

**The Legislative Council Public Accounts Committee's  
Public Hearing on Chapter 1 of  
the Director of Audit's Report No. 74 on 16 May 2020**

**Speech by Mr Vincent LIU Ming-kwong, JP,  
Director of Leisure & Cultural Services**

Chairman and Members,

First of all, I would like to thank the Audit Commission for the value for money audit and recommendations on the management of funding for sports development through the Arts and Sport Development Fund (ASDF), shedding light on areas which can be improved. I would also like to thank the Legislative Council Public Accounts Committee for giving us a chance to give an account of the work which the Leisure and Cultural Services Department (LCSD) is involved.

The Home Affairs Bureau (HAB) has all along been providing funding for the sports development in Hong Kong by means of the ASDF to support a variety of sports projects. As one of the executive arms of HAB, LCSD assists in vetting some of the ASDF funding applications according to the guidelines formulated by HAB, including (1) subvention to "national sports associations" (NSAs) to support Hong Kong athletes to prepare for and participate in international competitions; and (2) subvention to NSAs and sports organisations to host international sports events locally to promote the development of sports in Hong Kong. More than 1 700 sports projects were supported by ASDF in the past five years. With rising performance in sports and the public's enthusiasm and attention to sports programmes, it is believed that there will be more opportunities for Hong Kong to host major international sports events in future and for local elite athletes to participate in high-level international competitions. On the other hand, LCSD also serves as the secretariat to the Community Sports Committee (CSC) under the Sports Commission.

LCSD agrees with the recommendations in Parts 2 and 3 of Chapter 1 of the Director of Audit's Report No.74 on the management of ASDF with regards to the vetting of funding applications and monitoring of the implementation of funded programmes. We agree that there is room for improvement in vetting applications from beneficiaries, requiring applicants to report the results of programmes and submit accounts as well as various other areas so as to enhance the effectiveness of governance. To this end, we held a working meeting with HAB immediately upon the

announcement of the Audit Report to review the existing arrangements and put forward improvement proposals for implementation of enhancement measures as early as possible. For instance, NSAs will be required to set performance targets and report their achievements when submitting funding applications. If they fall short of the targets, we will follow up accordingly. Besides, the beneficiaries will be required to provide explanations on significant differences between the approved amount of expenditure and the actual amount of expenditure. Guidelines will also be drawn up to reduce the delay in submission of programme reports and financial statements. We will also review and update the Standing Orders of CSC with HAB. The review has already commenced and some arrangements have taken immediate effect. We look forward to completing the review of the procedures and revising the guidelines as recommended in the Audit Report by the end of June this year.

Thank you.