

**Replies to initial written questions raised by Finance Committee  
Members in examining the Estimates of Expenditure 2007-08**

**Controlling Officer : Commissioner, Independent Commission Against Corruption  
Session No. : 7**

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<a href="#">ICAC018</a>	1165	NG Margaret	72	(1) Corruption Prevention (3) Preventive Education
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<a href="#">ICAC020</a>	1167	NG Margaret	72	(2) Operations
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**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 002**

Head: 72 – Independent Commission Against Corruption      Subhead :

Question Serial No.

Programme: 2 – Operations

680

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : The number of pursuable corruption complaints received by the ICAC dropped from 2,946 in 2005 to 2,658 in 2006. The number of investigations completed decreased from 2,731 in 2005 to 2,571 in 2006. There was also a decline in the number of persons prosecuted. Despite the above decreases, there is an increase of \$37 million in the Estimate for 2007-08 over the Revised Estimate for 2006-07. What are the reasons?

Asked by: Hon. LAU Wai-hing, Emily

Reply : Under Programme 2 “Operations”, there is an estimated increase in provision of \$37 million for 2007-08 over the revised estimate for 2006-07. The increase is mainly attributed to the requirement for filling vacancies and creation of 19 new posts and meeting staff salary increments, as well as the recurrent expenses for the new ICAC Headquarters (HQs) building. The new posts are to enhance ICAC’s capability in intelligence analysis, witness protection and the use of firearms and to intensify enforcement action against corruption related to building management. The provision for the new HQs building will mainly cover electricity expenses as well as repair and maintenance of the electrical and mechanical installations in the building. The increase is to meet ICAC’s actual operational requirements.

The law enforcement work of ICAC encompasses various aspects. Besides investigation and prosecution, we carry out intelligence gathering and analysis. ICAC adopts a proactive approach to prevent, deter and uncover corruption. Therefore, the workload of ICAC cannot be measured only by the number of investigations completed and the number of persons prosecuted and convicted. In recent years, more and more criminals use advanced information technology and financial know-how to cover up their crime and the evidence of crime. Globalisation of financial activities has made it easier for capital to be transferred from one place to another, thereby increasing the complexity of corruption cases. In addition, the court has stringent requirements for the admission of evidence. All these have made investigation more difficult and increased the amount of time and manpower required.

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007



Examination of Estimates of Expenditure 2007-08

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC 004

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

Question Serial No.

682

Programme : 04 – Enlisting Support

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : What is the reason for the continuous rise in the percentage of respondents perceiving that corruption was very common/quite common as shown in the ICAC Annual Surveys from 2004 to 2006? Are there any resources earmarked in the 2007-08 estimate for implementing improvement measures? If yes, what are the details?

Asked by : Hon. CHEUNG Man-kwong

Reply : The ICAC Annual Survey aims at gauging public perception of the corruption scene in Hong Kong. In the survey conducted at the end of 2006, 74.1% respondents, who considered corruption was very common/quite common, indicated that their perception was based on “Many corruption cases were reported in the media”. In the same year, there was wide media coverage of corruption cases of public concern and the ICAC had issued 164 press releases, which was 19% more than that in 2005.

In respect of the actual corruption situation, the number of corruption reports received by the ICAC in 2006 dropped by 9%, compared to 2005. This is in line with another finding in the 2006 survey, in which the proportion of respondents who had come across corruption in the past 12 months decreased from 3.2% in 2005 to 2.8% in 2006. These figures suggest that corruption has not become more common in Hong Kong. Hence, we believe the public perception was due to higher media exposure.

In 2007-08, ICAC will continue to adopt its “three-pronged strategy” of investigation, prevention and education to combat corruption on all fronts.

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 14 March 2007

Examination of Estimates of Expenditure 2007-08

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC005**

Head : 72 – Independent Commission Against Corruption    Subhead : 103 – Rewards and Special Services

Question Serial No.

683

Programme : 2 – Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : Please provide the amount of expenditure in 2006-07 in respect of information obtained from abroad in connection with investigations and enquiries as well as the overseas places involved.

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 :       Mrs Fanny LAW      

Post title :       Commissioner, ICAC      

Date :       13 March 2007

Examination of Estimates of Expenditure 2007-08  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC006**

Head : 72 – Independent Commission  
Against Corruption

Subhead : 103 – Rewards and  
Special Services

Question Serial No.

684

Programme : 2 – Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : Please provide the amount of expenditure in 2006-07 in respect of information obtained locally 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 : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007

Examination of Estimates of Expenditure 2007-08  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC007**

Head : 72 – Independent Commission  
Against Corruption

Subhead : 103 – Rewards  
and Special Services

Question Serial No.

685

Programme : 2 – Operations

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : Of the proposed provision for 2007-08, what is the estimated percentage to be spent in respect of 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 : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 008**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

686

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : What are the number of persons who received rewards/special services fee in 2006-07 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.

Asked by: Hon. TO Kun-sun, James

Reply : As at 9 March 2007, the total expenditure under Subhead 103 (Rewards and Special Services) for 2006-07 was \$12.578M. There were 244 occasions on which reward / special services fee was provided.

Since 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 : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 009**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

687

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : 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 2006-07.

Asked by: Hon. TO Kun-sun, James

Reply : As at 9 March 2007, there was no case involving reward on wanted persons under the expenditure of Subhead 103 (Rewards and Special Services).

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007

Examination of Estimates of Expenditure 2007-08  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC 010**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

688

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question: Under Subhead 103, what was the expenditure for procurement and maintenance of equipment in 2006-07?

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.

Signature : \_\_\_\_\_

Name in block letters :       Mrs Fanny LAW      

Post title :       Commissioner, ICAC      

Date :       13 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 011**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

689

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : Of the provision of \$16,500,000 under Subhead 103 for 2007-08, 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.

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 012**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

690

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : In the last three years, did ICAC conduct any surprise inspection on the expenditure under Subhead 103 'Rewards and Special Services' to ensure its use was reasonable and in compliance with the procedures? If affirmative, what were the ranks of the inspecting officers and how many inspections were conducted? If not, what are the justifications and is there any plan to conduct surprise inspections in the future?

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 Director of Operations and the Assistant Director (Administration) also conduct surprise inspections on the accounts under this Subhead. In the last three years, eight, nine and seven surprise inspections were respectively conducted, with no anomalies found.

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 013**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

691

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : In 2006-07 please list out the number of occasions and the amounts involved to the Technical Service Division?

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 expenditure incurred by the Technical Services Division for supporting the work of 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 : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 014**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

692

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : For 2007-08, what is the estimated amount of resources for allocated to the Technical Services Division? Is the Technical Services Division subject to any expenditure approval limit in the use of the allocated provision? If positive, what is the limit and how is it compared with that for 2006-07?

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 expenditure incurred by the Technical Services Division for supporting the work of 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 : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 13 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC 015**

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

Question Serial No.

693

Programme : 03 – Prevention Education

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : As it is expected that the number of Owners' Corporations (OCs) will continue to rise in 2007-08, will there be sufficient preventive talks organised for the OCs? Please also advise on the details of the preventive programmes to be conducted in 2007-08 and the estimation to address the aggravating corruption problems, for instance, those related to renovation works, as well as the achievements in 2006-07.

Asked by : Hon. TAM Heung-man

Reply : In 2006-07, the Community Relations Department (CRD) had provided corruption prevention and education services through visits and talks to about 350 OCs and property management companies. In addition, we had conducted briefings at building management seminars and related courses arranged by the Home Affairs Department (HAD) and other organisations. These initiatives reached a total of about 1,200 building management personnel, including office-bearers of OCs. Through a series of thematic workshops organised for building consultants, contractors and OCs, we had provided anti-corruption training to about 350 stakeholders in building management in the year. In addition, targeting applicants of the Building Management Maintenance Scheme (BMMS) of the Hong Kong Housing Society (HKHS), CRD worked closely with HKHS offering three workshops to some 300 applicants of the scheme, who are also members of OCs.

In 2007-08, ICAC will create 15 new posts to enhance its capabilities in tackling corruption problems in building management issues, including stepping up corruption prevention and education work. Major initiatives by ICAC in 2007-08 in the area include –

- (a) more proactively approaching newly formed OCs and those which have received repair orders from government departments to offer preventive education services. CRD has planned to conduct visits, talks and meetings for some 600 OCs. CRD will also continue to collaborate with other government departments and building management bodies to promote the message of effective building management through roving exhibitions, seminars and competitions;
- (b) since about half of the corruption allegations on building management issues are concerned with building renovation work, CRD will step up the co-operation with Buildings Department, Fire Services Department and HKHS in organising thematic workshops for building consultants and contractors. Sample tender documents/contract and best practices guidelines will be developed to help OCs manage corruption risks in renovation works;



- (c) CRD will seek to review the content of ICAC sessions in the Continuing Professional Development courses organised by related professional bodies, such as the Hong Kong Institution of Engineers, the Hong Kong Institute of Architects and the Hong Kong Institute of Surveyors, to enhance messages of corruption prevention and professional ethics. Moreover, we plan to set up corruption prevention networks for these professionals and OC office-bearers to provide a platform for them to exchange corruption prevention experience;
- (d) to facilitate sharing of useful resources, a thematic website will be developed to provide a series of practical guides on specific areas in building management, such as contract management, financial management, and the management of common areas and staff for reference by interested parties. We will also produce a CD-ROM and training video to facilitate preventive education for OC members; and
- (e) upon the enactment of amendments to Building Management Ordinance (BMO), ICAC will collaborate with HAD to organise briefings in all 18 districts to explain the implications of the new provisions in the law. We have set aside \$0.65m in 2007-08 for publicity and education programmes in relation to building management.

Signature : \_\_\_\_\_  
Name in block letters :       Mrs Fanny LAW        
Post title :       Commissioner, ICAC        
Date :       14 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 016**

Head : 72 – Independent Commission  
Against Corruption

Subhead (No. & title) :

Question Serial No.

694

Programme : 03 – Preventive Education

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : Given the large number of small and medium enterprises (SMEs), it becomes most important to put in resources for their preventive education. Please list out the details and estimated expenditure of the relevant preventive education programmes for 2007-08, and the criteria adopted in drawing up the relevant budget. Please also advise whether any mechanism is in place to review the adequacy of the programmes. If yes, what are the details?

Asked by : Hon. TAM Heung-man

Reply : One of our major initiatives in 2007-08 is to launch a two-year preventive education programme to alert SME entrepreneurs, especially those involved in cross-boundary business, to the importance of good governance and ethical practices, and equip them with the necessary knowledge and skills in managing corruption risks in their business. Under the programme, we will, in collaboration with the Guangdong Provincial People's Procuratorate, produce a corruption prevention guide for SME entrepreneurs who have investments and operations in Guangdong and Hong Kong.

To tie in with the launch of the guide, we plan to organise a forum for 100 to 200 SME entrepreneurs in early 2008, followed by thematic seminars / workshops to be organised in collaboration with professional bodies and major trade associations. A budget of \$0.7 million has been set aside in 2007-08 for the programme.

We adopt a partnership approach in our preventive education programme and this has proven effective in gaining the support of the stakeholders. We also maintain dialogues with related professional bodies and chambers of commerce in mapping out strategies and plans for specific programmes. As with other preventive education programmes, we will collect feedback from our working partners and target participants to evaluate the effectiveness of this programme. Through these means, we can ensure our programmes suit the needs of the publicity targets.

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 14 March 2007

Examination of Estimates of Expenditure 2007-08  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

ICAC 017

Head : 72 – Independent Commission  
Against Corruption

Subhead (No. & title) :

Question Serial No.

695

Programme : 04 – Enlisting Support

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : According to the annual surveys, the number of respondents who considered corruption very common/quite common in 2006 was higher than that for 2004 and 2005 while those who were willing to report corruption rose by 10%, compared to the previous two years. Please advise whether the estimate for 2007-08 can cope with the rising number of corruption cases and reports.

Asked by : Hon. TAM Heung-man

Reply : The ICAC Annual Survey aims at gauging public perception of the corruption scene in Hong Kong. In the survey conducted at the end of 2006, 74.1% respondents, who considered corruption was very common/quite common, indicated that their perception was based on “Many corruption cases were reported in the media”. In the same year, there was wide media coverage of corruption cases of public concern and the ICAC had issued 164 press releases, which was 19% more than that in 2005.

The increasing number of respondents willing to report corruption should be taken as a positive indicator of public support for the ICAC. It does not represent an actual increase in corruption cases. In fact, the number of corruption reports received by the ICAC in 2006 had dropped by 9%, compared to the 2005 figure. This is in line with another finding in the 2006 survey, in which the proportion of respondents who had come across corruption in the past 12 months had decreased from 3.2% in 2005 to 2.8% in 2006. These figures suggest that corruption has not become more common in Hong Kong. Hence, we believe the public perception was due to higher media exposure.

Notwithstanding the above, the ICAC will continue to combat corruption on all fronts with our “three-pronged strategy” of investigation, prevention and education.

Signature : \_\_\_\_\_

Name in block letters :           Mrs Fanny LAW          

Post title :           Commissioner, ICAC          

Date :           14 March 2007

Examination of Estimates of Expenditure 2007-08  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC 018**

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

Question Serial No.

1165

Programme : 01 – Corruption Prevention 03 – Preventive Education

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : In light of the rising number of mainland enterprises getting listed in Hong Kong in the past few years, will the financial provision under Programmes (1) and (3) in 2007-08 cater the services tailor-made for such enterprises? If yes, please advise on the details of the services and estimated expenditure. If not, what are the reasons?

Asked by : Hon. Margaret NG

Reply : In respect of Mainland companies listed on the Hong Kong Stock Exchange, the ICAC has proactively sought to reach these companies to provide prevention education services, as for other listed companies in Hong Kong. We make use of various channels, including chambers of commerce, professional bodies and other regulators to provide training to directors and staff of Mainland companies. For example, with the support of the Hong Kong Chinese Enterprises Association, we organised a seminar for about 100 senior management staff of its member companies in 2006. Our aim is to approach all newly listed companies within three months of their listing in Hong Kong.

We will continue to maintain contact with Mainland enterprises listed in Hong Kong in 2007-08 through these channels. On request, the Corruption Prevention Department of ICAC also assists Mainland enterprises in enhancing their internal control systems.

Corruption prevention services for Mainland enterprises listed in Hong Kong form an integral part of our on-going corruption prevention and preventive education programmes. There is no separate budget for this specific target group.

Signature : \_\_\_\_\_  
Name in block letters : Mrs Fanny LAW  
Post title : Commissioner, ICAC  
Date : 14 March 2007

Examination of Estimates of Expenditure 2007-08

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC 019**

Head: 72 – Independent Commission  
Against Corruption

Subhead (No. & title):

Question Serial No.

1166

Programme: 01 – Corruption Prevention  
02 – Operations  
03 – Preventive Education  
04 – Enlisting Support

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : In respect of the financial provision for 2007-08, funding for the recurrent expenditure of the new ICAC Headquarters building are claimed under all four Programmes. Please provide details of the estimates concerned for each Programme and an expenditure comparison between ICAC's new Headquarters building and existing headquarters.

Asked by: Hon. NG Margaret

Reply: Provisions for the recurrent expenditure of the new ICAC Headquarters (HQs) building for 2007-08 under the four Programmes are –

		<u>\$ million</u>
Programme	(1) Corruption Prevention	0.835
	(2) Operations	8.561
	(3) Preventive Education	1.008
	(4) Enlisting Support	<u>1.041</u>
	Total :	11.445

The estimated recurrent expenditure of the new ICAC HQs building is \$24 million, which is about \$8 million higher than that of the existing headquarters. It mainly caters for repair and maintenance of electrical and mechanical facilities as well as electricity charges. As the new building will start to operate in the second half of 2007-08, the additional allocation only constitutes part of the full-year provision. The additional provisions as reflected in the estimate are apportioned in accordance with the operating expenditure pattern of the four Programmes.

At present, most of the ICAC offices are accommodated in government owned premises or joint-user buildings. Over \$13 million of the recurrent expenditure including electricity charges, repair and maintenance charges is being absorbed by the Government. On moving to the single-user new building, the ICAC has to bear all recurrent expenditure.

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 14 March 2007

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**ICAC 020**

Head: 72 – Independent Commission  
Against Corruption

Subhead: 103 – Rewards and  
Special Services

Question Serial No.

1 1 6 7

Programme: 2 – Operations

Controlling Officer: Commissioner, Independent Commission Against Corruption

Director of Bureau: Commissioner, Independent Commission Against Corruption

Question : The Operations Department set up an additional Financial Investigation Section (FIS) in 2006-07. Please provide the establishment, budget and work plan of the Section. Is the section also responsible for investigation of mainland companies listed in Hong Kong?

Asked by: Hon. NG Margaret

Reply : The new posts created for FIS in 2006-07 are –

<u>Rank</u>	<u>Number of posts created</u>
Commission Against Corruption Officer (Upper)	1
Commission Against Corruption Officer (Middle/Lower)	4
Assistant Commission Against Corruption Officer	<u>6</u>
Total	11

Provision for the salary and purchase of office equipment for the new posts was \$2.2 million and 0.3 million respectively.

The duties of FIS include asset tracing, looking into the financial profile and tracking the fund movements of investigation targets and analysing/interpreting the related financial data. During investigation process, officers from FIS also assist investigators in the search and seizure of documents, and in interviewing bankers, accountants, stock brokers and other professionals in the finance industry. Experienced officers with professional qualifications in FIS will give evidence at criminal trials as expert witness. The Section also provides financial investigation training to front line investigators.

When dealing with corruption cases involving listed companies, irrespective whether they are based locally, in the Mainland or elsewhere, the investigation section concerned can seek assistance from FIS.

Signature : \_\_\_\_\_

Name in block letters : Mrs Fanny LAW

Post title : Commissioner, ICAC

Date : 14 March 2007

Examination of Estimates of Expenditure 2007-08  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**ICAC 021**

Question Serial No.

1198

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

Programme : (3) – Prevention Education

Controlling Officer : Commissioner, Independent Commission Against Corruption

Director of Bureau : Commissioner, Independent Commission Against Corruption

Question : The number of business organisations which have used the ICAC's corruption prevention services has seen a downward trend in recent years, reducing from 468 in 2005 to the forecasted 400 in 2007. What are the reasons? The estimate of 2007 also shows a marked decrease in the number of business managerial staff and frontline workers who have received training in corruption prevention and business ethics. What are the reasons? Is the downward adjustment in the number of service targets due to resource constraints?

Asked by : Hon. FANG Kang, Vincent

Reply : The ICAC adjusts its preventive publicity and education strategies and work focuses every year to align with the social demands and corruption trends. Individual preventive programmes conducted for various trades may result in adjustment to the figures concerned in that particular year.

The ICAC launched a two-year Business Ethics Promotion Programme for listed companies in late 2003. The programme was concluded in late 2005 but its major follow-up activities still continued in 2006. As a result, the number of business organisations which had used the ICAC's corruption prevention services was relatively high in 2005 and 2006, being 468 and 454 respectively.

The main thrust of the preventive education programmes for business organisations in 2007 will include a professional ethics programme for real estate agencies and the insurance industry. Furthermore, the ICAC will, together with the Guangdong Provincial People's Procuratorate, produce a new "Legal Guide for Investors in Guangdong and Hong Kong" in 2007 to provide small and medium enterprises engaged in cross-boundary business with practical guidelines on the anti-corruption legislations of the two places, case analysis and preventive recommendations. Through these major programmes, the estimated number of business organisations using ICAC's corruption prevention service will be around 400 and the number of business managerial staff and frontline workers being trained will be around 35,000, similar to that in 2005.

Signature : \_\_\_\_\_

Name in block letters :       Mrs Fanny LAW      

Post title :       Commissioner, ICAC      

Date :       14 March 2007