

For information

Legislative Council Panel on Security

**2004 Policy Address
Briefing by the Commissioner,
Independent Commission Against Corruption**

Purpose

This note outlines the overall corruption situation and the Commission's policy initiatives for 2004.

Corruption Reports

2. In 2003, the Commission received 4,310 corruption reports, representing a decrease of 1% from 4,371 reports in 2002. The number of reports capable of investigation however increased slightly from 3,245 in 2002 to 3,264. In addition, 711 election-related reports were received. While 179 of the reports alleged bribery, the remaining 532 reports were related to breaches of the Elections (Corrupt and Illegal Conduct) Ordinance, such as providing refreshments and entertainment at elections, publishing false or misleading information about the candidate.

3. Of the 4,310 reports received, complaints against the private sector continued to take up a higher share of 57%, with reports related to government departments and public bodies constituting 36% and 7% respectively.

4. In 2003, a total of 421 persons were prosecuted in 207 cases. The conviction rate for completed prosecution cases has risen from 82% in 2002 to 85%.

Corruption Scene

5. As far as the public sector is concerned, bribery is not a serious problem and we have a relatively clean civil service. The concern is on isolated cases of a serious nature where government or public officers were found abusing their authority for suspected personal gains. These include officers abusing their authority in facilitating the award of contracts to companies under their control or their close relatives or associates, manipulating tender procedures or connivance of substandard work in the day-to-day supervision of contractors. Since 1998,

the ICAC has prosecuted 16 cases of misconduct in public office, of which nine cases resulted in conviction of 11 persons and one case is pending trial.

6. In the private sector, the most corruption-prone areas in terms of number of corruption reports received in 2003 were building management, construction, finance and insurance, manufacturing and transport and related services sectors, with reports concerning building management accounting for 38% of the total. The majority of the reports concerning building management were related to Owners Corporations (OC) and they were in the main about abuse in awarding of contracts and managing OC funds.

7. Overall speaking, the corruption situation has remained steady. Based on information gathered during investigations, we are confident that corruption is under control.

Policy Objective and Targets

8. The Commission's policy objective is to pursue the corrupt through effective detection, investigation and prosecution, eliminate opportunities for corruption by introducing corruption resistant practices, educate the public on the evils of corruption and foster their support in fighting corruption. Our targets this year in pursuing this policy objective remain the same as those set out below –

- to investigate all pursuable corruption complaints
- to seek out unreported corruption
- to make corruption a high risk crime
- to reduce corruption opportunities in public sector practices and procedures
- to enhance private sector corruption prevention measures
- to promote intolerance of corruption in the community
- to maintain community confidence in and support for the ICAC

Initiatives for 2004

9. On the operations front, our major initiatives will include –

- (a) conducting a full review of our standing orders and guidelines with a view to enhancing supervision and the quality of investigations;
- (b) reviewing existing legislation and practices to ensure that they are in compliance with the requirements set out in the Asian Development Bank Organisation for Economic Co-operation and Development Anti-Corruption Action Plan and the United Nations Convention Against Corruption; and
- (c) seeking to identify new strategies and computer techniques to support and strengthen our corruption investigation.

10. On the corruption prevention front, our major initiatives will include –

- (a) organising subject-specific corruption prevention workshops for front-line staff working in government departments and public bodies;
- (b) drawing up more Best Practice Modules to assist government departments and public bodies in implementing corruption resistant procedures, thereby ensuring that the corruption prevention messages reach more officers;
- (c) conducting detailed reviews of the procedures of individual government departments involved in public procurement and implementation of public works, including the production of two training videos to highlight the common pitfalls in these two areas and to promote best practices; and
- (d) assisting subvented educational bodies and welfare agencies to put in place corruption resistant procedures.

11. On the community education front, our major initiatives will include –

- (a) fostering the commitment of the senior management of 1,000 listed companies in practising good corporate governance under a two-year Business Ethics Promotion Programme;
- (b) production of a package on corruption prevention and managing staff integrity for small and medium enterprises engaged in cross-boundary business and trade;

- (c) intensifying the provision of corruption prevention services to Owners Corporations, including the production of a guide on contract management; and
- (d) assisting candidates standing for election and their agents as well as the voting public in understanding the anti-corruption law and promoting “Clean Elections” messages through a series of publicity programmes in the run-up to and during the LegCo elections.

Independent Commission Against Corruption
January 2004