

Head 72 — INDEPENDENT COMMISSION AGAINST CORRUPTION

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

Estimate 2011–12..... **\$824.1m**

Establishment ceiling 2011–12 (notional annual mid-point salary value) representing an estimated 1 379 non-directorate posts as at 31 March 2011 reducing by two posts to 1 377 posts as at 31 March 2012 **\$623.1m**

In addition, there will be an estimated 14 directorate posts as at 31 March 2011 rising by three posts to 17 posts as at 31 March 2012.

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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	52.6	55.6	50.7 (–8.8%)	55.8 (+10.1%)
				(or +0.4% on 2010–11 Original)

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 minimise opportunities for corruption through “assignment studies”, monitors completed assignments to ensure effective implementation of the agreed recommendations, and gives quick corruption prevention advice through consultation. On request, the CPD also provides advice to private sector organisations to prevent corruption and malpractice.

4 The CPD completed 72 assignment reports in 2010. They covered a wide range of public sector activities including law enforcement, public procurement, licensing and inspection systems, and public works.

5 To provide Owners' Corporations (OCs) and property management companies with good practices for general building management activities and preventive measures for reducing corrupt practices, the CPD published a Building Management Toolkit and promulgated it in a series of workshops jointly organised with the Home Affairs Department, the Hong Kong Housing Society and professional bodies of the building management sector.

6 During the year, the CPD advised the Environmental Protection Department and the Electrical and Mechanical Services Department on the corruption prevention safeguards in the tendering of the design-build-operate contracts respectively for the Sludge Treatment Facilities in Tuen Mun and the District Cooling System in Kai Tak, and participated in the tender assessment panels as an observer to offer corruption prevention advice.

7 Addressing public concern on the governance and internal control of non-governmental organisations (NGOs), the CPD compiled a Best Practice Checklist for the NGOs and promulgated it through a seminar attended by board members and senior management of the NGOs with follow-up workshops arranged on request.

8 To help enhance the professional quality and integrity of the testing and certification industry, the CPD provided timely advice to the newly established Hong Kong Council for Testing and Certification, including recommendation on its public body status and drawing up a corruption prevention education work plan for the industry together with the Council. The CPD also reviewed the Hong Kong Accreditation Service's accreditation schemes for organisations in the sectors to ensure that there are adequate corruption prevention safeguards in the process.

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9 In the year, the CPD developed three new corruption prevention modules for inclusion in the curricula of undergraduate degree courses in Hotel and Tourism Management, Property Management and Building Services Engineering. The CPD also assisted the tertiary institutions in delivering these three new modules, as well as the eight corruption prevention modules developed in 2009, to reach 1 100 students, and in the setting and marking of test questions for course assessment.

10 To help schools receiving recurrent government subvention strengthen their internal control procedures and administration, the CPD produced the guidebook “Governance and Internal Control – A Best Practice Checklist” covering key school operations for their use. The guidebook was launched through a series of workshops organised in partnership with the Education Bureau for promoting the Checklist among school operators and the stakeholders to raise their awareness in corruption prevention.

11 The CPD also continued to provide, on request, tailor-made corruption prevention advice to private sector organisations of different trades and industries. In 2010, the CPD provided advisory service to private sector organisations on 366 occasions. All requests were responded to within two working days as pledged.

12 The key performance measures are:

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
assignment reports produced	70	80	72	72
response to private sector requests for corruption prevention advice within two working days (%)	100	100	100	100

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
areas awaiting study	238	227	230
previous assignments requiring monitoring	628	609	620
no. of occasions private sector organisations given corruption prevention advice	377	366	N.A.§
no. of occasions public sector organisations advised through consultation	529	488	N.A.§

§ An estimate cannot be provided as it depends on the number of organisations requesting our services.

Matters Requiring Special Attention in 2011–12

13 During 2011–12, the CPD will:

- develop two Best Practice Checklists for use by government bureaux and departments responsible for administering various funding schemes and the grantee organisations respectively so as to help enhance the accountability of the funding mechanism;
- develop and promulgate a Best Practice Checklist together with the government departments concerned to strengthen the governance and internal control system of National Sports Associations, including the selection mechanism of athletes to represent Hong Kong in regional and international sporting events;
- formulate and promulgate a set of Best Practice Guidelines together with the Hong Kong Council for Testing and Certification and the industry to assist the testing bodies in incorporating corruption prevention systems and procedures into their operations;
- develop and promulgate a Best Practice Checklist in partnership with the Estate Agents Authority for strengthening estate agencies’ corporate governance and internal control;
- promulgate a Best Practice Checklist and organise seminars to assist social enterprises in strengthening their governance, management and internal control; and
- offer tailor-made services to assist the tertiary institutions in the administration of donations and provide timely advice to individual institutions as necessary.

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Programme (2): Operations

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	585.8	622.6	598.8 (–3.8%)	630.7 (+5.3%)
				(or +1.3% on 2010–11 Original)

Aim

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

Brief Description

15 The Operations Department (OPS) investigates every pursuable report of corruption. It pursues a proactive strategy to seek out unreported corruption and strengthen intelligence collection and analysis capability, striving to deliver the highest standards of service. The OPS strives to achieve a high degree of professionalism and operational effectiveness in order to foster public confidence in the Independent Commission Against Corruption (ICAC) and to encourage the community to report corruption with a view to deterring the corrupt.

16 In 2010, a total of 2 663 pursuable corruption reports were received by the Commission, representing an increase of about five per cent compared with 2 535 cases received in 2009. Given the complexity and magnitude of many corruption cases, the intensity of investigation efforts required remained high. On 31 December 2010, the investigation caseload of the Commission stood at 1 869 cases (including 30 election cases).

17 To cope with the complexity and sophistication in corruption and related crime investigations, the OPS accomplished the following in 2010–11:

- provided continuous training to address diverse professional needs of the investigation force, and organised product knowledge workshops on corruption-prone areas;
- reviewed its policy and strategy on human resources development and deployment for better output and productivity;
- completed the Business Process Re-engineering Study and Feasibility Study with a view to revamping the Department's information system which has been in operation for nearly ten years to provide more efficient support for investigation of corruption and related crimes; and
- established a dedicated section dealing with the restraint, disclosure and confiscation of proceeds of crime and property to enhance the effectiveness of the fight against corruption and related crimes.

18 The key performance measures are:

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
complainants making pursuable corruption reports contacted for interview within 48 hours (%).....	100	99.96	100	100
complainants making non-corruption reports contacted within two working days to obtain consent to refer their reports to relevant authorities (%).....	100	100	100	100
pursuable corruption investigations completed within 12 months (%).....	90.0	84.8	83.0	90.0

Indicators^Ψ

	2009 (Actual)	2010 (Actual)
pursuable corruption reports	2 535Δ	2 663
non-pursuable corruption reports	915Δ	764
investigations completed.....	2 404	2 471
persons prosecuted#.....	340	387

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	2009 (Actual)	2010 (Actual)
persons convicted#.....	270Ω	373
persons formally cautioned#.....	54	30
government officers recommended for disciplinary or administrative action.....	66	139

Ψ The indicators do not include election cases in order to provide a more accurate indication of general corruption trends.

Δ Figures for 2009 updated to take account of reclassification of five cases.

Including cases carried forward from previous years and completed.

Ω Figure for 2009 updated to take account of one successful appeal.

Matters Requiring Special Attention in 2011–12

19 During 2011–12, the OPS will:

- strengthen the capabilities and upgrade the professionalism of the Financial Investigation Sections through the creation of a three-rank Forensic Accountant grade to give advice on asset and fund tracing and money laundering, conduct analysis of financial data and examination of books and accounts to establish their evidential value, prepare financial profiles, participate in field operations in the search and seizure of accounting records and documents, and give expert evidence in court, etc.;
- create a new directorate rank to cope with increasing functional requirements including reinforced supervision of the use of covert surveillance and telecommunications interception in ICAC investigations and strengthen compliance assurance under the legal regime;
- monitor various levels of elections through established referral mechanism and effective investigation into suspected corrupt and illegal conduct; and
- pool resources and expertise to provide intensified professional training and product knowledge workshops to enhance officers' investigation capabilities and technical competencies, particularly in financial investigation and computer forensics.

Programme (3): Preventive Education

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	63.2	66.9	66.4 (–0.7%)	67.7 (+2.0%)
				(or +1.2% on 2010–11 Original)

Aim

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

Brief Description

21 The Community Relations Department (CRD) achieves the aim through a preventive education programme, comprising the following five sub-programme areas:

- promoting business ethics and corruption prevention in the business sector to help ensure a level playing field and 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;
- providing corruption prevention training to office bearers and management of non-profit-making organisations; and
- educating candidates and voters to ensure clean elections.

22 In 2010, the CRD contacted 1 538 business organisations to promote business/professional ethics and corruption prevention services. 844 training seminars were conducted for 10 226 managers and 27 667 front line staff of public listed companies and various trades including banking, finance, insurance, estate agency, construction and property management.

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23 Noting the rapid growth of cross-boundary businesses, the ICAC has maintained close co-operation with the Guangdong Provincial People’s Procuratorate (GDPP) and the Commission Against Corruption of Macao (CCAC) to promulgate a corruption prevention guide for small and medium enterprises (SMEs), particularly those operating in the Pearl River Delta region.

24 The CRD has enlisted the support of the Innovation and Technology Commission and the Hong Kong Council for Testing and Certification to develop ICAC’s prevention and education initiatives to enhance corporate governance of testing and certification service providers.

25 To promote integrity and quality building management, a territory-wide programme featuring a newly developed toolkit on major administrative functions of OCs and a series of district and mass media activities was jointly launched with various stakeholders in October 2010. With on-going preventive education service provided through visits to 166 OCs as well as 139 talks and workshops, a total of 31 270 people were reached through various activities in 2010.

26 In 2010, the CRD provided corruption prevention training to 19 977 civil servants. Under the Ethical Leadership Programme, the CRD continued to partner with the Civil Service Bureau to help government bureaux and departments consolidate an ethical culture through their Ethics Officers (EOs). To facilitate sharing among EOs, the CRD continued to organise thematic workshops and upload integrity-related materials to the intranet website “Online Community for Ethics Officers”.

27 The CRD continued to adopt a target-oriented strategy to hammer home integrity messages to young people. The “I Generation” Youth Integrity Programme comprising training workshops, a report writing competition, a three-day exchange programme and a youth summit reached out to about 1 700 students from 54 local, Mainland, Macao and overseas tertiary institutions. A television advertisement competition was co-organised with GDPP and CCAC, attracting the participation of some 7 000 tertiary and senior secondary students from the three places. The “i-League” with ICAC ambassadors as members was established to enhance networking and exchanges among members. A Junior Reporters Scheme was organised for students in support of the “Other Learning Experience” requirement of the New Secondary School Curriculum. A liberal studies teaching package on “Rule of Law” and “Quality of Life” was developed for senior secondary students.

28 The key performance measures are:

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
business organisations contacted.....	at least 1 000	1 430	1 538	1 500
government departments/public bodies reached.....	at least 60	128	124	120
secondary schools visited	at least 400	418	415	400
tertiary institutes reached.....	11	11	11	11

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
business organisations which have used ICAC’s corruption prevention service.....	421	444	450
managers in the business sector who have received training in corruption prevention and business ethics	10 066	10 226	11 000
front line workers in the business sector who have received training in corruption prevention and business ethics.....	26 531	27 667	28 000
civil servants/staff of public bodies who have received training in corruption prevention	29 734	26 347	27 000
secondary/tertiary students who have received training in corruption prevention and ethics	81 252	81 323	80 000
election candidates/agents contacted.....	105	1 830	N.A.¶
candidates/agents who have attended the Elections (Corrupt and Illegal Conduct) Ordinance briefings	14	161	N.A.¶

¶ An estimate cannot be provided as it depends on the number of candidates standing for elections and by-elections, if any, in 2011.

Matters Requiring Special Attention in 2011–12

29 During 2011–12, the CRD will:

- collaborate with our counterparts in Guangdong and Macao to organise a business ethics conference for SMEs including in particular those operating in the Pearl River Delta region;
- launch a series of educational and publicity programmes for the 2011 District Council (DC) Election, 2011 Election Committee Subsector Elections and 2012 Chief Executive Election to uphold integrity and fairness in these elections;
- promote a personal ethics module to universities to strengthen integrity-building efforts for tertiary students;
- produce electronic books with audio and interactive features to convey positive messages among primary students;
- organise a computer animation competition for tertiary and senior secondary students in Hong Kong, Guangdong and Macao to promote positive values across the Pearl River Delta region;
- conduct training workshops to enhance corruption prevention awareness and professional ethics for service providers in the testing and certification industry; and
- provide new training modules on integrity management and professional ethics for the Continuing Professional Development Scheme of estate agents.

Programme (4): Enlisting Support

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	65.3	69.1	68.4 (–1.0%)	69.9 (+2.2%)
				(or +1.2% on 2010–11 Original)

Aim

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

Brief Description

31 The aim of the programme is achieved by:

- organising activities and seminars at the district level to keep the community abreast of the work of the ICAC;
- publicising the activities of the ICAC in the mass media to enhance public understanding of the Commission’s anti-corruption work; and
- encouraging report of corruption.

32 In 2010, 293 multi-faceted activities were launched in partnership with 18 DCs and 504 district organisations. Through seminars, workshops, roving exhibitions and other component activities, about 344 000 people from 1 706 district organisations were reached. In addition, the CRD held 30 “Meet-the-Public” sessions in 2010 to gauge public opinion on anti-corruption work.

33 To enhance Hong Kong’s international image as a level-playing field for business, the CRD has stepped up efforts in elucidating ICAC’s ethics and integrity building efforts by reaching out to stakeholders of relevant international ranking institutions, including chambers of commerce, consulate generals, professional bodies, foreign investors, international NGOs and academics.

34 To enhance the transparency of the ICAC and sustain public support for the anti-corruption drive, an Open Day was held in October 2010. Some 3 200 members of the public were given guided tours to various facilities of the ICAC Building.

35 The CRD continued to promote anti-corruption and probity messages through its websites. The revamped “i-Teen Camp” website was launched in October 2010 for teenagers, children and parents. New contents were regularly uploaded onto the “Moral Education Web” for educators, the web-based multi-media platform “ICAC Channel”, the “ICAC Channel” in “YouTube”, and the newly created “I-mission” account in the “Facebook” so as to sustain visitors’ interest and encourage exchange of positive messages.

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36 The key performance measures are:

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
response to requests for anti-corruption service/information within two working days (%).....	100	100	100	100
advertising campaign.....	1	1	1	1
ICAC drama series	1 series every 2 years	1	0	1

Indicators

The ICAC conducts an annual survey to monitor the public perception of the prevalence of corruption, the level of public confidence in the ICAC and their views on the ICAC's work. The salient findings of the surveys conducted in 2008 to 2010 are:

	2008 (Actual)	2009 (Actual)	2010 (Actual)
respondents who perceived the ICAC as deserving their support (%).....	99.4	97.9	97.1
respondents who considered corruption very common/quite common (%).....	28.6	30.9	20.9
respondents who were willing to report corruption (%).....	81.3	75.3	75.9
respondents who had not come across corruption in the past 12 months (%) α	—	—	97.4
respondents whose relatives or friends had not come across corruption in the past 12 months (%) α	—	—	93.6
respondents who considered keeping Hong Kong corruption-free is important to the overall development of Hong Kong (%) α	—	—	96.3

α New questions in the ICAC Annual Survey 2010 are included as indicators.

Public support for the cause of the ICAC can also be reflected by the following:

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
organisations which have jointly organised projects with the ICAC	519	504	500
corruption reports received (excluding election reports)	3 450	3 427	N.A.β
corruption reports which are non-anonymous (%).....	69	74	N.A.β

β Not possible to estimate.

Matters Requiring Special Attention in 2011–12

37 The 2010 annual survey shows that public support and confidence in the ICAC remain strong. The CRD will continue to carry out the annual survey in 2011 to assess the community's attitude towards corruption. The findings will help align the ICAC's education and publicity strategies to meet public needs.

38 During 2011–12, the CRD will:

- produce a television drama series adopted from completed corruption cases to educate the public on the evils of corruption;
- launch a publicity programme, including a new Announcement of Public Interest to enhance public vigilance to the threat of corruption;
- continue to enlist public support for the anti-corruption cause through media programme and joint projects with the DCs; and
- sustain our partnership with local leaders in organising community activities to raise public awareness of the importance of anti-corruption work.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
(1) Corruption Prevention	52.6	55.6	50.7	55.8
(2) Operations	585.8	622.6	598.8	630.7
(3) Preventive Education.....	63.2	66.9	66.4	67.7
(4) Enlisting Support.....	65.3	69.1	68.4	69.9
	766.9	814.2	784.3 (-3.7%)	824.1 (+5.1%)
				(or +1.2% on 2010–11 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2011–12 is \$5.1 million (10.1%) higher than the revised estimate for 2010–11. This is mainly due to the filling of vacancies and salary increments for staff.

Programme (2)

Provision for 2011–12 is \$31.9 million (5.3%) higher than the revised estimate for 2010–11. This is mainly due to the filling of vacancies, salary increments for staff and a net increase of one post for strengthening investigation capabilities.

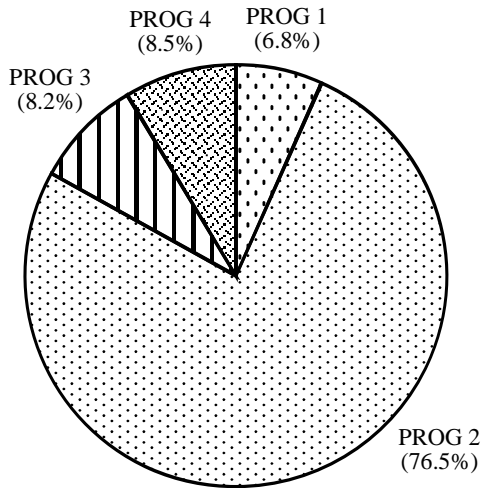
Programme (3)

Provision for 2011–12 is \$1.3 million (2.0%) higher than the revised estimate for 2010–11. This is mainly due to the filling of vacancies and salary increments for staff.

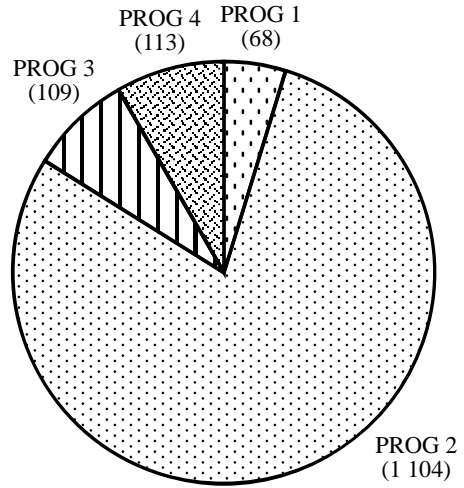
Programme (4)

Provision for 2011–12 is \$1.5 million (2.2%) higher than the revised estimate for 2010–11. This is mainly due to the filling of vacancies and salary increments for staff.

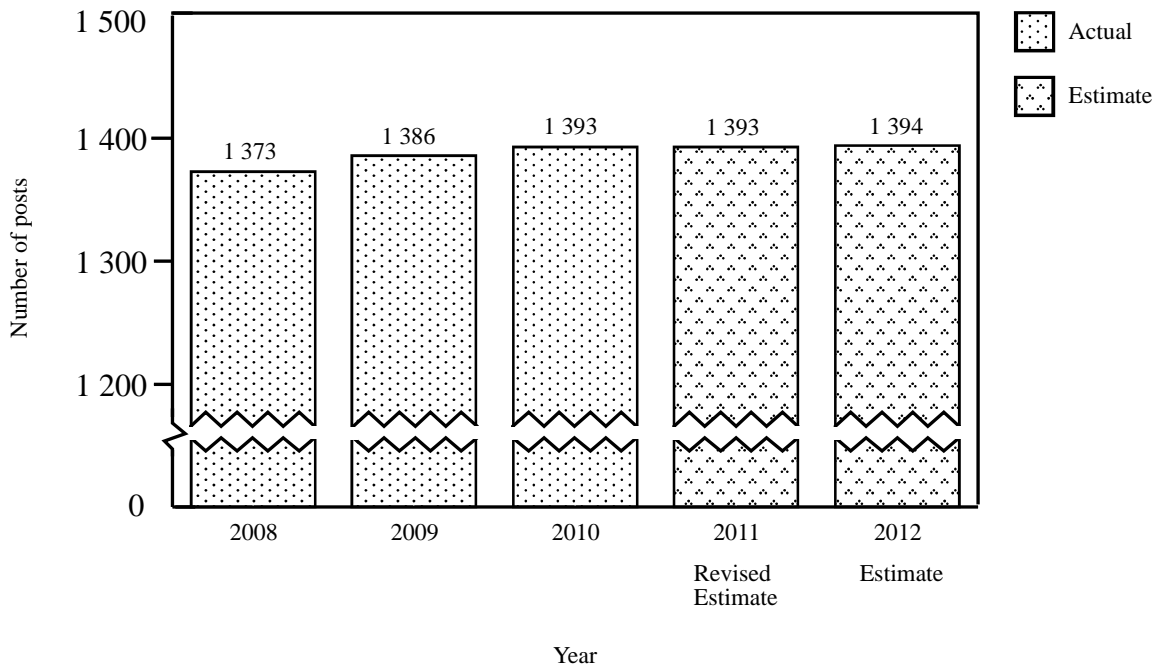
Allocation of provision to programmes (2011-12)



Staff by programme (as at 31 March 2012)



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



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Sub-head (Code)		Actual expenditure 2009–10	Approved estimate 2010–11	Revised estimate 2010–11	Estimate 2011–12
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses.....	749,274	795,604	765,726	804,449
103	Rewards and special services	16,149	17,000	17,000	17,900
203	Expenses of witnesses, suspects and detainees...	602	630	500	630
	Total, Recurrent	<u>766,025</u>	<u>813,234</u>	<u>783,226</u>	<u>822,979</u>
	Total, Operating Account.....	<u>766,025</u>	<u>813,234</u>	<u>783,226</u>	<u>822,979</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	897	940	1,102	1,140
	Total, Plant, Equipment and Works	<u>897</u>	<u>940</u>	<u>1,102</u>	<u>1,140</u>
	Total, Capital Account	<u>897</u>	<u>940</u>	<u>1,102</u>	<u>1,140</u>
	Total Expenditure	<u><u>766,922</u></u>	<u><u>814,174</u></u>	<u><u>784,328</u></u>	<u><u>824,119</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2011–12 for the salaries and expenses of the Independent Commission Against Corruption (ICAC) is \$824,119,000. This represents an increase of \$39,791,000 over the revised estimate for 2010–11 and of \$57,197,000 over actual expenditure in 2009–10.

Operating Account

Recurrent

2 Provision of \$804,449,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the ICAC.

3 The establishment as at 31 March 2011 will be 1 393 permanent posts. It is expected that there will be a net increase of one post in 2011–12. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2011–12, but the notional annual mid-point salary value of all such posts must not exceed \$623,149,000.

4 There are four 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 the financial provision under *Subhead 000 Operational expenses* is as follows:

	2009–10 (Actual) (\$'000)	2010–11 (Original) (\$'000)	2010–11 (Revised) (\$'000)	2011–12 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	593,580	623,805	596,806	632,802
- Allowances	21,842	22,483	21,013	22,100
- Job-related allowances.....	7,803	7,600	7,675	7,670
Personnel Related Expenses				
- Mandatory Provident Fund contribution	14,408	15,200	14,734	15,200
Departmental Expenses				
- Remuneration for special appointments...	2,421	2,403	2,490	2,436
- General departmental expenses.....	91,246	107,047	105,460	107,175
Other Charges				
- Investigation expenses	3,480	4,000	3,560	4,000
- Publicity.....	14,437	13,000	13,930	13,000
- Grant to the ICAC Welfare Fund.....	57	66	58	66
	749,274	795,604	765,726	804,449

6 Provision of \$17,900,000 under *Subhead 103 Rewards and special services* is for expenditure on rewards and services of a confidential nature.

7 Provision of \$630,000 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. The increase of \$130,000 (26.0%) over the revised estimate for 2010–11 is mainly due to anticipated increase in requirement.

Capital Account

Plant, Equipment and Works

8 Provision of \$1,140,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* is for procurement of minor equipment for operations.