



Property & Facility Management Division
Sr Kays Wong PFMD Council Chairman



Happy New Year. In retrospect, 2020 was a challenging year for the surveying profession. I hope that members and their families enjoyed a safe holiday season and have managed their assets well.

Whilst members continue to learn how to adopt to the “new normal” in their everyday lives and work environment, the PFMD looks forward to providing them with new activities, information, and professional training to widen their knowledge and perspectives, especially in the use of new technologies and sterilisers to combat the Covid-19 pandemic and artificial intelligence to provide better services to clients, estate owners, and organisations.

Property managers of large housing estates and other developments need to prepare better emergency plans to arrange for their residents to be tested for Covid-19 when cases are confirmed on their premises. The extensive and in-depth cleaning of building areas and proper inspection of the overall cleaning precautions and drainage systems are also areas of concern.

I trust that the PFMD’s past CPD events have already provided members with some clues and advice on how to fight the pandemic. Given the recent announcement of several test-proven vaccines that will be available in Hong Kong soon, the pandemic should eventually be controlled.

This year, the PFMD welcomes new representatives, Sr Iris Mak and Sr Thomas Wu of YSG, into its council.

Let us hope for the best in 2021.

New PMSA Notice

Members, please note a message from the Property Management Services Authority (PMSA) regarding the Code of Conduct. The PFMD’s **Sr Kays Wong and Sr Amy Tang** represented the HKIS and expressed the division’s views on the formulation of the codes and guidelines.

On 30 December, the PMSA announced that pursuant to Section 5(1) of the Property Management Services Ordinance (PMSO), two draft Codes of Conduct entitled, “Complaint Handling Mechanism of Property Management Companies” and “Effective Control over Property Management Businesses by Property Management Companies,” were prepared. To encourage property management company (PMC) and property management practitioners (PMP) licencees to follow the guidelines set out in the codes effectively and professionally, the PMSA also prepared relevant *Best Practice Guides* for licencees to follow. These two Codes of Conduct have been announced and will be effective on 8 January 2021.

I. Code of Conduct: **“Complaint Handling Mechanism of Property Management Companies”**

In order to allow holders of PMC and PMP licencees to handle property management services (PMS)-related complaints more effectively, this Code of Conduct provides the following guidelines for them. It includes:

- Complaint procedures and systems
- Appointing a person-in-charge to supervise the handling of complaints
- Acknowledging the receipt and recording of complaints
- Handling complaints promptly
- Notifying plaintiffs of the progress and results of their complaints in a timely manner
- Proper record-keeping and providing complaint information

II. Code of Conduct: “Effective Control over Property Management Businesses by Property Management Companies”

In order to improve PMS quality and optimise the management and operation of PMCs, this Code of Conduct provides guidelines for controlling property management businesses including:

- Establishing a mechanism for effectively controlling a business
- Establishing a management team structure
- Setting work guidelines
- Providing sufficient manpower
- Providing sufficient resources
- Providing appropriate training
- Effective monitoring
- Regular assessments
- Taking appropriate follow-up actions
- Keeping records
- Supervising sub-contractors

PMSA Chairman **Sr Tony TSE** said, “The Codes of Conduct and *Best Practice Guides* provide PMCs and PMPs with practical guidelines for handling complaints and managing company operations. The purpose is to enhance industry performance and encourage it to provide high-quality PMSs to the public. I hereby appeal to the industry to actively support and follow the codes and guidelines and its members to work together to promote the industry’s development, so as to enhance quality and professionalism.”

The above codes and guidelines were formulated after consultations with the property management industry and owners’ organisations, which included an online focus group discussion on 4 December, during which over 20 representatives of 13 industry associations contributed their views. Their feedback has been appropriately reflected in the codes and guidelines. By the time the property management industry licencing regime launched in August 2020, the PMSA had already issued the General Code of Conduct for licencees to follow. It can be downloaded at:

<https://www.pmsa.org.hk/en/regulatory/regulating-licensees/#reg-04>.

The PMSA will issue other Codes of Conduct and *Best Practice Guides* to cover different property management areas and support the industry including:

- Handling money received for clients
- Obligations after a property management company’s contract ends
- The handling instrument for appointing a proxy regarding corporate meetings
- Provision of prescribed information and financial documents to clients
- Anti-corruption
- Handling emergencies
- Personal data protection
- Managing scaffolding works that will be carried out at a property
- Procurement for clients
- Managing the distribution of promotional materials at a property, etc.

Chairperson TSE added: “Since the implementation of the licencing regime in August 2020, as of yesterday (29 December), the PMSA had issued over 1,300 PMP and PMC licences.”

Public and Social Affairs Committee Work (PSAC)

YSG’s career talk was held on 23 November at THEi’s Chai Wan campus with over 40 surveying students in attendance. **Sr Shelley Chan**, representing the PFMD, shared her career experiences and professional development as a PFM surveyor.

Research Committee Work (RC)

The assessments of the HKIS Outstanding Final Year Dissertation Awards 2020 and Dissertation/Thesis Awards for Postgraduate Students 2020 were completed on 30 November. **Sr Louis Lee and Sr Shelley Chan** represented the PFMD as

assessors. Seven dissertations from final year students and nine from postgraduates (five PhD and four MSc) were received.

Contract Procurement of Leak Investigation Services for Underground Water Mains (18 December 2020)

During a Zoom meeting held between the Water Supplies Department and HKIS, PFMD representative **Sr Tim Law** gave a property manager's perspective of the liability for any leakage test and repair costs that may be incurred. The main concern over such specialised work was that there could be too few contractors on the market.

CPD on 9 December 2020 Energy Audits and Energy-Saving Practices for Commercial Properties

(Reported by **Sr Dick Li** and **Sr Danny Leung**)

Mr Zacky Wong, Director (Technical Consultancy), and Michael Ip, Consultant, represented WiseTech Consultants Co, Ltd to kindly deliver a talk on energy audits and energy-saving practices for commercial properties.

Part I) Energy Audits and Their Procedures by Michael Ip

The Building Energy Efficiency Ordinance (Cap 610) requires new and existing buildings to undergo major retrofits to comply with the latest energy efficiency standards and requirements, as specified in the Building Energy Code

(BEC) regarding four key building services installations: air-conditioning, lighting, electrical, and lift and escalator installations. It also requires prescribed buildings to conduct energy audits in respect of the central building services installations once every ten years in accordance with the Energy Audit Code (EAC).

In the context of the EAC, Michael elaborated on the Energy Utilisation Index, a key parameter for indicating the energy consumption levels and energy use intensities of different operating entities in a building. He also summarised the six steps of energy audits: 1) collection of information, 2) review of energy, 3) identification of energy management opportunities (EMOs), 4) cost benefit analysis of an EMO, 5) recommendations, and 6) compilation of energy audit reports performed by registered energy assessors.

Part II) Energy-Saving Practices for Commercial Properties by Zacky Wong

Zacky highlighted retro-commissioning (RCx) as a key initiative for promoting energy-savings in existing buildings. Potential benefits include energy cost savings with little or no investment, reduced operational and maintenance (O&M) costs, longer equipment life spans, increased building asset value, optimum efficiency in the operation of equipment, and enhanced O&M capabilities among building owners.

Regarding RCx, Zacky summarised its four stages (see figure below) and elaborated on the activities involved at each stage.



During the Q&A session, Michael mentioned the roles of engineers and surveyors during an energy audit to retrieve building information such

as the technical specifications of curtain walls and internal floor areas of an entire building. This facilitates an accurate cost benefit analysis and evaluation of the Energy Utilisation Index.

Michael added that the payback that comes from implementing an EMO can come as soon as two to three years. Thus, commercial property owners should implement it. Finally, he showed the difference between an RCx and energy audit. The former determines whether or not the energy consuming equipment/systems operate properly according to their designs or user requirements.

The PFMD thanks Zacky and Michael for sharing their professional insights with its members.

Forthcoming CPD

Event Name: **How Forensic Accountants Can Help Surveyors in Litigation and Dispute Resolutions**

CPD Code: Formal Events

Speaker: Sr Benny KB Kwok, BSc, MBA, MHKIS, Chartered Accountant, Certified Public Accountant (Practising), Certified Fraud Examiner, Chartered Construction Manager, Chartered Surveyor

A forensic accountant, Benny has produced numerous expert reports and given verbal expert evidence at tribunals, arbitrations, disciplinary proceedings, the District Court, and High Court. His professional experience is broadly based in both the private and public sectors, as well as in Hong Kong and the UK. Among his clients are the Big 4 CPA firms, British Government, and Santander Bank.

Benny is the author of *Forensic Accountancy* (1st & 2nd Editions) published by LexisNexis, *Accounting Irregularities in Financial Statements* published by Gower Publishing UK, *Business Terms & Phrases for Surveyors, Engineers & Facilities Managers in Hong Kong* sponsored by the HKIS, and *Financial Analysis in Hong Kong* (1st & 2nd Editions) published by CUHK Press.

Over the past two decades, Benny served on the Solicitors' Disciplinary Tribunal (Legal Practitioners Ordinance), the Obscene Articles Tribunal (Control of Obscene and Indecent Articles Ordinance), the Board of Review (Inland Revenue Ordinance), and eight committees of the Hong Kong Institute of Certified Public Accountants. He is currently a member of the Disciplinary Panel (Professional Accountants Ordinance) and honorary auditor of the HKU Law Alumni Charity, Ltd, and Kowloon Hospital Alumni Society.

Event Date: 3 February 2021 (Wednesday)

Event Time: 7:00-8:30 pm

CPD Hour(s): 1.5

Venue: via Zoom online media

Fee: HK\$150 for members; HK\$210 for non-members

Details: Many aspects of forensic accountancy have evolved since Benny first testified at the High Court as an expert witness 20 years ago. Forensic accountants render litigation support and expert opinions in various contentious cases covering accounting irregularities, commercial crimes, directors' wrongdoings, shareholders' deadlocks, business valuation, construction disputes, land resumptions, personal injuries, matrimonial breakdowns, professional negligence, and the breaching of contracts.

Whether it is a dispute, fraud case, compliance issue, or regulatory investigation, a problem can spiral out of control and cause severe damage to all parties involved. A failure to appreciate the scope and expertise of forensic accountancy can cost owners, contractors, financiers, facilities managers, and other stakeholders billions of dollars and compromise their liberty.

This webinar seeks to provide an overview of forensic accountancy and the extent to which forensic accountants can help surveyors in litigation and dispute resolutions. The event will be conducted via Zoom. Successful registrants will be notified by e-mail with a weblink and password to the online event in due course.