

**Replies to initial written questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2005-06**

**Controlling Officer : Commissioner, Independent Commission Against Corruption
Session No. : 8
File name : ICAC-e.doc**

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Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC001

Question Serial No.

0938

Head : 72 – Independent Commission
Against Corruption

Subhead (No. & title) : 103 – Rewards and Special
Services

Programme : 2 – Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

- Question : (a) Please provide the amount of expenditure in 2002-03, 2003-04 and 2004-05 on information obtained from abroad in connection with investigations and enquiries as well as the overseas places involved.
- (b) Please provide the amount of expenditure in 2002-03, 2003-04 and 2004-05 on information obtained locally in connection with investigations and enquiries.
- (c) Among the proposed provision for 2005-06, what is the estimated percentage of expenditure on information obtained from abroad in connection with investigations and enquiries?

Asked by : Hon TO Kun-sun, James

Reply : Subhead 103 caters for expenditure on rewards and procurement of special services and equipment of a confidential nature. This subhead provides an essential source of funding for covert operational activities and intelligence gathering. Disclosure of such expenditure details is not appropriate.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 1 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC002

Question Serial No.

0939

Head : 72 – Independent Commission
Against Corruption

Subhead (No. & title) : 103 – Rewards and Special
Services

Programme : 2 – Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : (a) In 2003-04 and 2004-05, were resources allocated from Subhead 103 to pay for the expenditure of the Technical Services Division? If positive, what were the number of occasions and the amounts involved?

(b) For 2005-06, what is the estimated amount of resources for such purpose? Is the Technical Services Division subject to any expenditure approval limit in the use of provision under Subhead 103? If positive, what is the limit and how is it compared with that for 2004-05?

Asked by : Hon TO Kun-sun, James

Reply : Subhead 103 caters for expenditure on rewards and procurement of special services and equipment of a confidential nature, including relevant expenditure incurred by the Technical Services Division for the ICAC. The expenditure is based on actual requirement. As this subhead provides an essential source of funding for covert operational activities and intelligence gathering, disclosure of such expenditure details is not appropriate.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 7 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC003

Question Serial No.

0940

Head : 72 – Independent Commission
Against Corruption

Subhead (No. & title) : 103 – Rewards and Special
Services

Programme : 2 – Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : Concerning this Subhead, please provide the following details for 2004-05 :

- the rank of officers who have conducted surprise inspections on the expenditure under this Subhead;
- the number of inspections conducted; and
- the number of occasions when irregularity was discovered.

Asked by : Hon TO Kun-sun, James

Reply : The ICAC exercises strict control over the expenditure under Subhead 103 'Rewards and Special Services'. All claims under the Subhead are scrutinized by senior officers. Apart from the inspections carried out by the Director of Audit, the Commissioner, the Head of Operations, and the Assistant Director (Administration) also conducted surprise inspections on the accounts of this Subhead. In 2004-05, eight surprise inspections were carried out with no anomalies found.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 1 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC004

Question Serial No.

0941

Head : 72 – Independent Commission Subhead (No. & title) : –

Programme : 2 - Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : (a) During the past year, on how many occasions did ICAC officers visit the Mainland for investigation or testifying in court? Please state the number of such cases and the expenditure incurred.

(b) When testifying in court in the Mainland, were these ICAC officers required to give evidence? If yes, how many cases were involved?

Asked by : Hon TO Kun-sun, James

Reply : (a) In 2004-05, ICAC officers made 43 visits to the Mainland involving 19 cases for the purpose of investigation. The total expenditure involved was \$120,465, mainly for the payment of travelling expenses, board and lodging incurred by the officers concerned.

(b) In 2004-05, no ICAC officer was required to give evidence in Mainland courts.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 6 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC005

Question Serial No.

0942

Head : 72 – Independent Commission
Against Corruption

Subhead (No. & title) :

Programme : 2 - Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : (a) Please state the number of occasions on which Mainland officials were invited to Hong Kong for investigation or testifying in court and the expenditure incurred in the past year.

(b) When testifying in court in Hong Kong, were Mainland officials required to give evidence? If yes, how many cases were involved?

Asked by : Hon TO Kun-sun, James

Reply : (a) & (b) In 2004-05, no Mainland official was invited to Hong Kong by the ICAC for investigation or testifying in court.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 1 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC006

Question Serial No.

0943

Head : 72 – Independent Commission
Against Corruption

Subhead (No. & title) : 103 – Rewards and Special
Services

Programme : 2 – Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

- Question :
- (a) What is the number of persons who received rewards/special services fee in 2004-05 and the number of cases involved? Please state the number of occasions on which rewards/special services fee were provided and the actual amount of such expenditure.
 - (b) Please list out the cases attracting wanted persons rewards, the amount of rewards offered, the number of occasions where payments were made, the actual expenditure and the number of rewards recipients in 2004-05.
 - (c) Under Subhead 103, what was the expenditure for procurement and maintenance of equipment in 2004-05?
 - (d) Of the provision of \$15,268,000 under Subhead 103 for 2005-06, how much will be allocated for rewards on wanted persons, and how much for procurement and maintenance of equipment?

Asked by : Hon TO Kun-sun, James

Reply : Subhead 103 Rewards and Special Services caters for expenditure on rewards and procurement of special services and equipment of a confidential nature. This subhead provides an essential source of funding for covert operational activities and intelligence gathering. Disclosure of such expenditure details is therefore not appropriate.

As at 31 March 2005, the expenditure of Subhead 103 was \$14.766M. There were 181 occasions on which reward payments were provided, but there was no case involving reward on wanted persons.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 7 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC007

Question Serial No.

0944

Head : 72 – Independent Commission Against Corruption Subhead (No. & title) :

Programme : 2 - Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : (a) Please set out the establishment of the Technical Services Division by rank and the resources allocated to the Division for 2005-06.

(b) Please provide a detailed list of the work undertaken by the Technical Services Division in 2004-05, including the types of support services it has provided.

Asked by : Hon TO Kun-sun, James

Reply : (a) Establishment

	<u>2005-06</u>
Senior Commission Against Corruption Officer	2
Commission Against Corruption Officer (Upper)	6
Commission Against Corruption Officer (Middle/Lower)	24
Assistant Commission Against Corruption Officer	21
Senior Personal Secretary / Personal Secretary II	2
Clerical Assistant / Workman II	<u>2</u>
	57
 <u>Resources (\$M)</u>	
Personal Emoluments	24.992
Minor equipment, consumables, maintenance services, etc	<u>3.367</u>
	28.359

(b) The main role of the Technical Services Division is to provide technical support to the Operations Department of the ICAC in the investigation of corruption. To disclose the details of the technical support provided by the Technical Services Division will inevitably compromise the effectiveness and efficiency as well as the strategic approach of the ICAC investigative work. It is hence not in the public interest to disclose such details.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 6 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC008

Head : 72 – Independent Commission Against Corruption
Subhead (No. & title) :

Question Serial No.

Programme : 03 – Prevention Education 04 – Enlisting Support

0945

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : Have the authorities considered reconsolidating the work under Programme (03) Preventive Education and Programme (04) Enlisting Support so as to reduce the current total estimated expenditure of over \$100 million? If yes, is there any concrete plan and what is the expected reduction in expenditure? And if not, what is the reason for not considering this?

Asked by : Hon TO Kun-sun, James

Reply :

The aim of the ICAC, in carrying out the work under Programme (03), Preventive Education, is to promote better understanding of the corruption problem and encourage target groups to take positive action through face-to-face contacts of preventive education activities like talks, training programmes and seminars. The objective of Programme (04), Enlisting Support, is to raise public awareness of the evils of corruption, and encourage the public to support anti-corruption work and report corruption through the mass media and different types of district activities. The two Programme areas reflect two of the ICAC's statutory duties, namely educating the public against the evils of corruption and enlisting their support to fight corruption.

In practice, work under these two Programme areas are complementary to each other. The ICAC, in carrying out work in these areas, has adopted comprehensive measures to meet the objective of saving resources. These include adopting alternative means to implementing preventive education activities, and prioritising preventive education service in accordance with the needs of different target groups to ensure effective use of resources. Combining initiatives under these two Programme areas would not result in a reduction in expenditure.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 7 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

ICAC009

Head : 72 – Independent Commission Against Corruption
Subhead (No. & title) : Question Serial No.

Programme : (3) – Preventive Education

1792

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : According to the targets mentioned under this Programme, the number of business organisations contacted as well as visits made to secondary schools had both dropped by 12% from 2003 to 2004. According to the indicators mentioned under this Programme, the number of managers in the business sector who have received training in corruption prevention and business ethics have dropped by 5% from 2003 to 2004 and a further drop of 8% in 2005 is anticipated; the number of frontline workers in the business sector who have received similar training have dropped by 19% from 2003 to 2004 and a further drop of 14% in 2005 is anticipated. Please explain:

- (a) why there was a significant drop in the above-mentioned targets and indicators and whether more resources are required; please give detailed breakdowns of provisions of this Programme in 2003, 2004 and 2005 (estimate) ;
- (b) given present economic situation, it is expected that much more economic transactions will take place in all sectors. Please advise what strategies and preparations are in place to increase the public's awareness of the corruption problem and whether more provisions are needed.

Asked by : Hon NG Margaret

Reply :

(a) Business Organisations

The adjustments to the number of business organisations and staff contacted were mainly due to changes in the emphasis and targets of the preventive education work with the business sector in recent years. Between 2001 and 2003, the ICAC's preventive education programmes mainly covered business organisations in the financial, banking, insurance, tourism as well as property management sectors. These sectors have a large number of establishments, some of which are labour intensive. As such, the number of business organisations and staff contacted during these few years were relatively high. In view of the growing importance of

maintaining sound ethical business practices and good corporate governance in safeguarding Hong Kong's status as an international financial centre, the ICAC had launched in late 2003 a two-year Business Ethics Promotion Programme (BEPP), targeting listed companies. Since there are only over a thousand listed companies, the number of companies and staff contacted in 2004 and 2005 would not be as high as those in the previous years. Although the number of business organisations contacted has decreased, those which have used ICAC's corruption prevention service have actually increased (18% increase in 2004 as compared with 2003).

The reduction in the number of front-line workers receiving business ethics training is due to a change in ICAC's strategy in adopting more cost-effective means of reaching industries with a large workforce (e.g. the banking and tourism sectors). The ICAC has produced audio-visual training materials and encourages these industries to conduct their own corruption prevention training for front-line staff. This training mode has generally been accepted by the industries, and has enabled the ICAC to focus resources in providing in-depth preventive education and business ethics training to the senior and middle management of business organisations.

Young People

The ICAC has all along attached importance to establishing ties with schools and working with them in promoting moral education and inculcating positive values in young people. In recent years, more government departments and non-government organisations have sought to promote their services and messages through classroom activities. As the schools have a busy schedule, availability of school time for our preventive education activities has been affected.

To meet the challenge, the ICAC, apart from constantly reviewing and introducing new preventive education service for schools (which include offering talks in various formats to suit different needs of students and introducing interactive drama performances), has also taken the initiative to explore other means to disseminate messages on integrity and honesty directly to young people, such as through involving schools in district activities; and through increasing use of the Internet (the youth website "*Teensland*" and the "*Moral Education Web*" were launched for this purpose) to promote messages of probity and integrity. Young people reached through these channels are not counted in the target indicators of this Programme.

Financial Provisions

Staff emoluments account for most of the ICAC's expenditure for its preventive education work. Since the ICAC flexibly deploys its staff in carrying out various preventive education programmes and district activities, it is not possible to provide a detailed breakdown of expenditure on various programmes and activities. However, the ICAC's publicity expenses have been maintained at around \$8m per annum in recent years. Spendings on these programmes and activities are subject to adjustments in the work programme for the year, as well as requirements of various

preventive education and publicity activities. The aim is to ensure effective deployment of resources. The provisions to cover publicity and educational activities in respect of the business sector and moral education for young people from 2003 to 2005 are set out in the following table—

Publicity Expenses	2003-04 (Actual) (\$000)	2004-05 (Revised Estimate) (\$000)	2005-06 (Estimate) (\$000)
Business Sector	1,076	600	700
Youth	1,134	986	1,950

- (b) In the coming year, the ICAC will continue to formulate its work plan having regard to changes in socio-economic circumstances, the corruption situation in society, and the needs of various target groups. Major programmes will include (i) promoting business ethics and good corporate governance to listed companies in the business sector; (ii) implementing the Civil Service Integrity Entrenchment Programme in conjunction with the Civil Service Bureau to enhance probity culture in the public sector; (iii) promoting positive values among young people in partnership with schools and youth organisations; and (iv) promoting clean and effective building management.

The ICAC aims to effectively use our resources to promote a probity culture in the community through various preventive education programmes and district activities in partnership with relevant organisations.

Signature : _____

Name in block letters : Raymond H C Wong

Post title : Commissioner, ICAC

Date : 8 April 2005