

**廉政公署****INDEPENDENT COMMISSION AGAINST CORRUPTION**

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電郵 Email: [pio@ard.icac.org.hk](mailto:pio@ard.icac.org.hk)網址 Website: <http://www.icac.org.hk>**November 27, 2013****Remarks by ICAC Commissioner Simon Peh Yun-lu at meet-the-press session**

It is my pleasure to note the Legislative Council's Public Accounts Committee (PAC)'s recognition of ICAC's contribution in the last 40 years in making Hong Kong a world-renowned corruption-free society. In the past few months, the PAC had conducted eight public hearings on the Report No.60 of the Director of Audit, pertaining to "preventive education and enlisting public support against corruption". In the course of the hearing, the ICAC had rendered full assistance to facilitate the PAC's work under the circumstances that it did not affect the relevant criminal investigation. We have furnished detailed information to the PAC and attended the hearings to answer questions raised by legislators.

In fact, regarding the regulatory systems and procedures for handling official entertainment, gifts and duty visits, both the Director of Audit and the Independent Review Committee subsequently appointed by the Government pointed out in their reports inadequacies in the ICAC's systems and procedures and offered valuable recommendations. The Commission had not only accepted all the recommendations in both reports, but also fully implemented such recommendations through a number of improvement and rectification measures. Not long ago, I have told the media that the ICAC had set up an "Internal Audit Unit" (IAU) to further strengthen internal

control and enhance governance. To further enhance accountability, a mechanism to report to the Advisory Committee on Corruption (ACOC) details of official gifts presented by the Commission and entertainment expenses exceeding the spending limits has been established.

The PAC has today released its 80-page Report. As regards PAC's comments on Mr Timothy Tong Hin-ming, I would refrain from giving any comments. As far as the Commission, especially the Community Relations Department (CRD) and the Administration Branch, are concerned, we will go through the PAC Report in detail to study the reasons behind PAC's criticisms and its views and comments. If any new inadequacies are identified, prompt actions will be taken to rectify the shortcomings. However, I must emphasise that over the years, the CRD has made significant contribution in educating the public against the evils of corruption and enlisting public support in combating corruption. Since ICAC's inception, CRD officers remain fully dedicated to carrying out their duties, and collaborated closely with their counterparts from other departments in the Commission to fight corruption through a three-pronged approach, earning recognition and support from the community. Nowadays, Hong Kong enjoys international acclaim as a society with a probity culture.

Throughout the years, the public has showed a high degree of trust and support for the ICAC while holding very high expectations about the integrity of its staff. Hence, in the past few months, media coverage alleging some practices adopted by the former Commissioner and inadequacies of the Commission had aroused immense public concern.

The ICAC remains humble and receptive to criticisms from society and demonstrates strong determination to strive for improvements. Through continued hard work in the past few months, good governance has been restored in the Commission. I have every confidence that all ICAC staff will continue to conduct themselves with self-discipline, maintain a high standard of integrity and vigorously uphold the probity of Hong Kong. I sincerely hope that the community will continue to support ICAC's anti-corruption work.

**Annex: Improvement measures adopted by the ICAC after the release of Director of Audit's Report (As at November 2013)**

**1. Strengthening internal controls**

- Following the release of the Director of Audit's report, the ICAC has conducted a thorough review on the guidelines of official entertainment, gifts and duty visits, reinforced the ICAC's Commission Standing Order (CSO) and issued new guidelines so as to eliminate ambiguities and remind staff of strict compliance with the CSO and relevant guidelines.

**Duty visits**

- Duty visits are approved only that they are absolutely necessary in the discharge of the officers' duties or prominently conducive to the missions and function of the Commission;
- The duration of the trip should be as short as possible covering only the part of the programmes pertaining to the official purposes of that visit. The number of officers joining the trip should be kept to the minimum and should avoid participating in any tour programmes arranged by the hosting organisation.

**Entertainment**

- The ceilings of entertainment per head are \$350 for lunch and \$450 for dinner. Commissioner's approval must be sought if the expenditure exceeds the ceiling rate;
- Only guests and ICAC officers directly related to the context of the official business should be considered for invitation

for/participation in entertainment. The expenditure, inclusive of food, beverages and tips, are charged to the total expenditure of same entertainment occasion and accounting vote;

- All official entertainments hosted by Heads of Department should be approved by Commissioner. For proper checks and balances, Head of Operations will endorse official entertainments hosted by Commissioner; whereas Assistant Director/Administration will check compliance of those attended by both Commissioner and Head of Operations;
- A standard form should be used for reimbursement of entertainment expenses;
- The Commission is now trial testing a computerised electronic form for processing applications of entertainment expenses, which is expected to be rolled out by the end of this year.

#### Gifts/souvenirs

- ICAC officers should avoid as far as possible exchanging gifts/souvenirs with other organisations. Where the exchange of gifts/souvenirs is unavoidable, officers should only present one standard souvenir inscribed with the ICAC logo to the organisation concerned. No gift/souvenirs should be given on a personal basis.

### Briefings

- The ICAC has arranged five internal briefing sessions for subject officers who are responsible for administrative duties on prevailing administrative requirements to ensure their comprehensive understanding of the CSO provisions and guidelines. More briefings will be arranged.

### Review on ICAC's CSO

- The ICAC will appoint an officer dedicated to the task of conducting a comprehensive review on all the provisions in the ICAC's CSO and studying the guidelines in all aspects with a view to seeking further improvements.

## **2. Establishment of Internal Audit Unit (IAU)**

- The ICAC has set up an IAU under the Corruption Prevention Department comprising a chief corruption prevention officer and a senior corruption prevention officer who both possess professional qualifications in accountancy. The Unit is responsible for conducting the internal audits of the Commission (other than the Operations Department which will continue to follow its long established internal audit system), examining expenses to ensure compliance with government regulations and ICAC's internal regulations and strengthening internal monitoring. The IAU reports directly to the Commissioner.

**3. Report to the Advisory Committee on Corruption (ACOC)**

- The Commission reports to the ACOC on details of gifts/souvenirs which are presented for official purposes, and details of official entertainment which exceeds the spending limits.

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