

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

Controlling officer: the Commissioner, Independent Commission Against Corruption will account for expenditure under this Head.

Estimate 2003–04	\$708.2m
Establishment ceiling 2003–04 (notional annual mid-point salary value) representing an estimated 1 339 non-directorate posts as at 31 March 2003 and as at 31 March 2004	\$547.7m
In addition there will be an estimated 14 directorate posts as at 31 March 2003 and as at 31 March 2004.	
Capital Account commitment balance	\$0.2m

Controlling Officer's Report

Programmes

Programme (1) Corruption Prevention
Programme (2) Operations
Programme (3) Preventive Education
Programme (4) Enlisting Support

These programmes contribute to Policy Area 13: Anti-corruption (Commissioner, Independent Commission Against Corruption).

Detail

Programme (1): Corruption Prevention

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	51.3	52.1 (+1.6%)	49.2 (–5.6%)	48.8 (–0.8%)

Aim

2 The aim is to identify and eliminate opportunities for corruption in government departments and public bodies, and advise the private sector on corruption prevention.

Brief Description

3 The Corruption Prevention Department (CPD) examines public sector procedures and makes recommendations to prevent corruption through “assignment studies”, monitors completed assignments to ensure effective implementation of the agreed recommendations, and gives corruption prevention advice through consultation. On request, CPD also provides advice to private sector organisations to prevent corruption and fraud.

4 CPD produced 105 assignment reports in 2002. All private sector requests for corruption prevention advice were responded to within two working days.

5 To promote ethical practices in public sector organisations, CPD embarked on a two-year exercise to assist all public bodies scheduled under the Prevention of Bribery Ordinance (Cap. 201) in updating their codes of conduct to ensure that they reflect the current needs of good governance. We also assisted public bodies in providing corruption prevention awareness training for their staff.

6 During the year, CPD completed a detailed review for the Housing Department on its procedures for the letting and administration of contracts engaging property services companies (PSCs). In addition, two Best Practice Modules respectively on estate management and monitoring of maintenance works were published to assist the PSCs in putting in place corruption resistant procedures. To enhance corruption prevention awareness for PSC staff, a workshop promulgating the two Best Practice Modules was organised jointly with the Housing Department in May 2002.

7 Following up on a number of Independent Commission Against Corruption (ICAC) cases involving government officers abusing their official position in the award of direct purchase contracts, CPD published a Best Practice Module on direct purchases for reference by all government departments. A forum was jointly organised with the Government Supplies Department in October 2002 to promulgate the Best Practice Module, followed by a series of training sessions for individual departments.

8 CPD completed a number of studies for the Housing Department and the Works Departments, focusing on the procedures for works supervision and materials testing to ensure adequate safeguards against abuse were built in their control mechanisms. In addition, training sessions were conducted for site staff to enhance their corruption prevention awareness.

9 The key performance measures are:

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
assignment reports produced.....	100 reports per year	105	105	100
response to private sector request for corruption prevention advice (%).....	within two working days	100	100	100

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
areas awaiting study	222	230	230
previous assignments requiring monitoring.....	670	661	670
number of occasions private sector organisations given corruption prevention advice	303	334	320
number of occasions public sector organisations advised through consultation.....	269	288	280

Matters Requiring Special Attention in 2003–04

10 During 2003–04, CPD will:

- assist schools participating in the Secondary School Places Allocation System in building in sufficient safeguards in their internal student assessment procedures;
- together with the government bureaux/departments concerned, promulgate corruption resistant systems and procedures in the administration of government funding schemes;
- assist non-government organisations receiving substantial subsidy from public funds in devising corruption resistant procedures in staff administration and procurement matters;
- assist government departments in adopting the best practices for procurement; and
- approach the following types of organisations to offer corruption prevention advisory services —
 - small and medium-sized enterprises;
 - property management agents for public housing estates; and
 - tourist-related businesses.

Programme (2): Operations

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	534.7	542.5 (+1.5%)	529.9 (–2.3%)	539.6 (+1.8%)

Aim

11 The aim is to enforce the law vigilantly and professionally in order to seek out and eradicate corruption wherever it exists.

Brief Description

12 The Operations Department (OPS) investigates every pursuable report of corruption. It pursues a proactive strategy to identify unreported corruption and strengthen its intelligence collection and analysis capability. Striving to deliver the highest standard of service, OPS aims to encourage the public to report corruption.

13 In 2002, a total of 3 245 pursuable corruption reports were received by the Commission, representing a slight decrease of 0.5% compared with 3 261 cases received in 2001 but a substantial increase of 46.6% over 2 213 cases received in 1997. Compared with previous years, the workload of OPS was also greater in terms of case complexity and magnitude. This demonstrates the public's continued confidence in ICAC and their intolerance of corruption.

14 To cope with growing complexity and sophistication in corruption and related crime, the following measures were undertaken in 2002–03:

- functional groups were restructured to improve supervision and quality control of investigations, manpower and financial resources;

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

- quality of video interview and transcription processes in corruption investigations were constantly reviewed to ensure efficiency;
- an ICAC/Interpol Conference, which was also our second biennial International Anti-Corruption Symposium, was organised with a view to improving mutual liaison and co-operation with the Mainland and overseas anti-corruption law enforcement agencies; and
- new information technology applications were developed to improve the security of ICAC's information systems.

15 The key performance measures are:

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
complainants making pursuable corruption reports contacted for interview within 48 hours (%)	100	99.4	98.9	100
complainants making non-corruption reports contacted within two working days to obtain their consent to refer their reports to the relevant authorities (%).....	100	100	100	100
pursuable corruption investigations completed within 12 months (%).....	90.0	90.8	90.0	90.0

Indicators

OPS strives for a high degree of professionalism and operational effectiveness in order to foster public confidence in ICAC, encourage the community to report corruption and deter the corrupt. On 31 December 2002, the department's investigation caseload stood at 1 464 cases. The following indicators do not include election cases so as to provide a more accurate indication of general corruption trends:

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
pursuable corruption reports.....	3 261	3 245	3 250
non-pursuable corruption reports	1 215	1 126	1 130
investigations completed	3 027	3 509	3 500
persons prosecuted#	534	600	N.A.†
persons convicted#	409‡	455	N.A.†
persons formally cautioned#.....	85	116	N.A.†
government officers recommended for disciplinary or administrative action.....	188	165	N.A.†

Including cases carried forward from previous years and completed.

† Not possible to estimate.

‡ Figure for 2001 updated to take account of ten successful appeals.

Matters Requiring Special Attention in 2003–04

16 During 2003–04, OPS will:

- identify opportunities for further restructuring in the investigative workforce in order to optimise operational efficiency;
- establish a computerised system to handle the transmission and storage of electronic data in a secure and confidential manner in compliance with the Electronic Transactions Ordinance;
- study the feasibility of providing investigators with mobile communication equipment and tools with a view to enhancing investigative efficiency at field; and
- carry out a financial and management review to identify savings and achieve more efficient and effective deployment of resources.

Programme (3): Preventive Education

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	60.7	61.6 (+1.5%)	59.7 (–3.1%)	58.9 (–1.3%)

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

Aim

17 The aim is to promote better public understanding of the corruption problem and encourage target groups to take positive action.

Brief Description

18 The preventive education programme of the Community Relations Department (CRD) comprises the following six sub-programme areas:

- promoting business ethics and corruption prevention in the business sector to enhance the competitiveness of Hong Kong as an international business centre;
- providing corruption prevention training for civil servants and staff of public bodies;
- instilling positive values amongst young people;
- educating recent arrivals in Hong Kong on the anti-corruption legislation and the work of ICAC;
- providing corruption prevention advice to office bearers and management of non-profit-making organisations; and
- educating candidates and voters to ensure clean elections.

19 In 2002, CRD continued to promote ethics in the business sector and encouraged 410 organisations of various trades to adopt preventive measures against corruption. 1 750 training seminars were conducted for 50 000 employees of 1 500 business organisations. Besides, CRD formed partnership with related regulatory and professional bodies in promoting good corporate governance and ethical practice in various industries including banking, insurance, construction, tourist, telecommunications and retailing. Through the drawing up and promulgation of guidelines on ethical practice, organisation of trade specific seminars and incorporation of ethics training into the Continuous Professional Development Programmes of these industries as well as their in-house training programmes, practitioners in the field were alerted to the importance of ethical practice and preventing corruption at work. E-learning packages were produced for construction-related professions in conjunction with their professional bodies while an online training package for banks was developed to strengthen the integrity training of their frontline staff. Preparation is underway to organise a trade-wide conference for tourist and related industries in March 2003.

20 During the year, CRD provided corruption prevention training for 25 000 civil servants from 51 departments. Given the close interface between the public and private sectors and the need to further promote integrity management in both sectors, ICAC jointly organised with the Civil Service Bureau (CSB) the “Leadership Forum 2002 - Ethical Challenges for Business and Government Leaders” in December 2002. Over 800 senior civil servants and CEOs in the private sector took part in the Forum.

21 In addition to regular corruption prevention training for staff of public bodies, CRD collaborated with the Hong Kong Medical Association, the Medical Council of Hong Kong and the Hospital Authority in producing a guide named “Integrity in Practice - A Practical Guide for Medical Practitioners on Corruption Prevention”. The Guide was launched through a press conference held in early January 2003.

22 Apart from conducting talks and activities for secondary and tertiary students, CRD continued to use the mass media to instil positive values in young people. A 13-episode youth spot series was telecast weekly on television from April to June 2002. On average, each episode attracted a viewership of about 800 000, representing a 72 % share in the weekly television audience ratings survey.

23 In May 2002, CRD launched Hong Kong’s first web-based moral education teaching resource centre. The website also aims to provide a forum for teachers from kindergartens to secondary schools to share experiences and views on moral education issues. Over 2.9 million hits were recorded in the first eight months of operation.

24 The key performance measures are:

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
business organisations contacted	at least 1 000 organisations per year	1 600	1 500	1 200
government departments/public bodies reached	at least 60 organisations per year	96	91	75
visits made to secondary schools	at least 400 school visits per year	470	466	460
tertiary institutes reached	11	11	11	11
election candidates/agents contacted	N.A.§	60	10	5 700

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

§ Difficult to forecast as it depends on the number of candidates standing for elections.

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
business organisations which have used ICAC's corruption prevention service	440	410	400
managers in the business sector who have received training in corruption prevention and business ethics	8 300	8 900	6 000
frontline workers in the business sector who have received training in corruption prevention and business ethics	43 300	41 800	30 000
civil servants/staff of public bodies who have received training in corruption prevention	27 800	36 200	20 000
secondary and tertiary students who have received training in corruption prevention and ethics.....	105 000	111 000	90 000
candidates/agents who have attended Elections (Corrupt and Illegal Conduct) Ordinance briefings.....	60	10	2 100

Matters Requiring Special Attention in 2003–04

25 During 2003–04, CRD will:

- work with CSB in assisting government departments in implementing the Civil Service Integrity Management Programme;
- provide training seminars to staff of non-government organisations in social service sector under the Lump Sum Grant Scheme to promote corruption prevention awareness and ethical management in these organisations;
- strengthen co-operation with chambers of commerce and professional associations to promote good corporate governance and ethical management;
- organise a major conference and training seminars and produce a training package and practical guides for practitioners in the tourist and related industry;
- contact listed companies and large private business organisations to promote business ethics, corporate governance and corruption prevention education services;
- enhance efforts in educating the younger generation through the organisation of a study programme cum youth summit on the theme of corporate governance;
- produce a package for school management committees on the best practices in managing schools;
- strengthen co-operation with teachers under the Moral Education Partnership Scheme in producing moral education teaching materials for students; and
- assist candidates and their agents, and the voting public in the rural and District Council elections in understanding the anti-corruption law.

Programme (4): Enlisting Support

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	62.7	63.6 (+1.4%)	61.7 (–3.0%)	60.9 (–1.3%)

Aim

26 The aim is to achieve extensive public awareness of the evils of corruption, foster public confidence in and support for the work of ICAC and encourage the reporting of corruption offences.

Brief Description

27 The objective of the programme is achieved by:

- organising district activities and seminars for local leaders to keep the community abreast of the work of ICAC;
- publicising the activities of ICAC in the mass media to enhance public understanding of the Commission's anti-corruption work; and
- encouraging the reporting of corruption.

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

28 During the year, CRD continued to enlist community support through special projects. To reinforce the commitment of the community in building up a probity culture, CRD launched a Community Integrity Programme in September 2002. All 18 District Councils and over 150 district organisations lent their support in organising over 200 activities, including seminars, workshops, roving exhibitions, performances and various competitions from September 2002 to March 2003, with a target of reaching about 280 000 people. In addition, CRD continued to hold “Meet-the-public” sessions regularly with targets from different walks of life to enhance ICAC’s transparency and collect public feedback on the work of ICAC.

29 To keep anti-corruption an issue of public concern through extensive use of the mass media, CRD launched in August 2002 a new advertising campaign in the form of an Announcement of Public Interest on television and radio and a poster to encourage the public to report corruption to ICAC. In addition, a new ICAC programme was telecast on the “RoadShow” two days per week from September to November 2002. It comprised six three-minute episodes on corruption cases in the past and present to depict how ICAC and the community work together to combat corruption.

30 Since its revamp in July 2001, the total hits of the ICAC Corporate Website have reached 65 million, with an average viewer session length of 20 minutes. Launched in April 2000, the youth website, “Teensland”, scored an aggregate 26 million hits.

31 The key performance measures are:

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
response to requests for anti-corruption service/information within two working days (%)	100	100	100	100
advertising campaign	one per year	2	1	1
ICAC drama series	one series every two years	1	0	0†

† The shooting work of the drama series will start in mid-2003 and is planned to be released in 2004.

Indicators

It is difficult to measure accurately the extent of public awareness of the evils of corruption, the level of public confidence in ICAC and their views on its work. However, the ICAC Annual Survey provides a useful reference. The relevant findings of the surveys in the years 2000 to 2002 are:

	2000 (Actual)	2001 (Actual)	2002 (Actual)
respondents who perceived ICAC as deserving their support (%)	98.7	99.2	98.6
respondents who considered corruption very common/quite common (%)	42.1	41.8	34.3
respondents who perceived that corruption would increase in the following year (%)	20.9	25.9	36.8
respondents who said their confidence in ICAC would not drop in the following year (%)	94.7	96.6	94.8
respondents who were willing to report corruption (%)	64.7	65.5	67.0
respondents who would reveal identity when reporting corruption to ICAC (%)	71.7	71.2	73.3

In addition, public support to the cause of ICAC can also be reflected by:

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
the number of organisations which have jointly organised projects with ICAC	570	490	460
the number of corruption reports received (excluding election reports)	4 476	4 371	4 380
corruption reports which are non-anonymous (%)	71	72	72

Matters Requiring Special Attention in 2003–04

32 The 2002 Annual Survey shows that public support and confidence in ICAC remain stable. The most important task in the coming year is to maintain our efforts in assuring the public of ICAC’s determination and effectiveness in keeping corruption under control.

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

33 To disseminate anti-corruption messages to the public in a cost-effective way, CRD will continue to explore the use of new media in achieving the purpose while maintaining our presence in the traditional media like TV and radio. Besides, CRD will sustain the commitment of the community to foster a probity culture through joint activities with district organisations, professional bodies and interested parties.

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

ANALYSIS OF FINANCIAL PROVISION

Programme	2001-02 (Actual) (\$m)	2002-03 (Approved) (\$m)	2002-03 (Revised) (\$m)	2003-04 (Estimate) (\$m)
(1) Corruption Prevention	51.3	52.1	49.2	48.8
(2) Operations.....	534.7	542.5	529.9	539.6
(3) Preventive Education.....	60.7	61.6	59.7	58.9
(4) Enlisting Support	62.7	63.6	61.7	60.9
	709.4	719.8 (+1.5%)	700.5 (-2.7%)	708.2 (+1.1%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2003-04 is \$0.4 million (0.8%) lower than the revised estimates for 2002-03. This is mainly due to the full-year effect of salary reduction in 2002, partly offset by salary increments for existing staff and the additional provision for Mandatory Provident Fund contribution for officers on agreement terms.

Programme (2)

Provision for 2003-04 is \$9.7 million (1.8%) higher than the revised estimate for 2002-03. This is mainly due to salary increments for existing staff, creation of two posts to enhance the information technology support services and the additional provision for Mandatory Provident Fund contribution for officers on agreement terms, partly offset by the full-year effect of salary reduction in 2002, deletion of two posts through streamlining of support services and reduced investigation expenses in anticipation of completion of several major court cases.

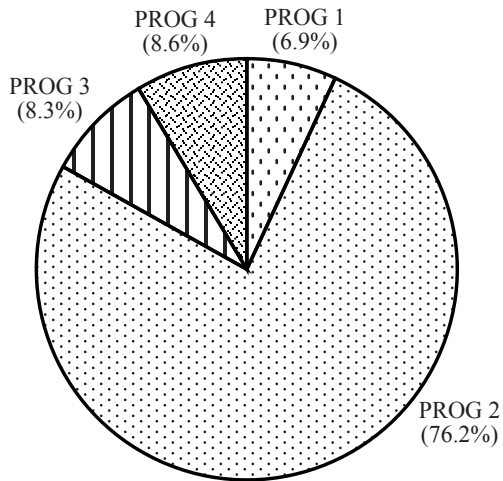
Programme (3)

Provision for 2003-04 is \$0.8 million (1.3%) lower than the revised estimate for 2002-03. This is mainly due to the full-year effect of salary reduction in 2002, partly offset by salary increments for existing staff and the additional provision for Mandatory Provident Fund contribution for officers on agreement terms.

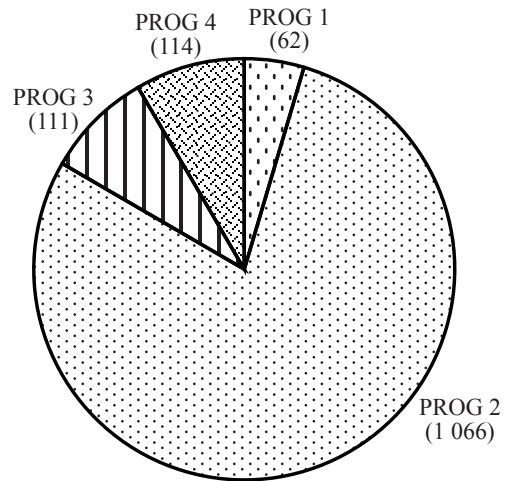
Programme (4)

Provision for 2003-04 is \$0.8 million (1.3%) lower than the revised estimate for 2002-03. This is mainly due to the full-year effect of salary reduction in 2002, partly offset by salary increments for existing staff and the additional provision for Mandatory Provident Fund contribution for officers on agreement terms.

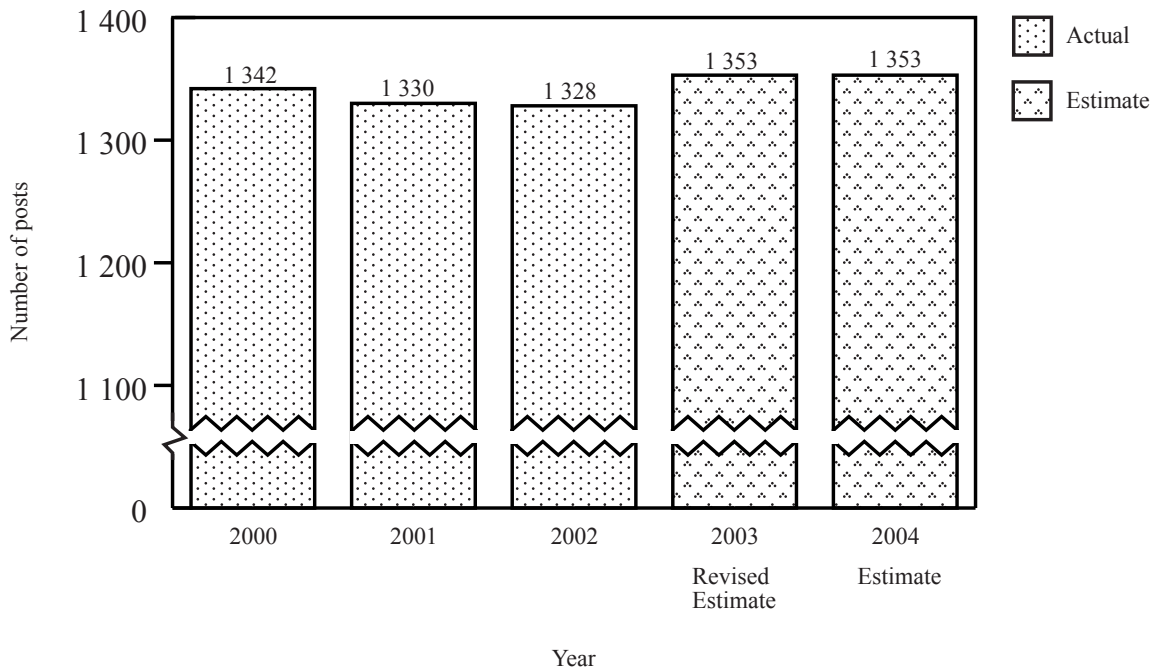
Allocation of provision to programmes (2003-04)



Staff by programme (as at 31 March 2004)



Changes in the size of the establishment (as at 31 March)



Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

Sub-head (Code)	Actual expenditure 2001-02	Approved estimate 2002-03	Revised estimate 2002-03	Estimate 2003-04
	\$'000	\$'000	\$'000	\$'000
Recurrent Account				
000	Operational expenses.....	—	—	690,982
103	Rewards and special services	14,959	14,768	14,768*
203	Expenses of witnesses, suspects and detainees...	496	1,141	624*
	Salaries	605,244	617,170	—
	Allowances	27,217	29,165	—
	Job-related allowances	23	65	—
	Remuneration for special appointments	2,296	2,318	—
	General departmental expenses	40,370	39,381	—
	Investigation expenses	7,811	4,143	—
	Publicity	8,396	8,193	—
	Grant to the ICAC Welfare Fund	60	62	—
	Total, Recurrent Account.....	706,872	716,406	706,374
Capital Account				
I — Plant, Equipment and Works				
661	Minor plant, vehicles and equipment (block vote).....	2,402	1,300	1,698
	Total, Plant, Equipment and Works	2,402	1,300	1,698
II — Other Non-Recurrent				
700	General other non-recurrent	129	2,126	90
	Total, Other Non-Recurrent	129	2,126	90
	Total, Capital Account	2,531	3,426	1,788
	Total Expenditure.....	709,403	719,832	708,162

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the Independent Commission Against Corruption is \$708,162,000. This represents an increase of \$7,664,000 over the revised estimate for 2002–03 and a decrease of \$1,241,000 against actual expenditure in 2001–02.

Recurrent Account

2 Provision of \$690,982,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Independent Commission Against Corruption and its other operating expenses.

3 The establishment as at 31 March 2003 will be 1 353 permanent posts. No change in establishment is expected in 2003–04. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2003–04, but the notional annual mid-point salary value of all such posts must not exceed \$547,738,000.

4 There are 28 supernumerary posts in the pensionable rank of Independent Commission Against Corruption Officer (Pensionable) held against the same number of posts in various other ranks in order to enable selected pensionable government officers to remain in the service of the Commission on pensionable terms.

5 An analysis of financial provision under *Subhead 000 Operational expenses* is as follows:

	2001–02 (Actual) (\$'000)	2002–03 (Original Estimate) (\$'000)	2002–03 (Revised Estimate) (\$'000)	2003–04 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	605,244	617,170	596,496	594,909
- Allowances.....	27,217	29,165	26,794	17,640
- Job-related allowances	23	65	2	10,034
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	—	—	14,544
Departmental Expenses				
- Remuneration for special appointments ...	2,296	2,318	2,781	2,217
- General departmental expenses.....	40,370	39,381	39,381	39,242
Other Charges				
- Investigation expenses	7,811	4,143	7,996	4,143
- Publicity	8,396	8,193	8,193	8,193
- Grant to the ICAC Welfare Fund	60	62	60	60
	691,417	700,497	681,703	690,982

6 Provision of \$14,768,000 under *Subhead 103 Rewards and special services* is for expenditure on rewards and services of a confidential nature.

7 Provision of \$624,000 under *Subhead 203 Expenses of witnesses, suspects and detainees* is for meals and incidental expenses for persons assisting in investigations and for expenses of witnesses from abroad.

Capital Account

Plant, Equipment and Works

8 Provision of \$1,698,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$398,000 (30.6%) over the revised estimate for 2002–03. This is mainly due to additional requirement for new technical equipment.

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2002	Revised estimated expenditure for 2002–03	Balance
			\$'000	\$'000	\$'000	\$'000
700		<i>General other non-recurrent</i>				
	511	Territory-wide campaign to enhance ethical practices in the local tourist industry	730	—	500	230
		Total	730	—	500	230