

## THE HONG KONG HOUSING AUTHORITY

### Memorandum for the Finance Committee

#### Tackling The Year 2000 Challenge

#### PURPOSE

The paper is to update Members on the current progress in addressing the *Year 2000 Challenge* in Housing Department.

#### BACKGROUND

2. The *Year 2000 Challenge* stems from a common practice of using only two digits<sup>1</sup> to represent and operate dates in computer programs. Computer programs so written will very likely fail upon the millennium date change from Year 1999 to 2000.

3. Top management priority has been given to address the *Year 2000 Challenge*. The Housing Department Computer Committee which comprises the Business Directors, Finance Director, Head, Corporate Strategy Unit and Director Corporate Services as Chairman has assumed the role of a Steering Committee to oversee the work related to Year 2000 compliance in the Department.

4. This Committee is responsible for monitoring the progress of implementation of a compliance programme involving taking an inventory of Information Technology (IT) application systems and embedded equipment and devices, conducting impact and risk assessment, rectification, testing and contingency planning. A corporate and systematic approach is being adopted in addressing the *Year 2000 Challenge*. A master action programme has been developed to steer and monitor the exercise. The target is to complete rectification of critical systems by June 1999.

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<sup>1</sup> Only the year digits are used (i.e., "97" to represent 1997).

## **PRESENT SITUATION**

5. The major components in the master programme and latest progress are summarised below -

(a) *IT Application Systems*

Following FC's endorsement in Paper No. FC 22/98, Platinum Technology Ltd. was engaged in June 1998 to provide services for the checking and rectification of IT application systems. The Productivity Council is acting as an independent quality assurance party to ensure a good standard of outputs.

A priority list of application systems for checking and rectification has been compiled. There are 69 such systems of which checking/rectification on 13 of them has been completed. We are targetting to complete another batch of 31 systems before the end of this year and the remaining 25 systems by June 1999.

The computing facilities at our Disaster Recovery Centre are partly being used for the rectification work. Such an arrangement allows for a testing environment which will not interfere with our day-to-day business activities.

(b) *Personal Computers (PCs)*

We have completed checking the date-sensitive device ("BIOS") of about 5000 departmental PCs out of a total of about 6500 identified. More than half of the BIOS are Year 2000 compliant and about 87% of the remaining ones will be functional after a simple "date setting" procedure on or after 1 January 2000. We will proceed to upgrade or replace those non-compliant PCs once all checking results are ready in December. A labelling scheme will be introduced to identify the different status of the checked PCs.

(c) *End-user Developed Computer Systems*

A review on the number and business nature of end-user developed computer systems in the Department has been completed. Discounting those systems which can be retired, there are 27 PC applications that need rectification before passing over to the next century. We have started the rectification work which is scheduled to be completed by June 1999.

(d) *Embedded Equipment and Devices*

An exercise to compile a primary "inventory" list of embedded equipment and devices in the Department has been conducted. With reference to the list, proposed strategies have been worked out to shortlist the problematic ones for verification/confirmation of their Year 2000 compliance status. Arrangement will be made to upgrade, rectify or replace the non-compliant systems which are business critical by June 1999.

(e) *Business Partners*

While we are working at full strength to tackle the challenge, it is equally crucial to see that our business partners including service suppliers and providers (e.g. contractors, private management agencies, banks) are also Year 2000 compliant. We have been seeking confirmation from our business partners on their compliance status based on which we will have a better assessment of what action the Department needs to take to tackle the issues. At the same time, joint seminars are being arranged to bring our business partners together to discuss the problems and ensure that appropriate actions are being taken to address the issues. We are going to conduct six seminar sessions for our business partners in early December.

(f) *Awareness Programme*

An awareness programme to alert staff members on the importance of the *Year 2000 Challenge* and their parts to play have been launched. They have been kept informed of our progress of work through newsletters and seminars. We will continue to promote the awareness among staff members and have made arrangement to conduct another four awareness sessions on Year 2000 for them in early December.

(g) Contingency Plans

To tie in with our Year 2000 compliance programme, we have started to prepare for the formulation of contingency plans. The plans will, in general, cover -

- (i) what arrangement should be in place to cater for the rectified systems which become non-functional unexpectedly on 1 January 2000; and
- (ii) what arrangement should be in place to cater for the event of rectification work not being completed before the deadline date.

6. A summary chart of the various actions in the master programme is enclosed at **Annex**.

**BUDGET**

7. Funds are available in the Computer Division's vote (cost centre code 140100, account code 2359900) for rectification of IT systems and funds for embedded systems will be absorbed in project/maintenance votes.

**INFORMATION**

8. This paper is presented for Members' information. We will continue to keep Members informed of the status regarding our progress in dealing with the *Year 2000 Challenge*.

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