

NOTE FOR FINANCE COMMITTEE

Creation and Change of Ceilings of Advance Accounts for Executing Payments for Measures under the Anti-epidemic Fund

PURPOSE

Encl. This paper informs Members of the creation and change of ceilings of advance accounts exceeding the limit of \$10 million (at Enclosure) for the purpose of executing payments for measures under the Anti-epidemic Fund (AEF) from April to June 2021.

BACKGROUND

2. On 21 February 2020, the Finance Committee (FC) approved vide FCR(2019-20)46 the creation of a new commitment of \$30 billion for injection into the AEF to (i) enhance capability in combating the novel coronavirus epidemic and (ii) to provide assistance or relief to enterprises and members of the public hard hit by the present epidemic or affected by anti-epidemic measures.

3. On 18 April 2020, FC approved vide FCR(2020-21)2 a further injection of \$120.5 billion into AEF to provide funding for a second round of relief measures. On 28 September 2020, FC further approved vide FCR(2020-21)71 an increase in commitment of \$5.4 billion for injection into AEF to provide funding for a third round of relief measures.

4. On 21 December 2020, FC approved vide FCR(2020-21)77 to inject \$6.4 billion into AEF to provide further relief to businesses and individuals hard hit by the further tightening of social distancing measures in response to the resurgence of pandemic.

/OPERATIONAL

OPERATIONAL FRAMEWORK OF AEF

5. Under the operational framework of AEF, funding schemes are considered and approved by the AEF Steering Committee. Individual bureaux/departments (B/Ds) execute payments for measures under their ambits by charging against advance accounts created for the purpose. The payments will be subsequently reimbursed by AEF and net off the balances in the respective B/Ds' advance accounts.

6. For necessary financial control, separate advance accounts are created for individual initiatives and/or measures, irrespective if they are under the same vote controller.

7. B/Ds are responsible for ensuring the amount to be disbursed and the administrative fees to be paid, if any, are within the budget approved by the AEF Steering Committee and are charged to the appropriate accounts. B/Ds are also required to ensure that proper and sufficient internal controls are in place to support the payment processing functions, which include among others maintaining adequate segregation of duties, performing proper certification and authorisation of payments within the financial limits, conducting independent check or review of transactions and relevant reports, maintaining proper accounting records, and taking prompt follow-up actions on errors and/or irregularities found.

8. In addition, B/Ds are required to maintain clear, accurate and sufficient account and procurement records for funds disbursed and administrative fees incurred in relation to the implementation of measures. When the measures are completed, B/Ds are required for timely clearance of the designated advance accounts.

9. We will continue to take all necessary steps to ensure proper use of public funds and report to FC on a regular basis for advance accounts created for executing payments for measures under AEF.

**Creation of advance accounts exceeding the limit of \$10 million
for the purpose of executing payments for measures under
Anti-epidemic Fund (AEF)
(April to June 2021)**

No.	Bureaux/ Departments (B/Ds) ^{Note 1}	Description of Measures	Financial Ceiling of Advance Accounts (\$ million) ^{Note 2}
The second round of AEF –			
1.	CEDB(CITB)	Job Creation Scheme (Hong Kong Trade Development Council and Competition Commission)	20.70
New measures using contingency funding of AEF –			
1.	CEDB(CCIB)	Financial assistance to the printing and publishing sector	10
2.	DSD	Territory-wide Sewage Surveillance for COVID-19	60.8
3.	EPD		29.2
4.	FEHD	Subsidy for Bars/Pubs, Karaoke Establishments and Nightclubs	250
5.	HAD	Club-house Subsidy Scheme	80
6.	MD	Additional subsidy for pleasure vessels	34
7.	OCSFS	Additional subsidy for party rooms	20.6

/Change

**Change of ceilings of advance accounts exceeding the limit of \$10 million
for the purpose of executing payments for measures under AEF
(April to June 2021)**

No.	B/Ds^{Note 1}	Description of Measures	<u>Original</u> Financial Ceilings of Advance Accounts (\$ million)^{Note 2}	<u>Revised</u> Financial Ceilings of Advance Accounts (\$ million)^{Note 2}
The second round of AEF –				
1.	CEDD	Job Creation Scheme	261.98	268.55
2.	CSB		102.38	677.70
3.	FEHD		211.8	357.8
4.	HyD		250	254
5.	LCSD		274.9	305.63
6.	MD		8.40	10.28
7.	TD		30	41
8.	CEDB(CITB)	Job Creation Scheme (Tourism Commission)	15	16.11
9.	DEVB(WB)	Job Creation Scheme (Engineering, Architectural, Surveying, Town Planning and Landscape Sectors)	253.82	254.60
The third round of AEF –				
1.	FEHD	Promotion of contactless payment in public markets	33.3	87.12
The fourth round of AEF –				
1.	LCSD	One-off grant to registered sports coaches	75	82.5

/New

No.	B/Ds^{Note 1}	Description of Measures	<u>Original</u> Financial Ceilings of Advance Accounts (\$ million)^{Note 2}	<u>Revised</u> Financial Ceilings of Advance Accounts (\$ million)^{Note 2}
New measures using contingency funding of AEF –				
1.	HAD	Procurement of private COVID-19 testing services for frontline property management workers	40	35.95
2.	SWD	Procurement of private COVID-19 testing services for all staff of residential care homes for the elderly, residential care homes for persons with disabilities and nursing homes	102	82.72
3.	TD	Procurement of private COVID-19 testing services for public transport drivers and frontline staff, including taxi drivers	49	36
4.	FHB(HB)	Three-pronged COVID-19 testing strategy	432	989.44

/Notes

Notes –

1 The abbreviations for B/Ds are explained as follows –

Abbreviations	Name of B/Ds
CEDB(CCIB)	Commerce and Economic Development Bureau (Communications and Creative Industries Branch)
CEDB(CITB)	Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)
CSB	Civil Service Bureau
CEDD	Civil Engineering and Development Department
DEVB(WB)	Development Bureau (Works Branch)
DSD	Drainage Services Department
EPD	Environmental Protection Department
FEHD	Food and Environmental Hygiene Department
FHB(HB)	Food and Health Bureau (Health Branch)
HAD	Home Affairs Department
HyD	Highways Department
LCSD	Leisure and Cultural Services Department
MD	Marine Department
OCSFS	Offices of the Chief Secretary for Administration and the Financial Secretary
SWD	Social Welfare Department
TD	Transport Department

2 The financial ceilings of advance accounts in \$ million are rounded to two decimal places.
