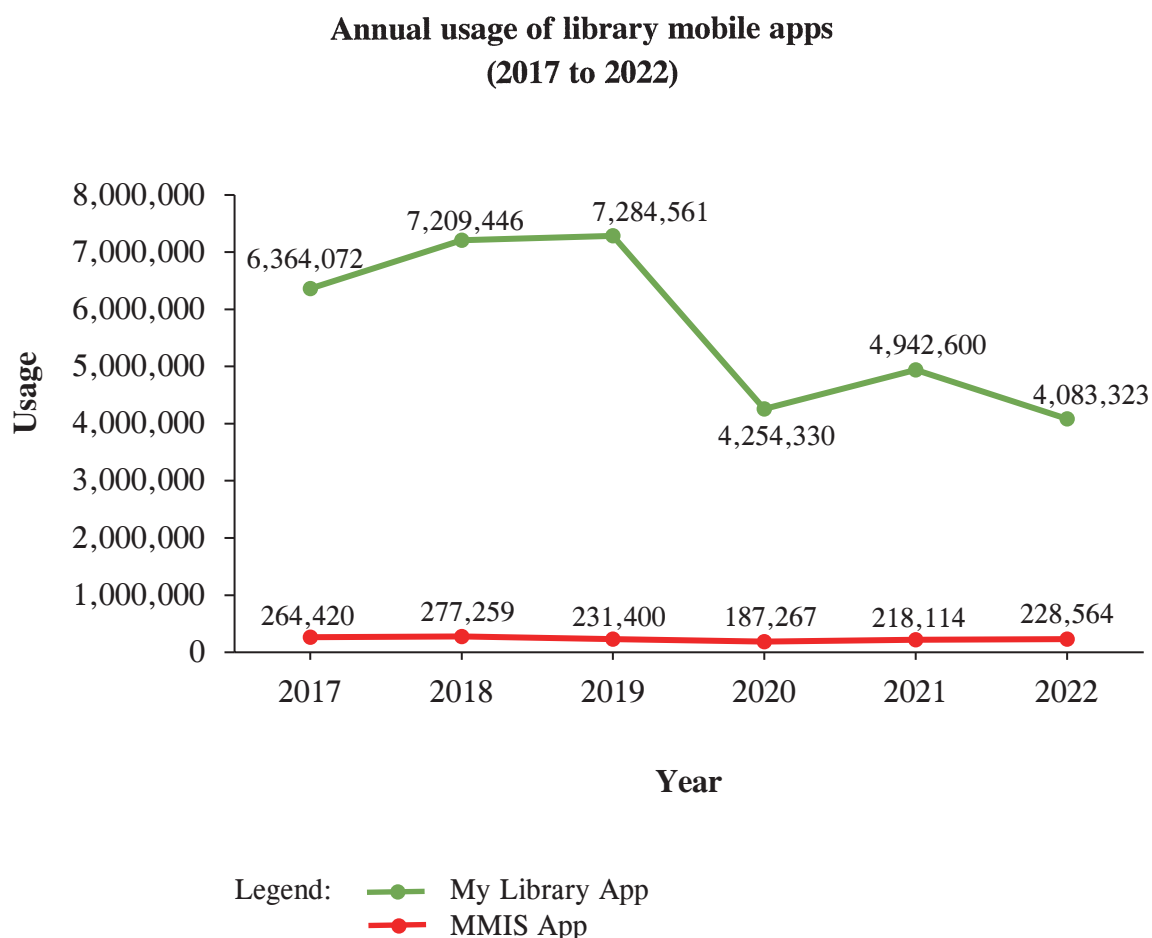
4.20 Audit noted that the statistics on the reservation number and turnaway rate for borrowing individual e-books were not readily available (see para. 4.17). In Audit’s view, LCSD needs to strengthen measures in monitoring the usage of individual e-books for planning and management purposes. Besides, while online reading was available in the e-book platform, there were no notification messages to remind readers about such option when the e-books could not be borrowed immediately. Audit considers that LCSD needs to explore with the service providers the feasibility of providing such services.

Scope for improving functions provided by library mobile apps

4.21 LCSD launched My Library App and MMIS App in September 2014 and December 2014 respectively for users to access library services through their mobile devices. Audit noted that:

- (a) the annual usage of My Library App decreased by about 36% from 6,364,072 in 2017 to 4,083,323 in 2022, while that for MMIS App decreased by about 14% from 264,420 in 2017 to 228,564 in 2022 (see Figure 5). According to LCSD, owing to the COVID-19 epidemic since 2020, libraries had been temporarily closed, and the unavailability of borrowing services directly affected the intention of readers to search the library catalogue and make reservations for library items, and thus leading to the drop in the overall usage; and

Figure 5



Source: LCSD records

- (b) the number of downloads and annual usage of MMIS App was significantly lower than that of My Library App. As at 31 December 2022, the cumulative number of downloads for My Library App was 711,980, which was about 10 times that of MMIS App (70,737). For 2022, the annual usage of My Library App was 4,083,323, which was about 18 times that of MMIS App (228,564). In this connection, Audit noted that the annual usage of MMIS website in 2022 was 7,516,186, which was about 33 times that of MMIS App. Upon enquiry, LCSD informed Audit in March 2023 that:
- (i) the most popular digitised materials in MMIS (i.e. “Old Hong Kong Newspapers”) were best viewed with MMIS desktop version. The “Hong Kong Arts and Artist Clippings” collection was also popular and accessible via library terminals only. Thus, the usage of MMIS

website via the desktop was generally much higher than that of its App; and

- (ii) with the change in Internet technology, MMIS App would be retired upon the launch of the Digital Resources Management function under SLS. The function was target to be launched in the fourth quarter of 2023.

4.22 Audit noted that the categories of some popular collections in MMIS (such as “Old Hong Kong Newspapers” and “Hong Kong Arts and Artist Clippings”— see para. 4.21(b)(i)) were not available in MMIS App. In Audit’s view, LCSD needs to take measures to enhance the functions of the new library mobile app under SLS to improve the services (e.g. facilitating the viewing of more digitised materials).

Some information on websites and library mobile apps outdated, inaccurate or incomplete

4.23 Audit examined the information on websites and library mobile apps and found that some information was outdated, inaccurate or incomplete, including the following:

- (a) ***Information on MMIS App.*** As of January 2023:
 - (i) for a book which was not available for borrowing since May 2021 (i.e. for about 1.5 years up to January 2023), the introduction of the book was still available under the “Literary Authors Sound Recording” category on MMIS App;
 - (ii) an audio recording available on MMIS App under the “Old stories for 18 districts” category was breaking intermittently when playing and inaudible; and
 - (iii) under the “Joy of Photography” category, the latest talk available on MMIS App was that held on 13 December 2019 while the latest talk related to Photography on MMIS website was held on 17 December 2022. During that three-year period, a total of

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10 talks had been held but they were not available on MMIS App; and

- (b) *Transportation information for libraries.* Audit examined the transportation information for all the 70 static libraries as of December 2022 and noted that:
- (i) for 14 (20%) libraries, while 23 bus/green minibus routes serving their locations had been cancelled for about 3 months to 11 years (averaging 3.7 years), the related information was still available on HKPL website and My Library App; and
 - (ii) while the transportation information for the Hong Kong Central Library was available on My Library App, it was not available on HKPL website. According to LCSD, the relevant information on HKPL website had been mistakenly removed.

4.24 In Audit's view, LCSD needs to take measures to ensure that the information provided on library websites and mobile apps is accurate, complete and up-to-date.

Need to improve web accessibility of library mobile apps and websites

4.25 According to the Office of the Government Chief Information Officer (OGCIO), it is important to ensure that contents of all government websites and mobile apps are accessible to the general public including persons with disabilities. OGCIO has issued various circulars and guidelines to ensure that the content disseminated through government websites and mobile apps is accessible to persons with disabilities and is in compliance with the standards promulgated by the World Wide Web Consortium.

4.26 Audit examined the library mobile apps and websites and noted that some requirements in OGCIO's circulars and guidelines had not been complied with, as follows:

- (a) ***Transcript, captions or sign language for audios and videos.*** According to the “Baseline Accessibility Criteria for Government Mobile App” and the “Guidelines on Dissemination of Information through Government Websites”, government mobile apps and websites should provide transcript, captions or sign language for pre-recorded audio and video media to enable understanding of the media content. However, Audit noted that as of December 2022, transcript, captions or sign language were not provided for audios and videos on MMIS App and HKPL website;
- (b) ***Error suggestion.*** According to the “Baseline Accessibility Criteria for Government Mobile App”, government mobile apps should provide error prevention for transactions. Audit noted that as of December 2022, for MMIS App, the function of error suggestion for correction of input errors was not provided; and
- (c) ***Language type.*** According to the “Guidelines on Dissemination of Information through Government Websites”, government websites should be available in traditional and simplified Chinese and English. Audit noted that as of December 2022, My Library App was only available in traditional Chinese and English, but not in simplified Chinese. While it is not a requirement for government mobile apps, as a good practice, there are merits for enhancing My Library App for supporting simplified Chinese.

4.27 In light of the audit findings, Audit considers that LCSD needs to take measures to improve the web accessibility of library mobile apps and websites, and to ensure compliance with the requirements in the circulars and guidelines on dissemination of information on government websites and mobile apps.

Audit recommendations

4.28 Audit has *recommended* that the Director of Leisure and Cultural Services should:

- (a) **step up monitoring of the development progress of SLS and the contractors’ performance including their actions to address the manpower issues;**

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- (b) **keep under review the usage of e-databases and take actions to improve the usage as appropriate (e.g. exploring subscriptions to other e-databases with content that is in high public demand);**
- (c) **keep under review the need for providing remote access for more e-databases and/or at more libraries as appropriate;**
- (d) **take measures to enhance the search engines of library websites and mobile apps upon the launch of SLS (e.g. enhancing the completeness of library resources available for searching);**
- (e) **strengthen measures in monitoring the usage of individual e-books for planning and management purposes;**
- (f) **explore with the service providers the feasibility of providing notification messages on the e-book platforms to remind readers about the availability of online reading when the e-books cannot be borrowed immediately;**
- (g) **take measures to enhance the functions of new library mobile app under SLS to improve the services (e.g. facilitating the viewing of more digitised materials);**
- (h) **take measures to ensure that the information provided on library websites and mobile apps is accurate, complete and up-to-date; and**
- (i) **take measures to improve the web accessibility of library mobile apps and websites, and to ensure compliance with the requirements in the circulars and guidelines on dissemination of information on government websites and mobile apps.**

Response from the Government

4.29 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

- (a) the revised implementation schedule for SLS was mainly due to the complication of the tender and the outbreak of the COVID-19 epidemic (see para. 4.6(a)). LCSD has been closely monitoring the progress of development for SLS, and following up with contractors on measures to address the manpower issues, with a view to maintaining a stable and sufficient workforce for implementation of the SLS project;
- (b) LCSD has been closely monitoring and reviewing the usage of e-databases, and will continue to subscribe to e-databases of high public demand in pace with the supply of market as appropriate;
- (c) LCSD has been keeping under review the subscription of more e-databases with remote access in pace with the supply of market as appropriate;
- (d) LCSD will enhance the search engines of library websites and mobile apps upon the implementation of SLS by including different kinds of library resources available for searching as far as practicable, taking into consideration the industry practice and business agreements on the access of e-resources;
- (e) LCSD has been closely monitoring and will continue to strengthen the monitoring of e-book usage at title level with a view to acquiring suitable type and quantity of e-books for meeting the public demand;
- (f) LCSD is exploring with e-book service providers the feasibility of providing new functions of:
 - (i) making the function of online reading more visible to users;
 - (ii) providing suggestions to readers on borrowing other related titles when the requested titles are not available for immediate borrowing; and
 - (iii) informing readers of new edition of the same book which is available for borrowing;

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- (g) LCSD will ensure easier and convenient use of the digital collections of HKPL on mobile devices during the implementation of SLS, the preparation for implementation of which is now in full swing. In the interim, LCSD will advance the retirement of MMIS App to enable the use of digital collections in MMIS direct with web browsers on mobile devices in 2023 so that the experience in remote access to the collections on mobile or desktop version will be consistent;
- (h) LCSD will step up its effort to ensure that the information provided on library websites and mobile apps is accurate, complete and up-to-date by adopting the following measures with immediate effect:
 - (i) reviewing and updating information on websites and mobile apps quarterly;
 - (ii) checking monthly to ensure quality and up-to-datedness of digitised materials in MMIS App; and
 - (iii) checking monthly to ensure that the information is up-to-date in My Library App; and
- (i) LCSD is committed to ensuring that the websites and apps of HKPL conform to the World Wide Web Consortium Web Content Accessibility Guidelines 2.0 Level AA requirements to the maximum extent possible in accordance to the assessment and requirements of OGCIO. To improve the web accessibility, there will be a speech to text function for transcribing the audio-visual materials in MMIS, and provision of transcript or captions for digitised audio-visual library materials upon the launch of SLS. In the interim, LCSD will arrange to provide subtitles to selected recorded programmes produced by HKPL, such as subject talks, for archival in MMIS. While MMIS App will soon be retired, there will be an enhanced feature to support spell check or suggestion in the search function of new library websites and mobile apps under SLS. Furthermore, My Library App will be able to support simplified Chinese upon the launch of SLS.

Publicity efforts and extension activities

4.30 LCSD aims to promote good reading habits and foster the development and appreciation of literature. According to LCSD, extension activities form an integral part of library services. The educational and recreational programmes such as reading programmes, storytelling for children, book displays, exhibitions and subject talks organised throughout the year at the libraries all contribute to promote the use of library facilities, inculcate life-long reading habits and to enhance the public appreciation of the importance of free access to up-to-date information.

Need to strengthen actions in organising extension activities

4.31 LCSD has set in its COR a key performance target (i.e. attendance at extension activities programmes) and an indicator (i.e. extension activities programmes) in respect of extension activities programmes for HKPL. Table 15 shows the number and attendance of extension activities programmes from 2015 to 2022. Audit noted that:

- (a) ***Decrease in number of extension activities programmes.*** The number of extension activities programmes increased by about 10% from 21,461 in 2015 to 23,608 in 2018. The number decreased by about 1% to 23,278 in 2019, and further dropped by 81% to 4,316 in 2020. While the number increased to 14,735 in 2021 and further to 15,193 in 2022, it was still on the low side when compared with the pre-COVID-19 level. Audit also noted that while the overall number of extension activities programmes decreased by about 35% from 23,278 in 2019 to 15,193 in 2022, that organised by 36 static libraries decreased by more than 35% to 78% (averaging 42%); and
- (b) ***Performance target on attendance not achieved.*** For attendance at extension activities programmes, HKPL did not meet the target of 19.1 million in 2019 to 2022, with shortfalls ranging from 3% to 78%.

Table 15

Number and attendance of extension activities programmes
(2015 to 2022)

Year	Extension activities programmes (a) (No.)	Attendance at extension activities programmes			
		Target (b) ('000)	Actual (c) ('000)	Variance (d) = (c) – (b) ('000)	Variance % (e) = (d) ÷ (b) × 100% (%)
2015	21,461	19,100	19,594	494	3 %
2016	22,396	19,100	19,261	161	1 %
2017	22,882	19,100	19,419	319	2 %
2018	23,608	19,100	19,684	584	3 %
2019	23,278	19,100	18,620	(480)	-3 %
2020	4,316	19,100	4,167	(14,933)	-78 %
2021	14,735	19,100	8,264	(10,836)	-57 %
2022	15,193	19,100	7,383	(11,717)	-61 %

Source: Audit analysis of LCSD records

4.32 Upon enquiry, LCSD informed Audit in February 2023 that:

- (a) the decrease in attendance in 2019 was due to the occasional disruption to the opening hours of libraries caused by black-clad violence. The shortfalls between the target and actual figures in 2020 and 2021 were mainly due to the impact of anti-epidemic measures, including the temporary closure of public libraries and the cancellation of extension activities;
- (b) due to the temporary closure of libraries, the significant decrease in the number of library extension activities, reduced capacity of physical activities and limited admission quota for library programmes under the impact of the COVID-19 epidemic and the implementation of social distancing measures, the attendance of library extension activities could not

be restored to the pre-COVID-19 level despite the increase in the number of online/hybrid programmes in 2021/22; and

- (c) with the gradual resumption to normalcy of society and the resumption of normal operation of public libraries, it was expected that both the number and attendance of extension activities would increase. HKPL would optimise the hybrid presentation of selected events of the signature programmes to generate dual mode participation of live audience and online viewing. Popular programmes, for example, book talks and sharing sessions by local authors would be organised to extend reach to youngsters and to tour readers in the book-finding experience.

4.33 Audit noted that for the extension activities programmes organised in 2020, 2021 and 2022, only about 3%, 3.7% and 3.4% of the programmes were delivered online or in hybrid mode. In Audit's view, LCSD needs to strengthen actions in organising extension activities (e.g. delivering more extension activities in different modes) and achieving the performance target on attendance.

Need to strengthen monitoring of extension activities

4.34 ***Room for improvement in monitoring and reporting attendance of extension activities.*** Audit examined the attendance of each extension activity in 2022 (see Table 16) and noted the following issues:

- (a) ***Need to strengthen monitoring of achievement of target attendance for individual extension activities.*** Audit noted that the attendance of some extension activities was on the low side. As shown in Table 16, 4,361 (29%) of 15,193 activities organised had attendances of 10 or less, including 15 activities with nil attendance. Upon enquiry, LCSD informed Audit in March 2023 that:
 - (i) attendance size of extension activities would depend on various factors, including the quota of the event or capacity of the event venue. The quota for storytelling sessions or interactive workshops would usually be below 40 participants, while the capacity for subject talks would range from 30 to 290, subject to the venue size. On the other hand, for book displays or other exhibitions at libraries

which were held for extended period without limitation on the quota/capacity, the attendance would be on the high side; and

- (ii) in 2022, the capacity of on-site library activities had been reduced due to various social distancing measures. The 15 extension activities with nil attendance in 2022 included reading programmes for children and youth (i.e. assessment of book reports) and user education activities for adult and junior as readers might prefer to join the activities when the epidemic subsided.

Audit noted that, as of February 2023, no management information had been compiled for monitoring the actual attendance against the target attendance for individual extension activities. To facilitate the evaluation and planning of such activities, LCSD needs to strengthen monitoring in this regard; and

- (b) *Scope for improvement in reporting attendance number of extension activities.* Audit noted that the activity with the highest attendance (i.e. about 52,000) in 2022 was an online activity hosted on a thematic website (which provided a variety of articles to cultivate readers' habit of reading everyday) and its attendance was counted by the number of clicks of articles. Upon enquiry, LCSD informed Audit in March 2023 that:

- (i) for the online activity, readers could click and view the articles available on the thematic website during the programme period from September 2020 to January 2022 (Note 48); and
- (ii) the number of clicks of articles was counted as attendance for the online activity which encouraged readers to read an article regularly to build up the reading habit. Each click was counted as some readers would like to read an article for many times.

Audit noted that in 2022, the number and attendance of online extension activities accounted for about 3.1% and 6.7% of the total number and attendance of extension activities respectively. As online extension

Note 48: *The attendance of the online activity in 2020, 2021 and 2022 was about 100,000, 271,000 and 52,000 respectively.*

activities may play an increasingly important role in future, LCSD needs to consider elaborating on the attendance figures of extension activities in its COR (see para. 4.31(b)) and keep under review the need to separately report physical attendance and visits to online extension activities in future.

Table 16

**Attendance of each extension activity
(2022)**

No. of attendance of each activity	No. of activities
Nil	15 (0%)
1 to 10	4,346 (29%)
11 to 20	2,193 (15%)
21 to 50	1,943 (13%)
51 to 100	1,387 (9%)
101 to 500	2,029 (13%)
501 to 1,000	1,268 (8%)
1,001 to 5,000	1,735 (11%)
5,001 to 10,000	146 (1%)
10,001 to 52,000 (Note)	131 (1%)
Total	15,193 (100%)

Source: Audit analysis of LCSD records

Note: For the 131 activities with attendance ranging from 10,001 to 52,000, the average number of attendance of each activity was about 15,870.

4.35 **Management information on evaluation of extension activities not regularly compiled.** According to LCSD, it collects feedback from participants of most extension activities, where applicable. However, Audit noted that LCSD staff had not regularly compiled management information (e.g. highlights or summaries) on the feedback of the participants and reported the results (e.g. overall rating by types of activities) for monitoring by senior management. In Audit's view, LCSD needs to regularly compile management information (e.g. highlights or summaries) on evaluation of extension activities for monitoring purpose.

Need to keep under review the way forward for programmes funded by additional funding

4.36 As announced in the 2018-19 Budget Speech, an additional \$200 million would be allocated to HKPL to promote reading among children and families in the coming five years (i.e. from 2018-19 to 2022-23). According to LCSD, with the new funding, HKPL has implemented various new initiatives aiming to promote the reading culture at the territory-wide and district levels. Apart from innovative reading and outreaching programmes (e.g. Library-on-Wheels and pop-up library events), publicity efforts have been stepped up to reach out the public which include the set-up of two social media accounts and the thematic website of “Reading is Joyful”, and the launch of a branding campaign that tied in with HKPL’s 60th anniversary to promote HKPL as a joyful and interesting place for reading and exploration.

4.37 As of December 2022, of the additional funding of \$200 million, the estimated expenditure from 2018-19 to 2022-23 was about \$183.42 million. In January 2022, LCSD completed a review of the effectiveness of the programmes funded by the additional funding. According to the review, the programmes were successful and influential in arousing the interest of the youth in reading and expanding the readership. As of January 2023, LCSD had yet to decide the way forward for the programmes funded by the additional funding. In view of the benefits of the programmes as identified in the review, Audit considers that LCSD needs to keep under review the need for continuing the programmes funded by the time-limited additional funding with its existing resources as appropriate.

Audit recommendations

4.38 **Audit has *recommended* that the Director of Leisure and Cultural Services should:**

- (a) **strengthen actions in organising extension activities (e.g. delivering more extension activities in different modes) and achieving the performance target on attendance;**
- (b) **strengthen monitoring of the achievement of target attendance for individual extension activities to facilitate the evaluation and planning of extension activities;**

- (c) **consider elaborating on the attendance figures of extension activities in LCSD's COR and keep under review the need to separately report physical attendance and visits to online extension activities in future;**
- (d) **regularly compile management information (e.g. highlights or summaries) on evaluation of extension activities for monitoring purpose; and**
- (e) **keep under review the need for continuing the programmes funded by the time-limited additional funding with LCSD's existing resources as appropriate.**

Response from the Government

4.39 The Director of Leisure and Cultural Services agrees with the audit recommendations. He has said that:

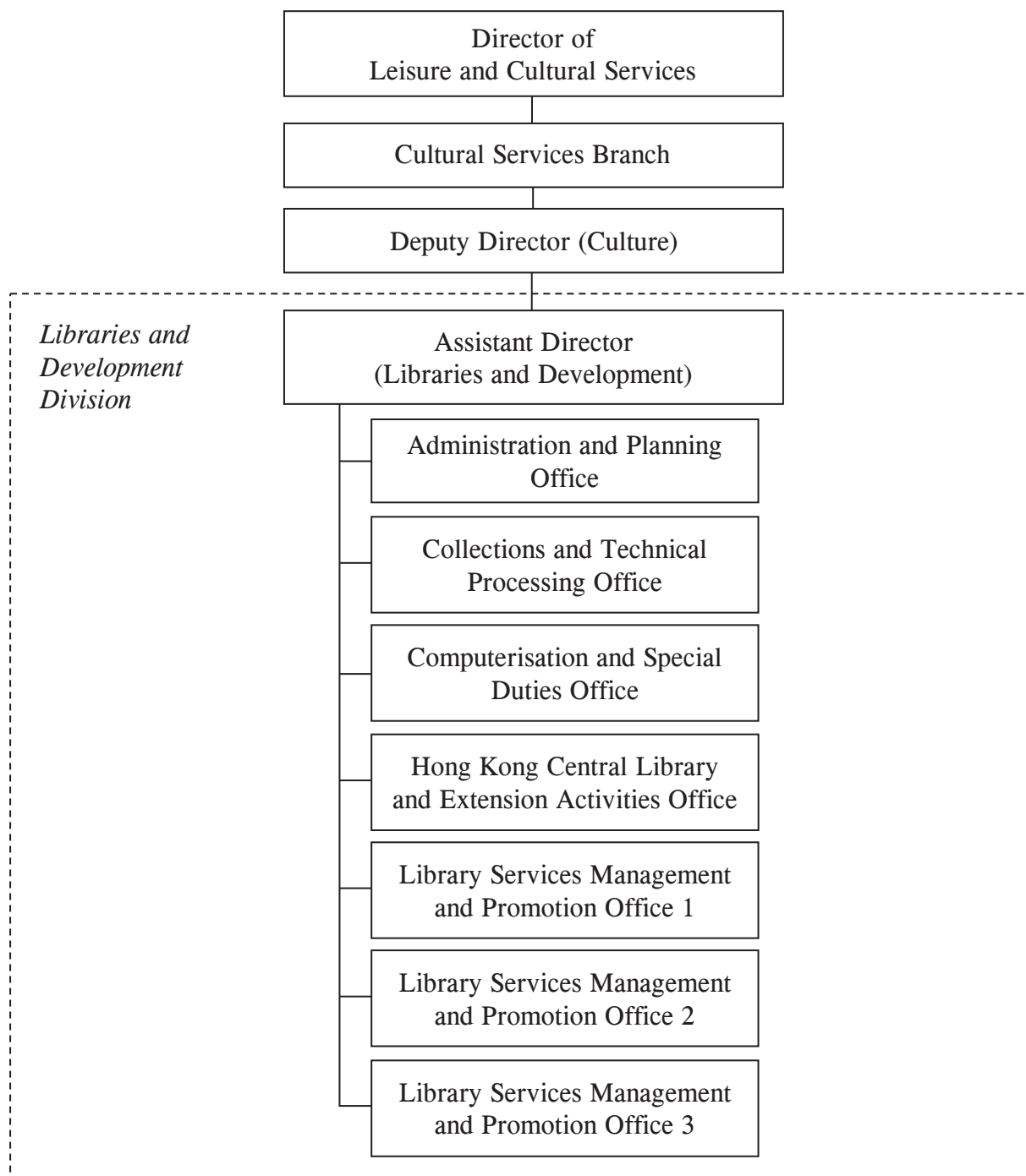
- (a) the shortfalls between the target and actual figures for attendance at extension activities programmes in 2020 and 2021 were mainly due to the impact of the COVID-19 epidemic (see para. 4.32). Organising extension activities in online or hybrid mode requires significant additional programme cost and post-production effort. LCSD has already been organising, and will continue to organise extension activities in hybrid or online mode to reach out to a larger audience by optimising existing resources. To further achieve the performance target on attendance, LCSD will take the following actions:
 - (i) enhancing the promotion and publicity of online programmes on social media platforms, at branch libraries and schools as well as library outreach programmes; and
 - (ii) arranging selected events of signature programmes, popular talks and meet-the-author sessions in online or hybrid mode to generate dual mode participation of live audience and online viewing;
- (b) although the quota may vary given the different nature of activities and venue size, LCSD has already been taking measures to step up monitoring of the achievement of target attendance for individual extension activities,

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including the comparison of event quota or target audience size with the actual attendance in the evaluation of individual extension activities from 2023-24 onwards;

- (c) LCSD will consider to elaborate the attendance figures of extension activities delivered in different modes in its COR in future;
- (d) LCSD has already been collecting feedback from participants of library extension activities through completion of evaluation forms. HKPL will regularly compile summaries and report the feedback of the participants of major types of library extension activities, such as subject talks and storytelling workshops, etc. for monitoring by senior management from 2023-24; and
- (e) LCSD has decided to continue the programmes previously funded by the time-limited additional funding, and will absorb the recurrent costs of the programmes after the expiry of the funding.

**Leisure and Cultural Services Department:
Organisation chart (extract)
(31 December 2022)**



Source: LCSD records

Remarks: Only the branch/division responsible for the management of Hong Kong Public Libraries are shown.

Implementation schedule of Smart Library System (December 2022)

Activity	Target completion date (Note 1)	Actual/ revised completion date	Delay
(a) Tender preparation	September 2019	September 2019	—
(b) Tendering and award of contract	December 2020	September 2021	9 months
(c) System analysis and design of core library functions	September 2021	August 2022	11 months
(d) System development of core library functions	September 2022	June 2023	9 months
(e) Launch of core library functions — Digital Resources Management (Note 2)	December 2022	August 2023	8 months
(f) Launch of core library functions — Integrated Library System (with RFID enabled in all libraries) (Note 3)	June 2023	March 2024	9 months
(g) Launch of other RFID-enabled equipment — Other ancillary RFID-enabled equipment including book drops, dispensers, e-lockers in all branch libraries	March 2024	November 2024	8 months
(h) Launch of remaining library functions such as Business Intelligence System (Note 4)	December 2024	September 2025	9 months

Source: Audit analysis of LCSD records

Note 1: The target completion date was based on the information provided to the Finance Committee of LegCo in 2019.

Note 2: Digital Resources Management provides functions for cataloguing, managing and delivering digital contents that are either owned/licensed by HKPL or under the Hong Kong Memory Project. The digital resources will cover images, digitised materials and audio-visual materials.

Note 3: Integrated Library System serves as the entry point for patrons to access HKPL services round the clock via the Internet, and includes a mobile app that integrates with various library functions and services (e.g. registration, search, payment, and access to e-resources).

Note 4: Business Intelligence System provides data analytic functions to HKPL staff via a business intelligence platform which manages data extraction, accumulation, and pre-defined and ad hoc data analysis.

Acronyms and abbreviations

Audit	Audit Commission
CDM	Collection Development Meeting
CDP	Collection development plan
COR	Controlling Officer's Report
FSTB	Financial Services and the Treasury Bureau
HKPL	Hong Kong Public Libraries
IFLA	International Federation of Library Associations and Institutions
IT	Information technology
LCSD	Leisure and Cultural Services Department
LegCo	Legislative Council
MMIS	Multimedia Information System
MTR	Mass Transit Railway
NGILS	Next Generation Integrated Library System
NGO	Non-governmental organisation
OGCIO	Office of the Government Chief Information Officer
RFID	Radio Frequency Identification
SLA	Service Level Agreement
SLS	Smart Library System
TPU	Technical Processing Unit
UNESCO	United Nations Educational, Scientific and Cultural Organization