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25 May 2017

Mr Anthony CHU

Clerk，Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central，Hong Kong

Dear Mr Chu，

# Public Accounts Committee <br> Chapter 2 of the Director of Audit＇s Report No． 68 Monitoring of charitable fund－raising activities 

Thank you for your letters of 17 May 2017 and 18 May 2017．Our response is set out in the ensuing paragraphs．

Lottery licences are issued by the Home Affairs Department（HAD） under section 22 of the Gambling Ordinance（Cap．148），the primary objective of which is to regulate gambling activities．

In respect of the recommendations in the 2013 Law Reform Commission Report on charities，we will work with relevant government departments on possible short－term measures under the coordination of the Home Affairs Bureau with a view to improving the monitoring of charitable fund－raising activities．We will join the inter－departmental meeting planned to be held in June／July 2017 to discuss in more detail the concrete plans to take forward the short－term measures，in particular possible measures of enhancing the provision of information on approved charitable fund－raising activities in the
one-stop finder service on fund-raising activities on the government portal "GovHK" mentioned in paragraph 2.17 of the Audit Report as well as measures proposed under paragraph 2.19(a) of the Audit report on (i) launching large-scale promotional programmes to enhance the awareness and recognition of the best practices for organising charitable fund-raising activities; (ii) stepping up promotion efforts to encourage more charitable organisations to adopt the best practices; (iii) incorporating more guidance on various fund-raising activities in the publication of best practices; and (iv) stepping up or renewing the publicity efforts to raise public awareness of the one-stop finder service. These proposed measures require the joint efforts of all relevant departments to work out common platforms, having regard to legislative and technical considerations, to facilitate the launching of promotional or publicity programmes.

To enhance the transparency and accountability of lottery activities for fund-raising, the names of organisers, dates and locations of lottery activities are promulgated in HAD's departmental website and the government portal "GovHK". In addition, the approved number of tickets to be sold and the ticket price are also promulgated in HAD's website. We are working with the Office of the Government Chief Information Officer to upload the information on approved number of tickets and ticket price onto the "GovHK". In parallel, we are also working with relevant departments on the feasibility of uploading the lottery accounts onto "GovHK".

To raise public awareness of the best practices of charitable fund-raising activities and the one-stop finder service, we are working to provide relevant links and information in HAD's "Reference Guide on Organisation of Lottery Activities" and distribute relevant information in the Office of the Licensing Authority.

As regards "administration costs/expenses" for a lottery event, it is stipulated in HAD's Reference Guide that the costs/expenses refer to the basic administrative outgoings incurred in the conduct of the lottery, such as the purchase of prizes, costs of printing the lottery tickets, publishing the results of the draw in newspapers and audit fee, etc. As pointed out in paragraph 4.3 of Chapter 2 of the Audit Report, licensees are required to keep the administration costs of the lottery event as low as possible, which should not be more than $20 \%$ of the total proceeds received from the sale of lottery tickets.

Yours sincerely,

for Director of Home Affairs
c.c. Secretary for Home Affairs

Director of Social Welfare
Director of Food and Environmental Hygiene
Director of Lands
Secretary for Financial Services and Treasury
Director of Audit

