

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.