

**For discussion  
on 12 February 2004**

**Legislative Council Panel on Security**

**Rewards and Special Services of the Hong Kong Police Force**

**Purpose**

This paper outlines the ambit of the expenditure sub-head “Rewards and Special Services” (R&SS) of the Hong Kong Police Force and explains the monitoring arrangements of R&SS expenditure.

**Ambit**

2. R&SS sub-head covers expenditures involving police operations of a confidential nature, including the fight against serious crimes, narcotics offences and security matters. Examples of such expenses include rewards and informer fees, expenses for the procurement and maintenance of equipment and other operational expenses for use of a confidential nature.

**Monitoring Arrangements**

***Internal Control***

3. R&SS Expenditures are controlled by a set of stringent procedures. Specific Formation Commanders of Superintendent rank or above are designated as holders of R&SS sub-imprest accounts. They are required to ensure that the sub-imprest under their control is used only for expenditure relating to services of a confidential nature, the purpose and particulars of which cannot be made public. The level of payment and the approving authority are all subject to established procedures and instructions and authorization of the Secretary for Financial Services and the

Treasury. Specific approval is required for the purchase of covert equipment and there is an upper limit on the amount of expenditure that can be approved by a designated officer. R&SS sub-imprest account holders are also required to maintain inventory ledgers for items purchased using R&SS funds and these documents are subject to audit inspections by senior officers.

4. Surprise inspections of the R&SS sub-imprest accounts are conducted by an Assistant Commissioner of Police or above, including the Commissioner of Police, Deputy Commissioner of Police (DCP) (Operations), DCP (Management) and Director of Crime and Security (D C&S), at least three times a year with no more than four months between the various inspections. In addition to reconciling the cashbook records and the cash-in-hand, these inspecting officers will also examine the expenditure incurred to see if it is in compliance with the regulation, and that a “value for money” standard has been met. In the financial year 2002-03 the Commissioner and his senior officers conducted over 140 surprise inspections of the R&SS sub-imprest accounts. The Internal Audit Division of the Hong Kong Police Force also carries out annual inspections of the sub-imprests.

### ***External Audit***

5. Apart from the strict internal checking mechanism, the R&SS expenditure of the Police Force is subject to annual financial audit inspections by the Audit Commission since the mid 1990's. Selected senior officers of the Audit Commission, who are given security clearance at a high level, conduct the inspection in accordance with the requirements of the Audit Ordinance (Cap 122).

6. In discharging his duties, the Director of Audit and any public officer authorized by him in writing are empowered under the Audit Ordinance to have access to all records, books, documents, any other Government property, etc. in the possession of the Force R&SS sub-imprest holders. This independent audit by the Audit Commission further ensures that R&SS expenditures are incurred legitimately and with proper authorisation.

## **Disclosure of Information**

7. Given that R&SS expenses involve police operations of a confidential nature, it is imperative to ensure that any disclosure of information on such expenses does not reveal detailed operational arrangements of the Police Force and its capabilities to the criminals. Otherwise the latter may be able to evade justice, thus jeopardizing public interests.

8. Nonetheless, the Police have in the past years endeavoured to provide as much information on R&SS expenditures as possible so long as the disclosure will not compromise Police's capability to fight against crime. For example, in addition to the total allocation and the actual expenditure incurred on R&SS in a financial year, the Police have since 2001 started to provide the following information to the Legislative Council –

- (a) the total number of cases of offers of rewards made in a financial year;
- (b) the aggregate amount of rewards offered in a financial year; and
- (c) the number of actual payments for rewards in a financial year.

9. As an initiative to improve the transparency and to enhance monitoring of the expenditure on R&SS while not affecting the operations of the Police in combating crimes, we plan to publish annual figures on R&SS expenses in a user-friendly manner on the web site of the Police. Tables and charts illustrating the relevant figures from the year 1998-99 to 2002-03 are at the Annex. We believe that the publication of the above figures on the Internet should facilitate public access to information on R&SS. The arrangement will also facilitate better monitoring of the Police's use of R&SS fund.

**Hong Kong Police Force  
February 2004**

**Table 1: Estimate, and Actual Expenditure of Subhead 103 from 1998-99 to 2002-03**

<b>Year</b>	<b>Estimate (\$M)</b>	<b>Actual Expenditure (\$M)</b>
1998-99	101.256	74.680
1999-00	106.152	61.842
2000-01	105.621	67.375
2001-02	103.466	61.438
2002-03	94.355	59.470

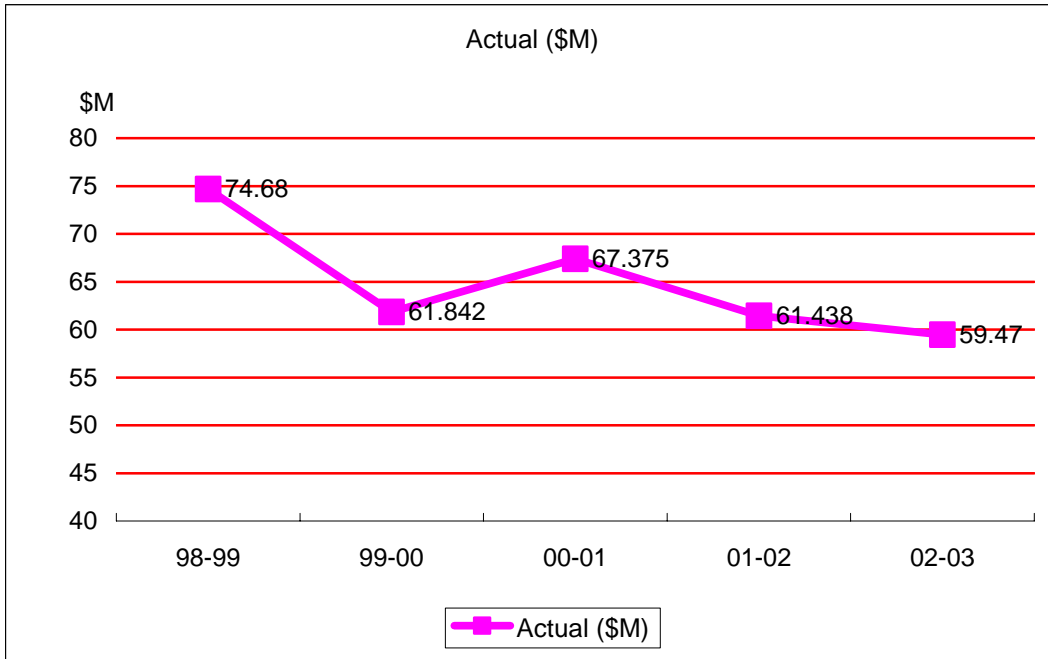
**Table 2: Statistics on Publicly Offered Police Rewards**

<b>Year</b>	<b>Number of cases</b>	<b>Total amount offered (\$M)</b>
1998-99	27	6.97
1999-00	39	4.00
2000-01	33	8.15
2001-02	32	7.50
2002-03	38	12.50

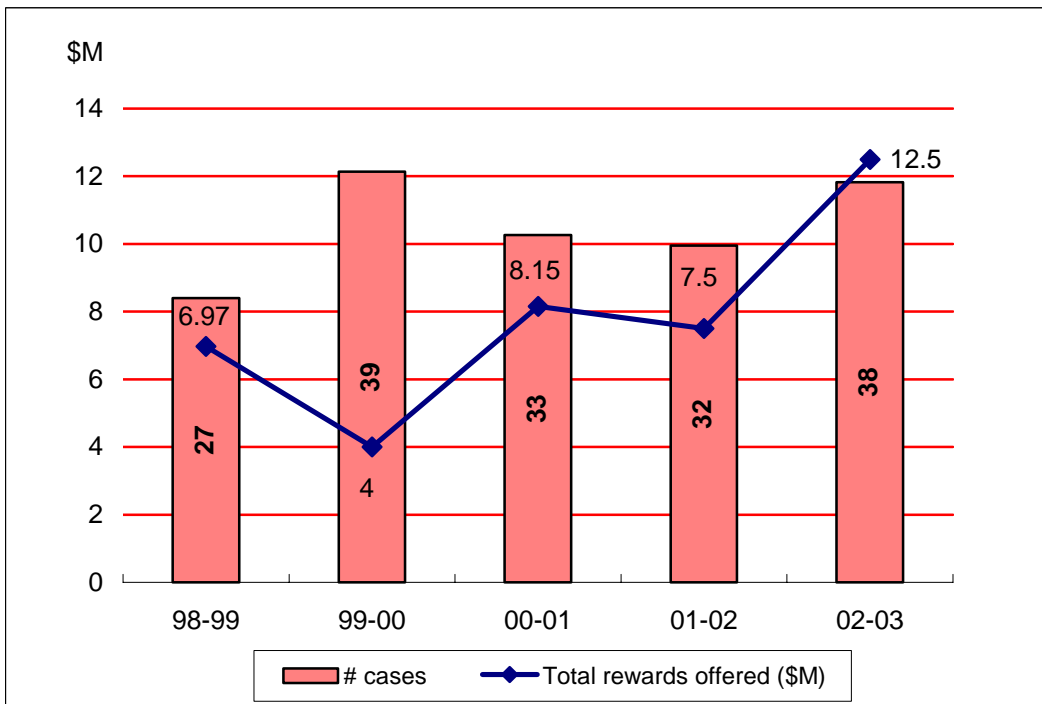
**Table 3: Number of Actual Payments for Police Rewards**

<b>Year</b>	<b>Number of actual payments</b>
1999-00	1038
2000-01	1127
2001-02	1345
2002-03	1300

**Figure 1: Actual Expenditure of Subhead 103**



**Figure 2: Statistics on Publicly Offered Police Rewards**



**Figure 3: Number of Actual Payments for Police Rewards**

