

FOCUS

Meeting social service needs through innovation

Interview with Mr Gary Wong Chi-him, Founder and Non-Executive Board Member of InspiringHK Sports Foundation

Growing up in public housing and spent much time playing basketball, sports have become an important part of Gary's life. It is his conviction that sports benefit youths through cultivating their values and perseverance. In 2012, Gary began living out his dream by founding InspiringHK Sports Foundation (IHKSports hereafter), which has since then been bringing more professional sports training opportunities to underprivileged youths.

Distinct from other charities, the board of IHKSports includes executive and non-executive members, all unpaid. "While non-executive board members focus on monitoring legal and other types of compliance, financial performance and service impact, executive board members concentrate on daily operation including departmental management. This enables us to recruit different professionals to join our board, strengthening our governance capacity," explained Gary.

At the earliest days of its establishment, IHKSports had no staff, and the board members took all matters into their own hands with volunteers' generous assistance. Most of the coaches are professional athletes, currently or formerly with respective Hong Kong Teams. Students would receive free professional coaching for two years, during which they may participate in contests. The first sport training program was introduced in 2013, which was a dance class for secondary school girls in Sham Shui Po. "Right at the beginning, we already had an enthusiastic coach and a suitable venue but funding was short," Gary recalled, "Thanks to the two students from HKU who undertook a charity bike ride to fundraise for us, our first training program came to be." Today, in addition to dance program, there are rope skipping, women's football, hockey, running, fencing, golf, swimming and more.

The up-scaling of service programs entails more resources; at some point, a full-time staff had become necessary for IHKSports. "It was a significant and long-term decision, a milestone indeed in our business development," said Gary, "In the first two years when we had not even an office desk, we held board meetings in different cafes. Then, we had only junior staff directly supervised by executive board members. But business has really become heavy that this year we've hired a full-time Chief Executive to oversee daily operations and take up staff training."



With a young athlete, Gary kicked-off "We ♥ 奧" Sports Day organized by IHKSports in 2016.

Looking ahead, IHKSports still needs to raise more resources to provide underprivileged children with more professional sports training opportunities. "Only until such needs are fully met, then IHKSports should cease to exist," said Gary.



IHKSports won The 6th Hong Kong Volunteer Award in 2015. The day of the Award Ceremony was particularly memorable for Gary (third left, front row) as it was the last day he served as IHKSports' Chairman.

Gary was the Chairman of IHKSports at its founding. When his term of service came to an end in 2015, he decided not to re-run for chairmanship but continue to contribute to the organization as a non-executive board member. "I wanted to set an example and encourage healthy board succession. Although we do not have a code of governance, with reference to external guidelines readily available, we are building mechanisms that will help us properly govern. Also, we hope to absorb more new ideas as we develop further. Targeting the youth, continuous innovation is a must to better cater to their needs," said Gary.

GOVERNANCE IN ACTION

The Purposes of Annual Reports and the Craft

The “Survey on Information Disclosure in NGO Annual Reports” (the Survey hereafter), conducted in early 2017 by The Council reveals that the annual reports published by local social service NGOs are in a wide range of formats, and their contents in diverse breadth and depth, which seems to indicate that there is not any standard (in format and contents) for the publication despite its commonness.¹ This may imply that NGOs use the annual reports for varied purposes, albeit overlapping.

At the seminar on “Effective Stakeholder Communication through Annual Report Disclosure” took place in August, experienced social service NGO board members including Dr Patrick Cheung and Mr James Ng, Chairperson and Honorary Treasurer of Against Child Abuse (ACA), Ms Jane Chan, Honorary Treasurer of Fu Hong Society (FHS), and Mr David Yau, Honorary Secretary of The Hong Kong Society of Rehabilitation (HKSR), shared their take on annual reports, what they tried to achieve through the publication and, most importantly, how.

So, what do NGOs want to achieve through their annual reports?

- “The most fundamental function of an annual report is to document what the organization does to achieve its vision and mission,” said Dr Patrick Cheung.
- “Annual reports enable effective communications with stakeholders in terms of the organization’s performance, challenges, development plan, and other important aspects,” said Ms Jane Chan.
- “Annual reports are also useful as an effective accountability and communication tool to inform the public about the organization’s compliance: with the organization’s constitution; with laws and regulations; and with contractual requirements from funders. This helps the organization obtain public trust and respect,” said Mr David Yau.

While the three purposes suggested concerning proper documentation, effective communications, and compliance seem to be distinct on the surface, what underlies is the shared will to build and increase stakeholders’ and the public’s trust and confidence in the organization. So, what in an annual report gives readers confidence?

Possibly contrary to the traditional and common belief with regard to marketing that focuses on publicizing achievements, all four guest speakers as NGO governors agree on the prime importance of transparency in gaining confidence – even with respect to defects and risks of the organization. Their respective annual reports find different ways to champion and evince high transparency.

For example, HKSR’s annual report contains an extremely elaborate Chairperson’s report that covers financial highlights, key performance indicators, even specific risks and uncertainties the organization faces. Mr David Yau explained that the comprehensive report doubles as the organization’s business review, “our voluntary disclosure of such important information highlights the Society’s risk awareness, prudence, and high accountability, all of which attests to our good governance that stakeholders and the general public appreciate.”

Ms Jane Chan concurred, “certainly, organizations should not only sing their own praises and conceal faults, but be honest about how they perform so as to obtain constructive feedback for their continual improvement.” FHS’s annual report features a very detailed section of “Key Figures” that unveils a wide range of quantitative information quite uncommonly found in NGO annual reports – apart from year-over-year information on income, expenditure, donations received and staff cost i.e. variance analysis, there is also information on the composition of the Council and the staff in terms of profession and gender, even the Council’s and the Committees’ meeting attendance.

¹ The Survey harnessed information from 374 annual reports published by local social service NGOs (all HKCSS agency members) through the use of a survey framework comprised of five areas and manifested by 28 categories. Full report with survey framework is available in the Project website at governance.hkcss.org.hk/node/150.

GOVERNANCE IN ACTION

Dr Patrick Cheung shares the same opinion. Using the size of reserve as an example, he noted that ACA's Executive Committee discussed yearly the appropriate reserve size and related policies. "Should there be any factual reporting that may raise eyebrows, organizations should make known of the justifications; in the case of having a big reserve, for instance, the organization should clearly spell out how it enables meaningful support for the organization's operation and mission attainment, to debunk potential rumor of it being money hoarded," said Dr Patrick Cheung.

Complementary to such honesty and openness about the organizations' "sensitive" information is effective communication. While FHS deftly uses infographics to concisely present its plenty important figures, ACA adopts a different approach that primarily serves the same purpose – through a Treasurer's Report. "We understand that a lot of our key stakeholders including beneficiary families may find a traditional financial report inscrutable, therefore we believe it is essential to put together a Treasurer's Report that is more readable and accessible to laypersons," said Mr James Ng.

Through voluntary disclosure in annual reports, HKSR, FHS and ACA are three of the many examples how NGOs could garner trust from the public, confidence from service users and other stakeholders, and even support from funders. Fully aware of the inevitability of risks in an organization's operation, and the fact that all organizations always find inadequacies and potential for improvement, governors of the three organizations all show full willingness to confront and reveal their shortcomings, rather than conceal them, displaying an acute sense of accountability and demonstrating good governance that are central to any NGO's survival and long-term success.

Facilitated by Ms Yvonne Yeung, Member of Steering Committee on NGO Governance Platform Project of HKCSS (far right), Mr James Ng and Dr Patrick Cheung of ACA (far left and second from left), Ms Jane Chan of FHS (middle) and Mr David Yau of HKSR had a fruitful discussion on how NGOs consider the purposes and the uses of annual reports.



Ms Stella Ho, Project Director of NGO Governance Platform Project presented the findings of "Survey on Information Disclosure in NGO Annual Reports".



UPCOMING ACTIVITIES

Agency Governors' Forum on Review of Lump Sum Grant Subvention System

The lump sum grant subvention system has been implemented by SWD since 2001 and over the years has caused tremendous impact on the operation of the subvented agencies. The aim of the Governors' Forum is to prepare our concerned agency members proactively for the forthcoming LSG review and to develop consensus for formulating viable directions and strategies to reform the welfare subvention mode. Apart from briefing the participants about the latest development in the sector in the pursuit of revamping LSG, we have invited representatives of the boards of Hans Andersen Club, Heep Hong Society and Hong Kong Family Welfare Society to share on this occasion about the challenges brought about by LSG under the exiting subvention system. Details of the event as below:

Date:	15 November 2017 (Wednesday)
Time:	6:30pm-8:30pm (registration starts at 6:15pm)
Venue:	Room 202, 2/F, Duke of Windsor Social Service Building, Wanchai
Target participants:	Restricted to Board and committee members, and agency heads of HKCSS Agency Members with SWD subvention
Language:	Cantonese

Interested parties please [enroll online](#) on or before 8 November 2017 (Wednesday). Successful applicants will be notified by email by 13 November 2017 (Monday)

Survey on IT Governance for NGOs

IT Governance (ITG), if done strategically, helps NGOs make full advantage of information technology to deliver their missions and better serve the communities. In view of the importance of ITG, HKCSS invites Agency Members to take part in the survey which looks into 3 major aspects in technology: (A) investment; (B) leadership; and (C) practice. Through understanding the current practices of NGOs, it is hoped to formulate guides and advocate the best practices on ITG for the sector. Details please refer to [this link](#).

SNAPSHOTS



At the NGO Directors' Luncheon held on 8 September 2017. Ms Carol Yip, Director of Social Welfare, and board representatives and senior management of the six charitable organizations (including The Lok Sin Tong Benevolent Society, Kowloon, Po Leung Kuk, Pok Oi Hospital, Tung Wah Group of Hospitals, Yan Chai Hospital and Yan Oi Tong) exchanged on their governance practices.

The luncheon series is sponsored by the Hong Kong Institute of CPAs Charitable Fund.



Co-organized with PricewaterhouseCoopers Limited (PwC), the Workshop on "Strategic Planning, Impact Management and Communications" was held on 23 September 2017. Participants from various agencies shared their experience and had thorough discussion.