

# **EFFORTS OF THE NARCOTICS DIVISION AND BEAT DRUGS FUND IN COMBATING DRUG ABUSE**

## **Executive Summary**

1. The Narcotics Division (ND) of the Security Bureau is responsible for coordinating policies and measures across the public sector, non-governmental organisations (NGOs) and the community to combat the drug abuse problem. To promote community efforts to beat drugs, the Government established the Beat Drugs Fund (BDF) in March 1996 with a capital outlay of \$350 million to generate investment income for financing anti-drug projects. In May 2010, the Legislative Council (LegCo) Finance Committee approved an injection of \$3 billion into the BDF to generate an enhanced level of funding for supporting sustained anti-drug efforts. The BDF is administered by the Governing Committee of the Beat Drugs Fund Association (BDFFA) with secretariat support provided by the ND. As at 31 March 2015, the ND had a strength of 32 staff. The estimated expenditure of the ND's anti-drug work (excluding staff costs) for 2015-16 was about \$20 million. The Audit Commission (Audit) has recently conducted a review of the ND's work in combating drug abuse, including the administration of the BDF, with a view to identifying room for improvement.

### **Anti-drug work of the ND**

2. *Worsening hidden drug abuse problem.* Over the past ten years, the number of reported drug abusers decreased by 37% from 14,115 in 2005 to 8,926 in 2014. However, the hidden drug abuse problem has worsened since 2007 as the median length of drug abusing experience of newly reported abusers increased from 1.7 years in 2007 to 5.2 years in 2014. The situation was more serious for drug abusers aged 21 and above who had a median length of drug abusing experience of 7.2 years in 2014. The proportion of young adults (aged 21 to 35) represented 55% of the newly reported drug abusers in 2014. This young adult group is mostly outside the reach of the school network. Since 2007, the number of psychotropic substance abusers has exceeded the number of narcotics drugs abusers. Prolonged abuse of psychotropic substances may lead to various long-term and irreversible

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damages to bodily functions. The ND needs to formulate further strategies to address the hidden drug abuse problem (paras. 1.9, 2.2, 2.8 and 2.21).

3. ***Need to enhance measures to tackle hidden drug abuse problem.*** The ND had since the 2011/12 school year launched the Healthy School Programme with a Drug Testing Component (HSP(DT)) to help motivate local secondary school students troubled by drugs to seek assistance and treatment. In 2015/16, the number of local secondary schools participated in the HSP(DT) was 92, representing only 19% of the total 479 local secondary schools. From 2011/12 to 2014/15, the overall proportion of students joining the voluntary drug testing dropped from 48% to 43%. There is a need to enhance the HSP(DT). In 2013-14, a public consultation exercise was conducted on introducing the RESCUE Drug Testing Scheme (RDT), aiming to provide an additional measure to identify drug abusers and refer them to counselling programmes in a timely manner. In 2014-15, the ND informed LegCo that there was a need to explore possible options to resolve controversial issues surrounding the RDT (paras. 2.7(a) and (b), 2.13(a), 2.14(a) and 2.16).

4. ***Need to collect more comprehensive drug abuse information.*** The Central Registry of Drug Abuse (CRDA) was established under the Dangerous Drugs Ordinance (DDO — Cap. 134) to provide drug abuse statistics for monitoring changes in drug abuse trends and characteristics of drug abusers to facilitate the planning of anti-drug strategies and programmes. Through a voluntary reporting system, information of drug abusers is provided to the CRDA by reporting agencies with data confidentiality statutorily protected under the DDO. During the four-year period from 2011 to 2014, 39 (54%) of the 72 reporting agencies had not reported any cases. According to the non-identifying information (i.e. without personal identity) collected by the ND, in 2013, information on 1,055 drug abusers was not reported to the CRDA. The ND also conducts student surveys once every three years to collect information on drug use by students at upper primary, secondary and post-secondary levels. From 2008/09 to 2014/15, the participation rates of all types of schools were generally declining. In particular, only 4% to 14% of international primary schools participated in the surveys, which might have adversely affected the representativeness of the survey results. There is a need to expedite the work on collecting more comprehensive data about the drug abuse population in Hong Kong (paras. 1.8, 2.26, 2.28, 2.31 and 2.35).

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5. *Need to improve preventive education and publicity programmes.* According to the ND, preventive education and publicity is the mainstay of the demand reduction efforts and the very first line of defence in the war against drug abuse. The ND has commissioned a number of NGOs to provide anti-drug education programmes for students and training programmes for teachers. The Task Force on Youth Drug Abuse in 2008 recommended that the education and teacher training programmes should cover their corresponding target schools in three years and five years respectively as far as possible. While 526 (88%) of the 598 target schools for the education programmes were reached in the four-year period from 2010/11 to 2013/14, only 427 (42%) of the 1,011 target schools for the teacher training programmes were reached in the six-year period from 2008/09 to 2013/14. During the respective periods, the numbers of schools, students and teachers reached under the education and training programmes were generally declining (paras. 2.40 to 2.43).

### Management of the BDF

6. *Need to review declaration of interests and performance reporting.* The BDFA is responsible for overseeing the administration of the BDF with a fund balance of \$4.3 billion as at 31 March 2015 and approval of grants averaging \$80 million a year. There is a need to review the adequacy of adopting the one-tier reporting system for declaration of interests, which only requires a member of the Governing Committee to declare a conflict of interest as and when it arises. To help enhance performance, transparency and accountability, consideration should be given to developing performance measurements for the BDF and reporting its financial position and operation to LegCo (paras. 3.4 to 3.6).

7. *Need to make better use of the BDF funding schemes.* Under the Regular Funding Scheme, the BDF supports community-driven anti-drug activities in the areas of preventive education and publicity, treatment and rehabilitation, and research. Through the Special Funding Scheme, financial assistance is provided to the Drug Dependent Persons Treatment and Rehabilitation Centres (DTRCs) to carry out capital works for meeting the licensing requirements and enhancing their service capacity. While the government injection of \$3 billion into the BDF was made in 2010 for giving more financial support to anti-drug projects, from 2010 to 2014, the number of annual applications under the Regular Funding Scheme decreased from 349 to 54. The amount of approved funding of \$42 million in 2014 only constituted 6% of the \$682 million available for funding projects in that year. Of the 59 priority areas set in the funding exercises from 2010 to 2014 for soliciting

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projects to address the prevailing drug abuse trend, there were no approved projects for 10 (17%) priority areas. For the Special Funding Scheme, from January 2010 to June 2015, only six DTRCs had obtained funding of \$114.1 million under five projects to carry out capital works. As the BDF is a key vehicle for the Government to support anti-drug work initiated or undertaken by community partners, there is a need to appeal to their support in making better use of the BDF funding schemes in the anti-drug cause (paras. 1.7(b), 3.11 to 3.13, 3.16 and 5.4).

### Administration of BDF projects

8. *Areas for improvement in administration of Regular Funding Scheme projects.* In 2010, the ND introduced measures to enhance monitoring of projects funded under the Regular Funding Scheme. However, Audit has found that there is room for improvement in the timeliness of submission of progress reports, final reports and auditors' reports by grantees. In light of the decreasing number of applications from 2010 to 2014, there is a need to encourage potential applicants to propose more worthy projects. In line with good management practices, consideration should be given to developing a marking scheme to facilitate the assessment of applications and notifying the unsuccessful applicants the reasons for the decisions to help them make improvement in their future project proposals (paras. 4.14, 4.16, 4.17 and 4.19(a)).

9. *Areas for improvement in administration of Special Funding Scheme projects.* For a works project funded under the Special Funding Scheme, it is common that the grantee will appoint an authorised person to conduct a technical feasibility study before seeking funding from the BDF. At present, the grantee, with prior approval of the BDFA, is allowed to retain the authorised person to perform the consultancy work on detailed designs and construction administration without going through another consultant selection process. There is a need to review this facilitation arrangement because it does not align with the government practice of ensuring fairness and competition in procurement. There is also a need to review the tendering requirement that grantees should obtain at least 10 tenders for capital works exceeding \$1 million. Such a requirement is more stringent than that applicable to government works projects and may not always be met in practice (paras. 4.24 and 4.25).

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### Way forward

10. *Need to conduct an overall review of the BDF.* According to the report issued by the Task Force on Youth Drug Abuse in 2008, it is important to assess the overall effectiveness of the BDF. The last review of the BDF was conducted in 1999. With the lapse of time, it is opportune for the ND to conduct an overall review of the BDF with a view to evaluating its effectiveness, reviewing the allocation of resources and formulating future strategies for the BDF (para. 5.5).

### Audit recommendations

11. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Commissioner for Narcotics should, in consultation with the Secretary for Education/the Governing Committee of the BDF (as appropriate):**

#### *Anti-drug work of the ND*

- (a) **formulate further strategies to tackle the hidden drug abuse problem taking into account the need to:**
  - (i) **make greater efforts to encourage school sponsoring bodies and secondary schools to participate in the HSP(DT) and take further steps to encourage students to participate in the voluntary drug testing (para. 2.23(b) and (c)); and**
  - (ii) **carry out further study on the RDT in consultation with interested parties on aspects of concern in drawing up detailed proposals for the RDT (para. 2.23(e));**
- (b) **strengthen ongoing efforts to encourage reporting agencies to report drug abuse information to the CRDA as far as possible and expedite the work on collecting more comprehensive data about the drug abuse population in Hong Kong (para. 2.36(a) and (b));**

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- (c) **consider engaging directly with schools not participating in the student surveys in working out ways to address their concerns and hence securing their collaboration in the surveys (para. 2.36(e));**
- (d) **take measures to ensure that more target schools of the education and training programmes are covered within a reasonable time frame, and closely monitor the effectiveness of the initiatives in promoting the participation in the programmes (para. 2.50(a) and (b));**

### *Management of the BDF*

- (e) **review the adequacy of adopting the one-tier reporting system for declaration of interests for the Governing Committee and the performance measurement of the BDF, and consider tabling the annual financial statements and annual reports of the BDF in LegCo (para. 3.9(a), (c) and (d));**
- (f) **ascertain the reasons for the decrease in funding applications under the Regular Funding Scheme and strengthen efforts to encourage applicants to propose more worthy projects (para. 3.18(a) and (b));**
- (g) **continue to provide assistance for the DTRCs to upgrade and/or relocate their facilities under the Special Funding Scheme to meet the licensing standards (para. 3.18(d));**

### *Administration of BDF projects*

- (h) **consider developing a marking scheme for vetting panel members to assess the project applications under the Regular Funding Scheme (para. 4.20(a));**
- (i) **consider taking regulatory actions against grantees in cases of serious delays in submission of their progress reports, final reports or auditors' reports in accordance with funding agreement provisions (para. 4.20(e));**

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- (j) review the requirement on obtaining at least 10 tenders for works projects under the Special Funding Scheme and expedite action on the review of the facilitation arrangement (para. 4.27(a) and (b)); and

### *Way forward*

- (k) conduct an overall review of the BDF with a view to evaluating its effectiveness, reviewing the allocation of resources and formulating future strategies for the BDF (para. 5.6(b)).

## Response from the Government

12. The Government generally agrees with the audit recommendations.