

Miscellaneous

**Information provided by ICAC to the Public Accounts Committee
relating to Mr Timothy TONG's duty visits, entertainment,
and bestowing and receipt of gifts during his tenure as
ICAC Commissioner**

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(as at 22 November 2013)

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This table of contents is prepared by the Legislative Council Secretariat

^{*} Report of the Independent Review Committee on ICAC's Regulatory Systems and Procedures for handling Official Entertainment, Gifts and Duty Visits

1. Breakdown of General Departmental Expenses (GDE)

	2003-04	2004-05	2005-06	2006-07	2007-08
General Departmental Expenses					
CPD	579,742	483,733	561,157	484,989	578,259
CRD	3,147,518	3,121,901	2,616,251	2,672,208	3,366,438
OPS	16,933,842	20,906,242	20,466,870	19,970,842	20,520,746
ADM	423,350	425,378	518,393	681,027	618,830
Sub-total, GDE Allocated to Departments and Admin. Branch	21,084,452	24,937,254	24,162,671	23,809,066	25,084,272
Common Services					
(a) Duty Visits outside Hong Kong					
Common Services				1,327,210	1,020,643
OPS				396,754	768,801
CRD				92,569	60,393
CPD				46,457	35,987
ADM					
Sub-total, Duty Visits outside Hong Kong	653,639	857,751	994,797	1,862,990	1,885,824
(b) Official Entertainment					
Common Services				256,379	427,534
OPS				114,422	103,099
CRD				98,750	88,476
CPD				12,646	9,413
ADM					
Sub-total, Official Entertainment	163,988	297,549	341,479	482,197	628,522
(c) Stores and Equipment	30,776,924#	22,430,556#	14,663,643#	3,364,388	2,697,833
(d) Light & Power				3,327,866	17,365,075
(e) Training Expenses				3,858,605	4,835,696
(f) Administration				1,263,896	1,538,680
(g) Contract Maintenance				1,429,317	614,316
(h) Others hire of services such as guarding, cleaning, employment of temporary staff, EMSTF services, recruitment expenses, etc.				24,962,623	10,543,905
(i) One-off provision -		16,048,115	19,607,615		
- New HQs Building				8,563,004	17,273,830
- OPS				9,549,349	1,703,198
- CRD				964,706	1,481,823
- CPD				246,103	110,000
- Common Services				1,207,740	
Sub-total, Common Services	31,594,551	39,633,971	35,607,534	61,082,783	60,678,702
Total, General Departmental Expenses	52,679,003	64,571,225	59,770,205	84,891,849	85,762,974

Further breakdown for items (c) to (h) from 2003 to 2006 was not available.

- Remarks: There is an increasing trend for GDE (Common Services) expenditure from 2006-07 onwards. The reason is mainly due to increased procurement of goods and service in preparation for the new ICAC Headquarters Building to be operated in late 2007. Since moving into the new Building in late 2007, the annual electricity charges for the new Building is around \$15M. Also, the ICAC is required to pay a Service Level Agreement fee to the Electrical and Mechanical Services Trading Fund (EMSTF) at an estimated amount of \$11M each year for provision of maintenance and repair of various electrical and mechanical systems, equipment and devices in the ICAC Building. Furthermore, inflation has been significant in recent years which will push up our GDE expenditure. The cumulative increase for Composite Consumer Price Index is 22% from 2005 to 2012.

Supplementary Information to Item (j) Annex 10

	2008-09	2009-10	2010-11	2011-12	2012-13
General Departmental Expenses					
CPD	319,077	404,168	623,275	1,269,039	747,406
CRD	3,002,866	3,865,485	4,256,910	3,593,423	3,781,973
OPS	23,849,964	30,075,908	30,352,126	30,037,549	31,318,133
ADM	964,113	646,409	674,892	614,250	2,483,671
Sub-total, GDE Allocated to Departments and Admin. Branch	28,136,021	34,991,970	35,907,203	35,514,261	38,331,184
Common Services					
(a) Duty Visits outside Hong Kong					
Common Services	1,020,885	1,048,064	1,051,120	1,604,801	671,839
OPS	776,170	543,216	701,137	509,475	656,599
CRD	56,470	29,182	160,225	58,270	98,644
CPD	12,706	5,784	27,379	9,327	254,828
ADM			4,932	618	-
Sub-total, Duty Visits outside Hong Kong	1,866,231	1,626,247	1,944,792	2,182,491	1,681,910
(b) Official Entertainment					
Common Services	247,315	429,267	430,357	281,137	334,920
OPS	80,884	54,091	89,470	68,982	43,002
CRD	94,572	115,434	156,949	86,588	72,741
CPD	2,650	2,150	5,697	11,180	-
ADM			1,423	-	-
Sub-total, Official Entertainment	425,421	600,943	683,896	447,888	450,663
(c) Stores and Equipment	3,816,796	3,631,615	2,945,044	4,225,368	2,853,182
(d) Light & Power	18,635,686	16,541,555	16,015,858	17,161,159	18,564,463
(e) Training Expenses	4,965,104	4,462,806	7,049,413	6,955,567	4,907,957
(f) Administration, including telephone rentals	1,737,653	1,587,715	1,409,432	1,146,760	807,477
(g) Contract Maintenance	1,760,546	1,702,886	2,251,577	1,833,397	1,502,710
(h) Others such as cleaning, hire of services, recruitment expenses, EMSTF services etc.	23,335,953	26,100,095	27,170,566	26,370,843	27,107,853
(i) One-off provision -					
- New HQs Building	271,267				
- OPS	6,643,593				
- CRD	1,593,176				
- CPD					
- Common Services					
Sub-total, Common Services	65,051,424	56,253,862	59,470,579	60,323,472	57,876,215
Total, General Departmental Expenses	93,187,445	91,245,832	95,377,781	95,837,733	96,207,399

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Supplementary Information to Item (j) Annex 10

2. Breakdown of Expenditure on Publicity

(CONFIDENTIAL) Breakdown of Expenditure on Publicity

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
PUBLICITY										
AUDIO VISUAL PROGRAMME / ADVERTISING	2,816,958	2,569,277	1,372,896	3,138,950	3,386,538	6,157,623	4,560,689	4,994,982	6,419,822	6,670,525
BUSINESS SECTOR	638,439	463,157	664,358	621,743	788,072	318,604	342,998	89,588	169,249	1,760,290
ETHICS DEVELOPMENT CENTRE	37,794	128,742	4,340	129,108	783,678	590,200	135,243	127,027	76,839	218,363
DISTRICT ORGANIZATIONS	914,063	1,979,124	1,259,097	960,485	879,824	688,373	1,444,546	648,728	1,186,423	2,554,438
BUILDING MANAGEMENT	-	-	189,953	164,151	255,498	824,396	1,068,651	764,800	2,632	9,872
PUBLIC SECTOR	116,,248	114,046	1,107,363	420,966	224,823	9,496	35,520	57,496	878,869	27,630
YOUTH AND MORAL EDUCATION	1,134,263	983,457	1,797,586	1,888,948	1,226,579	1,842,774	5,127,819	4,564,593	2,941,369	2,637,423
MAINLAND LIAISON	7,900	9,990	8,826	40,222	40,070	9,970	71,087	12,530	5,750	3,400
REPORT CORRUPTION	-	-	-	27,280	-	28,725	-	-	-	-
PRESS	-	-	-	-	32,335	-	5,000	449,875	1,000	4,000
NEW ARRIVALS	142,083	160,310	458,874	110,880	9,256	6,900	4,849	5,983	5,918	7,934
INTERNATIONAL API COMPETITION	-	-	-	-	-	-	-	-	1,738,840	-
DESIGN SERVICES	-	-	-	-	-	-	-	254,770	248,995	249,965
ELECTIONS	84,520	25,024	84,023	37,472	219,412	33,453	164,330	234,926	2,652,528	1,839,842
ICAC CLUB	131,940	163,704	146,409	151,859	258,142	596,790	173,392	163,791	146,068	356,124
ONE-OFF REQUIREMENT	1,709,937	-	2,116,478	3,150,612	673,242	4,730,210	234,332	-	-	-
HEADQUARTERS PROJECT	-	-	-	-	2,482,557	-	-	-	-	-
OTHERS	1,975,264	1,496,027	1,069,255	457,801	616,020	647,310	1,068,296	1,524,528	619,723	105,100
TOTAL	9,709,409	8,092,858	10,279,458	11,300,477	11,876,046	16,484,824	14,436,752	13,893,617	17,094,025	16,444,906

Remarks : All Publicity Expenditure is under CRD

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Item (I): The relevant ICAC's Commission Standing Orders on expenditure control on official entertainment and publicity, including giving and receiving of gifts, and the control mechanism to ensure compliance

The following sections of the Commission Standing Orders (Part I) currently in force are relevant:

- (a) Section 03, Chapter 09 about acceptance of advantages (Pages 2-16 below);
- (b) Section 01, Chapter 25 about finance policies and regulations (Pages 17-18 below); and
- (c) Section 04, Chapter 25 about official entertainment expenses (Pages 19-20 below).

2. A summary of major amendments made between 2003-04 and 2012-13 is provided on Pages 21 and 22 below.

Section 03, Chapter 09, Commission Standing Orders (Part I)

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Commission Standing Orders (Part I)		
Chapter : 09	Title : Conduct and Discipline	Internal Reference : 09-03
Section : 03	Heading : Acceptance of Advantages	Version Date : 30/06/2010

Definition of 'advantage'

1. 'Advantage' is defined in section 2 of the Prevention of Bribery Ordinance (POBO) (Cap. 201) to mean almost anything which is of value, except entertainment which will be covered under CSO (I) 09-04. Common examples include any gift (both of money and in kind), loan, fee, reward, commission, sponsorship, office, employment, contract, service, favour, etc.

2. It may constitute an offence under section 3 of the POBO (Cap. 201) if an officer solicits or accepts any advantage not in accordance with the general or special permission given under the Acceptance of Advantages Notice (AAN).

Restricted advantages

3. The AAN lists the advantages that a government officer may solicit or accept without committing an offence under section 3 of the POBO (Cap. 201). Under this Notice, the Chief Executive has given general permission to an officer to solicit or accept advantages without restrictions (including favours and loans of objects) except for four types specified as 'restricted advantages' which may only be solicited or accepted under certain circumstances having regard to the relationship with the offeror, the occasion the advantage is offered and the value of the advantage. The 'restricted advantages' under the AAN are —

- (a) gifts (both of money and in kind);
- (b) discounts;

Section 03, Chapter 09, Commission Standing Orders (Part I)

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- (c) loans of money; and
- (d) air, sea and overland passages.

4. An officer should read **Annex 9-A2** 'Circumstances for Accepting Restricted Advantages' to familiarise himself with the limited circumstances under which general permission is given under the AAN for him to solicit or accept any 'restricted advantage'. In case of doubt, he should seek clarification from his supervising officer at the SCACO level or above.

Special permission

5. In circumstances not covered by the general permission under the AAN, an officer should apply to his Head of Department for special permission (using the sample form at **Annex 9-A3** 'Application for Special Permission to Accept Restricted Advantages' prior to or as soon as reasonably possible after accepting any 'restricted advantage' in accordance with paragraphs 8 and 9 of the AAN.

Conflict of interest

6. An officer may be prosecuted for an offence if he solicits or accepts any advantage (even one otherwise permitted under the AAN) if the solicitation or acceptance relates to his official duties or the business or affairs of the Commission in circumstances prohibited by section 4 or section 9 of the POBO (Cap. 201). If an officer misuses his public office to further his private interests, he may also be prosecuted for the common law offence of misconduct in public office. If the Department of Justice considers that the circumstances of such conduct do not warrant prosecution, either under the POBO (Cap. 201) or the common law, the officer may nevertheless be liable to disciplinary action. (See also CSO (I) 09-05.)

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Acceptance of advantages presented in one's official capacity

7. An officer is discouraged from accepting advantages presented to him in his official capacity.

Acceptance of gifts

8. The policy of the Commission is to limit to the minimum the exchange of gifts on official occasions. Where an exchange of gifts is unavoidable on a particular occasion, the exchange should be made from organisation to organisation. Although it may be difficult formally to ask visitors not to offer any gift, it would be desirable to disclose the Commission's policy on this matter to other organisations wherever possible in advance. Where gifts are presented to an officer in his official capacity, including prizes won through free lucky draws or free raffle tickets during official functions, they are to be regarded as gifts to the Commission, which the officer receives on its behalf. Where it can be done without causing offence or embarrassment, the gift should be returned to the donor with a carefully worded explanation that Commission policy restricts the acceptance of gifts and a polite word of gratitude for the thought behind the gifts. A gift should only be accepted in circumstances where it is considered that its acceptance cannot be declined. Special attention should be paid to avoid conflict of interest and other situations which may constitute an offence under section 4 of the POBO (Cap. 201).

Report of acceptance of gifts

9. As soon as possible after gifts are presented and accepted, an officer should make a report to his Head of Department in the format shown in **Annex 9-A4** 'Report on Acceptance of Gift Presented to an Officer in His Official Capacity'. Staff are not required to seek permission for accepting gifts which are

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of no commercial or resale value, e.g. plaques, banners, pennants, printed calendars, laisee envelopes, which are marked with inscriptions and names of organisations. However, they are required to make reports to their supervisors at SCACO level or above who will decide on how these gifts should be disposed of. Where an officer wishes to retain the gift personally, he should seek prior approval from his Head of Department or the designated directorate officer.

Guidelines for disposal of official gifts

10. The Commission's guidelines for the disposal of official gifts are set out at **Annex 9-A5** 'Guidelines for the Disposal of Gifts Presented to an Officer in his Official Capacity'. Directorate officers wishing to retain gifts received on official occasions must seek permission from the Commissioner.

11. If an officer has any doubt about the disposal of gifts he has received on an official occasion, he should consult his Head of Department.

Acceptance of honorarium

12. Notwithstanding Civil Service Regulation 550(j), ICAC officers are not allowed to receive honorarium for talks delivered on behalf of the Commission. Should it be considered offensive or difficult to reject a fee, the officer should make a report to the AD/A who will arrange for the fee to be paid to the General Revenue via the Treasury.

Flight awards from duty travel, overseas posting and training

13. Air passages for duty travel, overseas posting and training are normally booked through the Supplies Office of the Administration Branch. Any mileage awards will be credited to the Commission's corporate accounts, if applicable.

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14. Where the airline offers awards to personal accounts only, an officer may claim and accept the flight awards (see also paragraph 16). However, the first call on the use of such awards must be for official purposes. This may include upgrading of passages or providing a passage for a spouse to travel with the officer where there is justification but where normal rules or funding would not permit public funds to be used.

15. If an award is not expected to be used for subsequent official travel before the expiry date of the award, prior approval must be sought from AD/A in the case of a non-directorate or Commissioner for a directorate officer via S/MA2 who will check among other things, whether the award has been duly reported and whether it is expected to be used for official purposes before its expiry date.

16. The Commission does not oblige officers on duty travel to claim flight awards from such passages. However, if and when such awards are claimed and credited to an officer's personal mileage account, the officer should report the awards to his Head of Department and S/MA2 using the forms, 'Statement of Account for Overseas Duty for *Investigation/Non-investigation Purpose' or 'Statement of Account for Training Outside Hong Kong' to facilitate planning for the possible use of the awards for subsequent official travel. The officer must report to his Head of Department should there be a conflict of interest between the acceptance of the travel award and the officer's official duties.

Flight awards from other government passages

17. Officers may accept flight awards earned from other government passages, including leave and leave-cum-duty passages. General permission has already been given under paragraph 4 of the AAN for them to accept such awards. Approval is also given under Civil Service Bureau Circular No. 4/2007 for officers

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to accept flight awards earned from government passages mentioned in paragraph 13 above, subject to the conditions stipulated in paragraphs 13 to 16 above.

18. An officer should report to his Head of Department if there is a conflict of interest between the acceptance of the flight award and his official duties.

Courier passages

19. All officers are **NOT** allowed to undertake courier duties and to accept the free or discounted passages offered.

Acceptance of free service

20. Although free service is regarded as an 'unrestricted advantage' under the AAN for the purpose of section 3 of the POBO (Cap. 201), an officer should ensure that he has no official dealings with the service providers before accepting the service so that he will not be obligated to arbitrarily favour the service providers in their official dealings with the Commission. In case of doubt, an officer should consult his supervisor.

21. If an official relationship between the officer and the service provider arises after acceptance of the service, the officer should report the acceptance to his Head of Department so as to avoid a perceived conflict of interest.

Annex 9-A2, Chapter 09, Commission Standing Orders (Part I)
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Annex 9-A2

Circumstances for Accepting Restricted Advantages

Gifts / Discounts / Passages

Status of Offeror	Relations*	Close Personal Friends	Other Persons	Tradesmen/ Commercial Establishments/ Associations
Restriction: Limit of Monetary Value	may solicit or accept any gift/ discount/ passage of any value	may only accept a gift/passage of a value not exceeding HK\$3,000 (on special occasion, e.g. birthday, retirement and wedding) and HK\$500 (on any other occasion)	may only accept a gift/passage of a value not exceeding HK\$1,500 (on special occasion)	may solicit or accept any gift/discount/ passage of any value
Other Conditions	<ul style="list-style-type: none">no other condition	<ul style="list-style-type: none">offeror not a subordinate of the government officer concernedofferor has no official dealings with the department in which the government officer worksadvantage offered to the government officer in his private capacity		<ul style="list-style-type: none">the offer is equally available to other personsofferor has no official dealings with the government officer concernedadvantage offered to the government officer in his private capacity

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Annex 9-A2 (cont.)

Loans of Money

Status of Offeror or Lender	Relations*	Close Personal Friends	Other Persons	Tradesmen/ Commercial Establishments/ Associations
Restriction: Limit of Loans	no limit	maximum HK\$3,000 per person per occasion	maximum HK\$1,500 per person per occasion	no limit
Other Conditions	<ul style="list-style-type: none"> no other condition 	<ul style="list-style-type: none"> repaid within 30 days lender not a subordinate of the government officer concerned lender has no official dealings with the department in which the government officer works 	<ul style="list-style-type: none"> loan conditions offered similar to other persons in the course of normal business of the lender lender has no official dealings with the government officer concerned loan offered to the government officer in his private capacity 	

*** "Relations" means :**

- | | |
|---|---|
| – spouse (including a concubine) | – child's spouse |
| – any person with whom the government officer is living in a regular union as if man and wife | – brother, sister |
| – fiancé, fiancée | – spouse's brother, spouse's sister |
| – parent, step-parent, lawful guardian | – half-brother, half-sister |
| – spouse's parent, spouse's step-parent, spouse's lawful guardian | – step-brother, step-sister |
| – grandparent, great-grandparent | – brother's spouse, sister's spouse |
| – child, ward of court | – brother's child, sister's child |
| – spouse's child, spouse's ward of court | – parent's brother, parent's sister |
| – grandchild | – parent's brother's spouse, parent's sister's spouse |
| | – parent's brother's child, parent's sister's child |

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Annex 9-A3, Chapter 09, Commission Standing Orders (Part I)

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Annex 9-A3

SAMPLE

To : _____ (*Recommending Officer*)
via _____

Application for Special Permission to Accept Restricted Advantages

(*Note : Please read CSO Chapter 9 for reference.*)

Part I (To be completed by applicant)

I wish to apply for special permission to solicit and / or accept in my private capacity restricted advantage(s) under AAN 2010 as detailed below –

Description of the advantage(s) and its(their) estimated value(s) :

<i>Type of advantage</i>	<i>Description</i>	<i>Estimated cost (HK\$)</i>	<i>Occasion</i>

Relationship between the offeror and me –

☐ Close personal friend

The offeror * is/is not my subordinate.

☐ Other person

The offeror * is/is not my subordinate.

☐ Tradesman / company name : _____)

The advantage(s) *is(are)/is(are) not equally available on equal terms to persons who are not government officers.

The reason(s) for accepting the above advantage(s) is/are as follows –

☐ I *have/have no official dealings with the offeror. (Please specify the official dealings with the offeror if any.) _____

☐ The advantage is also available on equal terms to member of the public.

☐ I have close relationship with the offeror (please specify _____)

☐ Additional information (*if any*) : _____

Name of applicant : _____

Rank/Post : _____

Signature of applicant : _____

Date : _____

Note

* Please delete whichever is inapplicable.

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Annex 9-A3, Chapter 09, Commission Standing Orders (Part I)

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Part II (To be completed by Recommending Officer)

To : _____ (*Authorizing Officer*)

I confirm that the applicant *has/has no official dealings with the offeror and the offeror
*is/is not the subordinate of the applicant.

I *support/do not support the application.

Recommending Officer
()
Date / /

Part III (To be completed by the officer with approving authority)

To : _____ (*Recommending Officer*)

This application *is / is not approved. Please notify the applicant of my decision.

Authorizing Officer
()
Date / /

Part IV (To be completed by the officer who will take action)

To : _____ (*DAO*)

Please take follow-up action.

Recommending Officer
()
Date / /

Note

* Please delete whichever is inapplicable.

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Note :

- (1) The information provided will be used for the processing of application for acceptance of restricted advantage(s) and other related purposes. It may be disclosed to government bureaux/departments and other organizations for the purposes mentioned.
- (2) The provision of personal data in this form is voluntary. However, we may not be able to process the application if sufficient information is not provided.
- (3) Applicant has the right to request access to or correction of personal data provided on this form in accordance with the provisions of the Personal Data (Privacy) Ordinance. Such requests should be made by letter or on the Data Access Request Form and sent to the Departmental Data Protection Officer for processing.
- (4) Applicant should read and understand CSB Circular No. 3/2007 before completing Part I.
- (5) Please delete if not applicable.
- (6) Please tick the appropriate box(es) ☐.

Annex 9-A4, Chapter 09, Commission Standing Orders (Part I)

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Annex 9-A4

SAMPLE

To : _____
(At least in the rank of SCACO. Directorate officer is required if personal retention is recommended.)

**Report on Acceptance of
Gift Presented to an Officer in his Official Capacity**

Part I : (To be completed by the recipient)

I wish to report the following gift(s) which was (were) presented to me in my official capacity during my attendance at the event/training or on other occasion specified below –

Brief description of the occasion on which the gift(s) was (were) presented with date :

Details of gift(s) presented :

	Gift	Estimated value (\$)	Offeror
(a)	_____	_____	_____
(b)	_____	_____	_____
(c)	_____	_____	_____
(d)	_____	_____	_____
(e)	_____	_____	_____

Additional information (if any) :

Name : _____

Rank/Post : _____

Signature : _____

Date : _____

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Part II (To be completed by the designated officer dealing with disposal of gifts)

To : XX

I recommend that approval be given for *all of the gifts/gift(s) of item no. _____ to be disposed of in the following way(s) :

- ☐ Gift item(s) _____ to be retained by the recipient.
- ☐ Gift item(s) _____ to be shared among the *recipient's office
or _____.
- ☐ Gift item(s) _____ to be donated to the department as lucky draw prize.
- ☐ Gift item(s) _____ to be displayed in the *recipient's office
or _____.
- ☐ Gift item(s) _____ to be donated to an outside organization.
(name : _____)
- ☐ Gift item(s) _____ to be sent to the Treasury.

(Date / /)

Part III (To be completed by the officer with approving authority)

To : XX

This recommendation *is / is not approved. Please notify the recipient of my decision.

(Date / /)

Part IV (To be completed by the officer who will take action)

To : XX

Please take follow-up action.

(Date / /)

Note

* Please delete whichever is inapplicable.

Annex 9-A5, Chapter 09, Commission Standing Orders (Part I)

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Commission Standing Orders (Part I)		
Chapter : 09	Title : Conduct and Discipline	Internal Reference : 09-A5
Section : A5	Heading : Annex 5 - Guidelines for the Disposal of Gifts Presented to an Officer in his Official Capacity	Version Date : 20/07/2010

Annex 9-A5

Guidelines for the disposal of gifts presented to an officer in his official capacity

1. If the gift is of perishable food or drink, it should be shared among the office or section where the recipient works.
2. If the gift is a useful item, it should be sent to a charitable organisation, or if of historical or other interest, it should be sent to the Commission's or department's information centre, to a school, library or museum.
3. If the gift is suitable for display (e.g. a painting, vase, etc.) or suitable for retention as a souvenir in the office, it may be retained in the office of the officer to whom it was presented or elsewhere in the department. Such items should be included in the departmental inventory record.
4. If the gift is a small sum of cash given to all those attending a social function (e.g. laisee at Lunar New Year), it should be sent to the Treasury.
5. If the gift is of low value (not exceeding \$500) and is a personal item (e.g. necktie or scarf) or is personally inscribed to a particular officer (e.g. a salver), the gift may be given back to the officer to whom it was presented for his personal retention.

Annex 9-A5, Chapter 09, Commission Standing Orders (Part I)
(Page 2)

6. If the gift is of low value (not exceeding \$500) and none of the above methods of disposal is appropriate, it may be donated to the Commission's social function as lucky draw prize.

Section 01, Chapter 25, Commission Standing Orders (Part I)

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Commission Standing Orders (Part I)

Chapter : 25

Title : Finance

Internal Reference : 25-01

Section : 01

Heading : General

Version Date : 30/03/2012

1. Government policies and regulations governing the management and control of “public finance” are stated in the following documents –

Public Finance Ordinance (Cap. 2) (PFO);
Financial and Accounting Regulations (F&ARs);
Standing Accounting Instructions;
Financial Circulars (FCs);
Financial Services and the Treasury Bureau (FSTB) Circular

Memoranda;

Accounting Circulars;
Confidential Accounting Circulars; and
Treasury Circular Memoranda.

2. Finance Office and Departmental Administration Officers have copies of these documents. Save the confidential circulars, electronic forms of these documents are available on the Central Cyber Government Office.

3. All Commission officers must observe the rules and regulations governing the management and control of public finance. It is also the responsibility of all officers to exercise due care and strict economy in the expenditure of public moneys.

4. Under F&AR 125, an officer may be liable to be surcharged in the following circumstances as laid down in section 32 of the PFO –

- “(a) has failed to collect any moneys owing to the Government for the collection of which he is or was at the time of such employment responsible;
- (b) is or was at the time of such employment responsible for any improper payment of public moneys or for any payment of public moneys which is not duly vouched;
- (c) has improperly incurred expenditure at the time of such employment;
- (d) is or was at the time of such employment responsible for any deficiency in or loss or destruction of or damage to any public moneys, stamps, securities, stores or other Government property;

Section 01, Chapter 25, Commission Standing Orders (Part I)

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or

- (e) is or was at the time of such employment responsible for any loss or destruction of or damage to any property as a result of which the Government is liable for the cost of replacement or repair or for the payment of compensation.”

The procedures for instituting surcharge proceedings are laid down in FC No 10/2004.

5. Under F&AR 435, no charge will be made for services rendered by one department to another except where special approval has been given by FSTB. Furthermore, F&AR 430 states that unless clearly provided for in the relevant legislations, fees may not be collected by one department from another. Officers are advised that if they authorise payment to be made contrary to these two regulations, the payment will be disallowed and they may be held personally responsible for the expenditure. The provisions under F&ARs 430 and 435 do not apply to Trading Fund departments such as Electrical and Mechanical Services Department, Post Office, and Office of the Telecommunications Authority, where payments must be made for the services received.

Section 04, Chapter 25, Commission Standing Orders (Part I)

(Page 1)

Commission Standing Orders (Part I)

Chapter : 25

Title : Finance

Internal Reference : 25-04

Section : 04

Heading : Entertainment Expenses

Version Date : 30/03/2012

1. An officer may be reimbursed expenses incurred for provision of official entertainment which has been approved by C (for Commission-wide, Administration Branch and Corruption Prevention Department functions), H/Ops (for Operations Department functions) and DCR (for Community Relations Department functions). Officers should seek approval **in advance** before the expenses are incurred. Officers should also observe the relevant guidelines on the rate of entertainment expenses as may be issued by the Administration from time to time. Unless C has approved otherwise, the expenditure per head, inclusive of food, beverages and tips, is currently subject to the following ceiling –

- (a) Operational liaison lunch : \$150
- (b) Lunch : \$350
- (c) Dinner : \$450

2. Expenditure may be charged to the entertainment vote when it is –

- (a) directly related to the discharge of an officer's duties or a necessary part of making or maintaining contacts in his official capacity; and
- (b) in the public interest.

3. Except for the following two occasions, official entertainment must be for non-government personnel -

- (a) entertaining representatives of staff associations; or
- (b) expressing appreciation to staff for exceptional achievements, significantly beyond the normal call of duty.

4. Expenditure arising from the presence of other Government officers and their spouses may be reimbursed when -

- (a) it is in the public interest that the principal guests (who are not civil servants) should meet such officers; or
- (b) it is necessary for such officers to assist in entertaining the principal guests.

5. When official entertainment is combined with private entertainment, only that proportion of the expenditure that is attributable to the presence of the host and hostess and of their official guests may be charged to public funds.

Section 04, Chapter 25, Commission Standing Orders (Part I)

(Page 2)

6. Expenditure on official entertainment should be fully supported by receipts wherever possible. Claims for expenditure on home entertainment when receipts are not produced must be supported by full details and certified as reasonable by C personally.

7. Vouchers must include sufficient supporting information to enable the Audit Commission to ascertain whether the provisions of the relevant regulations are complied with. The list of guests for a particular function must be retained for at least 12 months and produced for the Audit Commission's examination if required.

8. Tipping should strictly follow the guidelines issued by the Secretary for Financial Services and the Treasury -

<u>Entertainment Expenses</u>	<u>Amount of Tips</u>
Up to \$2,000	5% of the bill amount
From \$2,000 to \$4,000	\$100 maximum
Over \$4,000	\$200 maximum

9. It is customary for officers to present gifts when invited to social functions (such as wedding or birthday parties) hosted by local leaders who have frequent official contact with the Commission. Subject to the following financial limits on the value of such gifts, the expenditure involved is chargeable to Component 149 General Departmental Expenses Item 566 Official Entertainment (Local) -

<u>Gift</u>	<u>Maximum Value</u>
	(\$)
(a) one gift to be purchased when only one officer is invited	400
(b) one joint gift to be purchased when two officers are invited	600
(c) one joint gift to be purchased when more than two officers are invited	800

10. Officers are advised that as far as possible, gifts rather than cash should be offered. There is no particular restriction on the type of gifts and the general guideline is that a gift suitable to the occasion should be presented. Common sense and social norm should prevail. The greeting card accompanying the gift should contain all the names of the officers invited to the function.

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Major Amendments to Section 03, Chapter 09, Commission Standing Orders (Part I) about Acceptance of Advantages

Date	Section/ Paragraph	Major Amendments
18 January 2002	-	To promulgate Section 03, Chapter 09, Commission Standing Orders (Part I)
14 March 2007	Paragraph 17	To update the serial number of the Civil Service Bureau Circular cited therein upon the issue of Civil Service Bureau Circular No. 4/2007 by the Secretary for the Civil Service on 16.2.2007
23 March 2007	Annex 9-A2	To revise the values of restricted advantages stated therein according to the Acceptance of Advantages (Chief Executive's Permission) Notice 2007
30 June 2010	Paragraphs 13 to 16	To introduce a standard form for reporting flight awards from duty travel, overseas posting and training
20 July 2010	Paragraphs 5 and 6 in Annex 9-A4	To revise the value of gift from "below \$500" to "not exceeding \$500"

Major Amendments to Section 01, Chapter 25, Commission Standing Orders (Part I) about Finance Policies and Regulations

Date	Paragraph	Major Amendments
April 2005	Paragraphs 3 to 6	To specify the responsibility of officers in using public money, liability of surcharge, charging mechanism for inter-departmental service, and list of fees and charges items

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Date	Paragraph	Major Amendments
July 2007	Paragraph 6	To delete paragraph 6 on the list of fees and charges items

Major Amendments to Section 04, Chapter 25, Commission Standing Orders (Part I) about
Official Entertainment Expenses

Date	Paragraph	Major Amendments
April 2005	Paragraph 1	To spell out clearly the approving authority and respective ceiling of expenditure per head
February 2007	Paragraphs 9 and 10	To introduce guidelines on purchase of gifts for social functions hosted by local leaders
April 2007	Paragraph 1	To reflect the new expenditure ceiling per head as promulgated by the Director of Administration with effect from 1 April 2007 (i.e. \$300 (instead of \$250) for lunch and \$400 (unchanged) for dinner)
July 2009	Paragraph 1	To explicitly state that “beverages” should also be counted towards expenditure per head in entertainment expenses
December 2010	Paragraph 1	To reflect the new expenditure ceiling per head as promulgated by the Director of Administration with effect from 1 January 2011 (i.e. \$350 (instead of \$300) for lunch and \$450 (instead of \$400) for dinner)

Item (I): what are the criteria/guidelines for charging the expenditure on duty visits outside Hong Kong, official entertainment and gifts/souvenirs to the Operations Department, the Corruption Prevention Department, the CRD and the Administration Branch, and to which votes of these Departments/Branch; and who is the approving authority in this regard;

- In the ICAC, the expenditure on duty visits outside Hong Kong, official entertainment and gifts/souvenirs are charged in accordance with the rules and general practice of the civil service and the approving authorities for these items are specified in the Schedule of Authorities of the Commission.
- The charge items are based on the Expenditure Codes for 2013-14 issued by the Financial Services and Treasury Bureau. According to the established financial practice, expenditure pertaining to individual departments is charged to the departments concerned, while expenditure pertaining to more than one department is placed under Common Services.

	Item to be charged	Approving authority	Officers
Duty Visits	565	Chief Executive	Commissioner
		Commissioner	3 HoDs, 2 Directors of Investigation and all officers on non-operational duty visits
		Head of Operations	Operational duty visits made by officers of the Operations Department
Entertainment *	566	Commissioner	ICAC, CPD, Admin Branch
		H/Ops	Operations Department
		DCR	Community Relations Department
Gifts/Souvenirs	402	In general, the procurement of gifts is approved by subject officers in the Commission Against Corruption Officer (Upper) rank or above in accordance with the Stores and Procurement Regulations.	

PAC letter dd 3.6.13

- * In accordance with the further guidelines promulgated by the ICAC on 6 May 2013, all official entertainments hosted by the heads of departments should be approved by the Commissioner. The Head of Operations will endorse official entertainments hosted by the Commissioner; whereas the Assistant Director/Administration will check compliance of those attended by both Commissioner and Head of Operations.

Item (o): What is the justification(s) for setting up a “策略研究小組” during the tenure of Mr Timothy TONG, former Commissioner, ICAC, the set up of this group, where the staff was deployed from and to which account it was charged?

- The OSR was set up in August 2007 under the Administration Branch with a view to strengthening the capabilities of the Commission in the areas of policy planning, strategic and administrative management, and to enhance the coordination of work among the three departments to achieve maximum efficiency in performance.
- By internal redeployment of resources, OSR was staffed with one Commission Against Corruption Officer (Upper) from the Operations Department, two Commission Against Corruption Officers (Middle) from Community Relations Department and Corruption Prevention Department. Since the establishment of OSR was under the Administration Branch, staff salaries were charged to its account.

Item (a) : What were the reasons for disbanding the Office of Strategic Research (“OSR”) in September 2012; and whether the OSR was funded by new money.

- The current Commissioner took office in July 2012. After he studied the work of the OSR, he found that the responsibilities of the OSR could be taken up by the Centre of Anti-Corruption Studies (CACS). As such, after discussing with the Heads of Departments, it was unanimously decided that the OSR be disbanded in early September 2012.
- New money was approved under the 2008 Resource Allocation Exercise for the creation of two Commission Against Corruption Officer (Middle / Lower) posts for the OSR. Since the disbandment of the OSR in early September 2012, the two posts were redeployed to the CACS which has no establishment.

Item (b) : What is the progress of the implementation of the recommendations made in the “Report of the Independent Review Committee (IRC) on ICAC’s Regulatory Systems and Procedures for handling Official Entertainment, Gifts and Duty Visits” by the ICAC.

- The ICAC is not answerable to the PAC in relation to the Commission’s progress of the implementation of the recommendations made in IRC report. Nevertheless, in order to assure PAC members, they are advised that the ICAC has implemented all the recommendations in the IRC report and will report the progress of implementation to the Advisory Committee on Corruption.