

CHAPTER 4

Security Bureau Civil Aid Service

Administration of the Civil Aid Service

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ADMINISTRATION OF THE CIVIL AID SERVICE

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ADMINISTRATION OF THE CIVIL AID SERVICE

Executive Summary

1. The Civil Aid Service (CAS), established in 1952, is a uniformed and disciplined auxiliary emergency service financed by the Government. The operation of CAS is governed by the CAS Ordinance (Cap. 518) and the CAS Regulation (Cap. 518A). CAS's work contributes to the policy area of "Internal Security" under the Security Bureau (SB). The aims of CAS are to provide an effective auxiliary force to augment the Government's regular emergency services in emergency situations, provide civic services to government departments and outside agencies, and provide young people (aged 12 to 17) with the opportunity to develop self-confidence and civic-mindedness through participation in the CAS Cadet Corps. CAS comprises the CAS Auxiliary Force which mainly consists of volunteer members and cadets, and the CAS (Department) which is a government department providing administrative and logistic support to the CAS Auxiliary Force. The CAS Auxiliary Force is headed by the Commissioner of the CAS, who is appointed by and accountable to the Chief Executive of the Hong Kong Special Administrative Region. The Chief Staff Officer is the Controlling Officer, who is responsible for managing the CAS (Department) and is accountable for CAS's expenditure. The total expenditure of CAS in 2017-18 was \$109.4 million. As at 31 December 2018, the CAS (Department) had an establishment of 103 staff, and there were 3,333 CAS members and 4,262 cadets in the CAS Auxiliary Force. The Audit Commission (Audit) has recently conducted a review to examine the administration of CAS with a view to identifying areas for improvement.

Training and services of Civil Aid Service members

2. *Efficiency requirements for CAS members.* Section 10(1) of the CAS Regulation stipulates that the requirements for efficiency of a member in any year shall be 60 hours performance of training with diligence. CAS General Order states that the 60-hour efficiency requirements might be met by a minimum of 30 hours of attendance in unit training plus a minimum of 30 hours of attendance in services. Any member who fails to comply with the efficiency requirements is an offence against discipline. In 2018, CAS provided 251,757 hours of training to its members (75 training hours per member on average) and CAS members provided

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302,532 services hours (90 service hours per member on average) (paras. 2.2, 2.3 and 2.10).

3. ***Non-compliance with minimum unit training requirements by some CAS members.*** For the years 2016 to 2018, the numbers of CAS members failing to meet the minimum unit training requirements of 30 hours were 826, 804 and 816, representing 24.5%, 23.9% and 24.1% of the average strength of CAS members respectively. In particular, 320 (9.5%), 269 (8%) and 281 (8.3%) of these members respectively did not attend any unit training. Audit noted that with effect from 1 January 2019, attendance of a member in centralised training organised by the CAS Training School would be counted on top of unit training when assessing whether he has fulfilled the 60-hour efficiency requirements (see para. 2). Audit considers that CAS needs to strengthen measures to ensure members' compliance with the minimum training requirements (para. 2.4).

4. ***Many new recruits leaving CAS before completion of recruitment training.*** Considerable resources are used in recruiting (e.g. through advertisement in local newspapers and recruitment talks) and training new CAS members (e.g. organising recruitment training programmes). Audit found that of the 1,351 new members recruited from 2014 to 2018, 345 (26%) left CAS before completing the recruitment training programme. CAS needs to explore ways to retain new recruits of CAS members (paras. 2.3(a) and 2.7).

5. ***Non-compliance with minimum service requirements by some CAS members.*** For the years 2016 to 2018, the numbers of CAS members failing to meet the minimum service requirements of 30 hours (see para. 2) were 711, 626 and 763, representing 21.1%, 18.7% and 22.5% of the average strength of CAS members respectively. In particular, 262 (7.8%), 234 (7%) and 275 (8.1%) of these members respectively did not provide any service. CAS needs to strengthen measures to ensure members' compliance with the minimum service requirements (paras. 2.12 and 2.13).

6. ***Approval of exemption from efficiency requirements not always obtained.*** According to CAS General Order, CAS members who do not fulfil the 60-hour efficiency requirements (see para. 2) may apply for exemption. However, in 2017, only 16 (26%) of 61 CAS members who received less than 30 hours of unit training and provided 100 or more hours of services each had applied for exemption and were granted approval. Audit's sample check of five members failing to meet the minimum

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service requirements of 30 hours also revealed that they had not applied for exemption. CAS needs to remind members who have not fulfilled the efficiency requirements to apply for exemption with justifications (paras. 2.5 and 2.14).

7. ***No guidelines for handling requests for non-emergency services.*** Audit analysis of 292 requests received by CAS for providing non-emergency services (e.g. crowd control) in 2017 revealed that documented reasons were only found in 10 (21%) of the 48 service requests rejected. Moreover, no guidelines were laid down on accepting non-emergency requests. CAS needs to promulgate such guidelines and document the reasons for accepting or rejecting the requests (paras. 2.15 and 2.16).

8. ***Need to lay down the basis for measuring target lead time for mountain emergency call-out operations.*** According to CAS's performance pledge, the lead time for the Mountain Search and Rescue Company to respond to any emergency call-out operation is one hour. According to CAS, the lead time is the time between receiving a call for assistance and the first CAS vehicle departing from the CAS Headquarters to the scene. However, this basis was not defined clearly in CAS guidelines. Audit examination of 13 emergency call-out cases in 2017 revealed that the one-hour performance pledge was not met in 7 (54%) cases. CAS needs to define clearly the basis for measuring the target lead time in CAS guidelines and take measures to meet the target (paras. 2.19 and 2.20).

9. ***Need to take follow-up actions on CAS members not fulfilling efficiency requirements.*** For the years 2016 to 2018, 954 to 1,059 CAS members had not complied with the 60-hour efficiency requirements, representing 28% to 31% of the average strength of CAS members in the respective years. Audit examination of the follow-up actions taken on five members who failed to attend any unit training nor provide any service from January 2015 to June 2018 revealed that some follow-up actions (e.g. issuing warnings and conducting Formal Disciplinary Inquiry Board) had not been taken in accordance with the procedures stipulated in CAS General Order. CAS needs to take measures to ensure compliance with the procedures (paras. 2.23 and 2.27).

10. ***Need to promptly implement a fair and equitable duty allocation system.*** In 2017-18, CAS's expenditure on pay and allowances for CAS members who engaged in services and training was \$37.2 million. In 2017 and 2018, the average

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hours spent on training and provision of services per CAS member were 186 and 166 respectively. However, three members were each allocated with more than 1,500 hours a year in training and services in 2017 and 2018. Although these members were experienced and efficient helpers who possessed relevant skills, CAS needs to ascertain whether there are other members who are also qualified for the relevant duties and avoid allocating duties only to a few members as far as practicable. CAS also needs to take prompt measures to implement a fair and equitable duty allocation system (paras. 2.30, 2.31, 2.34, 2.35(b) and 2.37).

11. *Need to step up monitoring of training and service attendance.* Audit examined 315 approved attendance claim forms (ACFs) for training received or services provided from April to June 2018 and noted areas for improvement, including: (a) early departure of members while attending scheduled training/voluntary duties without documented justifications; (b) late arrival for scheduled training/voluntary duties; (c) scheduled training/voluntary duties conducted without prior approval; and (d) ACFs not certified properly by officers-in-charge. CAS needs to step up efforts in monitoring the processing of ACFs, and remind CAS members/staff to comply with the requirements pertinent to the submission of claims for pay and allowances (paras. 2.40 and 2.41).

Management of the Civil Aid Service Cadet Corps

12. The CAS Cadet Corps was established in 1968. Its mission is to nurture its cadets and facilitate their development into future leaders and responsible citizens by motivating them to participate actively in community services, civic education and discipline training (paras. 3.2 and 3.9).

13. *Cancellation/postponement of centralised training courses.* Centralised training courses are organised to meet the training needs of CAS cadets in specific skills and for promotion of cadets. Audit examination revealed that 30 (37%) of 81 centralised training courses in 2018 were postponed/cancelled due to limited resources (15 courses), and insufficient nominations (another 15 courses). Of the courses that were postponed/cancelled due to limited resources, 3 were mandatory for the promotion of cadets. CAS needs to ascertain the reasons for insufficient nominations and take measures to encourage participation. CAS also needs to explore ways to better utilise its resources so that essential training courses can be provided as planned (paras. 3.7 and 3.8).

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14. ***Need to improve performance of participation in community services.*** Notwithstanding that there are no mandatory requirements on community services (e.g. crowd management) provided by a CAS cadet in a year, CAS has set a performance target for community services provided by CAS cadets in its Controlling Officer's Report. While the target community service hours were reduced by 37% from 35,000 hours in 2013 to 22,000 hours in 2018, the actual community service hours had decreased by 40% from 35,000 hours in 2013 to 21,000 hours in 2018 (i.e. persistently below the performance targets from 2014 to 2018). According to CAS, the reasons for not meeting the performance targets included reduction in requests for community services, change of training focus by CAS on cadets and other commitments of cadets (e.g. school study). Audit also found that the CAS could not deploy enough cadets to meet the service requirements in three major community services in 2018. CAS needs to explore effective measures to improve cadets' participation in community services (paras. 3.9, 3.10 and 3.12 to 3.14).

15. ***Need to increase participation of inactive cadets and step up follow-up actions.*** For the years 2015 to 2018, the number of inactive cadets, who did not participate in any training, any community services nor any recreational and social activities ranged from 755 to 938, representing 26% to 32% of the average strength. Audit sample checked the follow-up actions taken on 10 inactive cadets and found that follow-up actions (e.g. issuing notification letters to cadets' parents) had not been taken in accordance with CAS guidelines in some cases. CAS needs to step up actions to increase cadets' participation so as to achieve the mission of the Cadet Corps (see para. 12), and take measures to ensure that follow-up actions are taken in accordance with CAS guidelines (paras. 3.16, 3.18 and 3.19).

16. ***Vacancies of senior-rank cadets not filled.*** Audit found that the vacancy rates of cadet leader and senior cadet leader were over 90% in 2018 and the number of promotions to the ranks above senior cadet was relatively lower. According to CAS, the major causes of the vacancies included the relative short time span of a cadet participating in the Cadet Corps, other commitments of cadets (e.g. school events), and specific measures to encourage cadet promotion was withheld pending the implementation of the recommendations of a study of the repositioning of the Cadet Corps. CAS needs to formulate action plans to improve the vacancy situation as soon as possible (paras. 3.23 to 3.25).

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Administrative issues

17. ***Financial control.*** In 2017-18, CAS incurred an expenditure of \$112.2 million which exceeded the approved provision of \$109.4 million under Head 27 — CAS in the General Revenue Account by \$2.8 million. After the overspending incident, SB, the Treasury and CAS conducted reviews and made recommendations to improve the financial control of CAS. According to CAS, it had taken on board the recommendations of the reviews (para. 4.2).

18. ***Need to expedite recovery actions in respect of arrears of revenue.*** As at 30 September 2018, the total amount of arrears of revenue was \$111,900, of which \$69,200 (62%) involving 314 cases was related to unreturned uniforms and accoutrements of CAS members/cadets. As at 31 October 2018, 166 (53%) of the 314 cases had been outstanding for over 6 years. Audit found that there was delay by CAS staff in issuing demand notes and taking follow-up actions (e.g. informing the Department of Justice for issuing legal notices). CAS needs to expedite recovery actions in respect of arrears of revenue and write-off actions if further recovery actions are not warranted (paras. 4.3, 4.5 and 4.6).

19. ***Procurement of goods and services.*** The CAS's procurement activities and management of stores are governed by the Stores and Procurement Regulations (SPRs). Audit selected 50 quotation exercises with a value of over \$50,000 each for examination and reviewed the registers for quotations with a value of not exceeding \$50,000 each from 2013-14 to 2017-18 (paras. 4.12 and 4.13). Audit has found room for improvement in the following areas:

- (a) ***Number of quotations invited less than required.*** Audit found that in 2016-17, in a quotation exercise with a value of purchases exceeded \$50,000, only three quotations were invited instead of a minimum of five in accordance with SPRs. Moreover, similar services of an operation were procured by another three quotation exercises. To achieve better economy of scale, the three quotation exercises could have been consolidated into one (para. 4.13(a));
- (b) ***Approval for contract variations not sought.*** The final contract sums for two contracts were 6% and 4% above the approved contract sums due to changes in service requirements. In both cases, there were no records

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showing that approval for contract variations had been sought from a Directorate Officer, contrary to SPR requirements (para. 4.13(c)); and

- (c) ***Cancellation of quotation exercises.*** Audit examination of 50 quotation exercises for purchases with a value of over \$50,000 each revealed that some quotation exercises were cancelled due to inadequate market research before drawing up essential requirements for quotations or insufficient funds (para. 4.13(d)).

20. ***Management of stores.*** CAS has three major stores: (a) a Uniform Store; (b) a General and Stationery Store; and (c) a Dangerous Goods Store (para. 4.18). Audit reviewed the management of stores by CAS and noted the following issues:

- (a) ***Delays in updating records of returned stores items.*** In CAS annual departmental stock verification exercises from 2014 to 2018, surpluses were found in respect of 9 to 15 stores items when compared with the ledger balances, partly because the stores records were not updated when the items were returned (para. 4.18(a)); and
- (b) ***Annual inventory verification exercises not conducted.*** Audit reviewed the inventory sheets of inventory holding units for the period from 2013 to 2018 and found that 6 (26%) of 23 office units and all the 32 volunteer units had not conducted annual inventory verifications as required by SPRs for more than one year. According to CAS, inventory holders of volunteer units were CAS members, who were not “public officers” under SPRs. CAS was seeking the advice from the Financial Services and the Treasury Bureau on the issue (para. 4.18(b)).

21. ***Disposed stores not properly recorded and accounted for.*** According to SPRs, a list of stores for dumping is prepared to certify that the stores have been dumped or destroyed and a voucher must be completed to certify that stores are issued and received for dumping purposes. Audit examination revealed that in 10 (20%) of 50 disposal exercises approved from January 2015 to July 2018, the list of stores for dumping and/or vouchers were not found (paras. 4.20 and 4.21).

22. ***Management of dangerous goods.*** CAS maintains a Dangerous Goods Store where dangerous goods are kept. While the provisions of the Dangerous Goods

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Ordinance (Cap. 295) do not apply to the Government, CAS obtained the Fire Services Department (FSD)'s approval in February 2006 on the quantities of the dangerous goods kept in its Dangerous Goods Store subject to the compliance with a number of fire services requirements. Audit conducted an inspection and stocktake at the Store on 11 January 2019 and found that some fire services requirements were not complied with, including: (a) four dangerous goods items kept inside the Store exceeded FSD's approved quantities; (b) conspicuous warning notices (e.g. "no smoking") were not displayed on the front door of the Store; (c) the fire extinguisher inside the Store was not properly maintained; and (d) a self-closing device of a door was broken. According to CAS, the irregularities were rectified on 22 February 2019. CAS needs to take measures to ensure compliance with the pertinent fire services requirements at all times (paras. 4.22 to 4.25 and 4.27(b)).

23. ***Need to enhance governance of CAS.*** In this Audit Report, Audit has highlighted inadequacies in the training and services of CAS members and cadets, and instances of non-compliance with SPRs in procurement of goods and services and the fire services requirements in the management of the Dangerous Goods Store. There is a need for CAS to enhance its governance, and raise the awareness of CAS staff and CAS members on the need to comply with government regulations and guidelines, and CAS General Orders respectively. In this regard, CAS also needs to promulgate in CAS General Orders the terms of reference of the Commissioner's Office, the quorum requirement and frequency of the meetings of the Commissioner's Conference, the Commissioner's Committee and the Commissioner's Office, and properly document the records of meetings of the Commissioner's Office and the declaration of conflict of interests by CAS members (para. 4.29).

Audit recommendations

24. **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 CAS Management should:**

- (a) **strengthen measures to ensure that CAS members comply with the minimum training requirements and service requirements stipulated in CAS General Order, and explore ways to retain new recruits of CAS members (paras. 2.8(a) and (d), and 2.21(a));**

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- (b) remind CAS members who have not fulfilled the minimum training requirements or the minimum service requirements to apply for exemption with justifications (paras. 2.8(b) and 2.21(b));**
- (c) promulgate guidelines on accepting non-emergency service requests and document the reasons for accepting or rejecting the requests (para. 2.21(c));**
- (d) take prompt measures to implement a fair and equitable duty allocation system (para. 2.42(b));**
- (e) step up efforts in monitoring the processing of ACFs and remind CAS members/staff to comply with requirements pertinent to the submission of claims for pay and allowances (para. 2.42(c) and (d));**
- (f) ascertain the reasons for insufficient nominations of centralised training courses provided for CAS cadets and take measures to encourage participation and explore ways to better utilise CAS resources so that essential training courses can be provided as planned (para. 3.20(a) and (b));**
- (g) explore effective measures to improve the performance of the provision of community services and step up actions to increase cadets' participation in training, community services and recreational and social activities (para. 3.20(c) and (f));**
- (h) expedite recovery actions in respect of arrears of revenue and write-off actions if warranted (para. 4.9(a));**
- (i) take measures to ensure compliance with SPR requirements for procurement of goods and services and management of stores, and the pertinent fire services requirements at all times (paras. 4.14(a), and 4.26(a) and (d)); and**
- (j) enhance the governance of CAS to ensure that an established mechanism is in place to oversee and regularly report to the relevant CAS authorities the follow-up actions on the issues identified in this Audit Report (para. 4.30(a)).**

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Response from the Government

25. The Government generally agrees with the audit recommendations.

PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

Background

1.2 The Civil Aid Service (CAS), established in January 1952, is a uniformed and disciplined auxiliary emergency service financed by the Government. The operation of CAS is governed by the CAS Ordinance (Cap. 518) and the CAS Regulation (Cap. 518A). The aims of CAS are to provide an effective auxiliary force to augment the Government's regular emergency services in emergency situations, provide civic services to government departments and outside agencies, and provide young people (aged 12 to 17) with the opportunity to develop self-confidence and civic-mindfulness through participation in the CAS Cadet Corps. CAS comprises the CAS (Department) which is a government department (see para. 1.6) and the CAS Auxiliary Force which mainly consists of volunteer members (see para. 1.8).

Services provided by CAS

1.3 According to section 4 of the CAS Ordinance, the functions of CAS are to:

- (a) provide civil support services on the occasion of any emergency;
- (b) at the discretion of the Chief Executive of the Hong Kong Special Administrative Region, perform such other functions as may be commensurate with the training of members, and on such occasions, as she may order; and
- (c) at the discretion of the Commissioner of the CAS, provide such other services of a non-emergency nature for the general benefit of the community as he may direct.

1.4 CAS provides a wide range of services for government bureaux/departments (B/Ds) and non-governmental organisations (NGOs). According to its Controlling Officer's Report (COR), CAS's work contributes to the

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policy area of “Internal Security” under the purview of the Security Bureau (SB). Its work involves:

- (a) providing support to the Government’s regular emergency services in counter-disaster activities, mountain search and rescue, and countryside protection duties;
- (b) providing crowd control and crowd management services in major public functions;
- (c) assisting people in need of help in country parks and hiking trails;
- (d) providing stage performances to enhance public attention at major campaigns or activities organised by government departments and outside agencies; and
- (e) providing, through the CAS Cadet Corps, youth with specific training in discipline and skills, and an orientation towards civic duty.

In 2017-18, the auxiliary emergency and civic services provided to B/Ds and outside agencies by CAS included typhoon duties, flood rescue, mountain search and rescue, countryside fire-fighting and protection, community services, and training on emergency rescue, hiking safety and work safety at height.

1.5 Key performance targets of CAS as reported in its CORs for 2014 to 2018 are shown in Table 1.

Table 1

**Key performance targets of CAS
(2014 to 2018)**

Key performance target	Target (Man-hour)	2014	2015	2016	2017	2018
		Actual (Man-hour)				
(a) Providing standby teams on Sundays and general holidays for immediate deployment to handle emergencies (mountain search and rescue, and countryside fire-fighting)	32,000	34,000	33,000	33,000	35,000	32,000
(b) Providing crowd management services for major public functions	78,000	63,000	78,000	85,000	78,000	77,000
(c) Patrolling the country parks and hiking trails	44,000	46,000	47,000	45,000	45,000	42,000
(d) Providing performances for the public on major government campaigns and activities	6,000	7,000	7,000	8,000	7,000	4,000
(e) Providing full-time and part-time training for CAS members through the CAS Training School	72,000 (Note 1)	71,000	63,000	74,000	89,000	68,000
(f) Providing full-time and part-time training for CAS cadets in skills and discipline through the CAS Training School	48,000 (2014 to 2016) 60,000 (2017) 65,000 (2018) (Note 2)	48,000	55,000	65,000	80,000	82,000
(g) Providing recreational and social activities for CAS cadets	115,000 (Note 3)	97,000	104,000	119,000	125,000	122,000

Table 1 (Cont'd)

Key performance target	Target (Man-hour)	2014	2015	2016	2017	2018
		Actual (Man-hour)				
(h) Providing community services by CAS cadets	35,000 (2014) 30,000 (2015) 25,000 (2016) 22,000 (2017 to 2018) (Note 4)	29,000	24,000	21,000	21,000	21,000
(i) Providing training on mountain rescue, hiking safety and work safety at height for staff of government departments and NGOs	20,000	19,000	21,000	20,000	22,000	19,000

Source: CAS's CORs

Note 1: The target was adjusted upwards from 65,000 to 72,000 man-hours from 2018 onwards in view of the increase in the number of CAS new recruits and the provision of more training in alignment with the enhanced promotion of mountaineering and hiking safety.

Note 2: The target was adjusted upwards from 48,000 to 60,000 and 65,000 man-hours effective 2017 and 2018 respectively, and further to 75,000 man-hours effective 2019 in view of the increase in the number of CAS cadets.

Note 3: The target was adjusted upwards from 115,000 to 125,000 man-hours effective 2019 in view of the increase in the number of CAS cadets.

Note 4: The target was adjusted downwards from 35,000 to 30,000 and 25,000 man-hours effective 2015 and 2016 respectively as the requirement for Hong Kong Wetland Park duties had been reduced from 12 to 7 months a year since 2014. The target was further reduced to 22,000 man-hours effective 2017 and to 20,000 man-hours effective 2019 in view of a reduced scale of deployment of CAS cadets in community services (e.g. Hong Kong Wetland Park duties and crowd management service).

CAS (Department)

1.6 The CAS (Department) is a government department under SB. It performs and provides operational control, service training, administrative and logistic support to members of the CAS Auxiliary Force (see para. 1.8 — Note 1). The Chief Staff Officer is responsible to the Secretary for Security for managing the CAS (Department). He also serves as the Deputy Commissioner (Operations) of the CAS Auxiliary Force. As at 31 December 2018, the Department had an establishment of 103 civil servants (Note 2) in the following two Divisions:

- (a) ***Administration Division.*** It provides administrative, accounting, membership and translation support to the CAS Auxiliary Force; and
- (b) ***Operations and Training Division.*** It provides recruitment and training support to the CAS Auxiliary Force.

The organisation chart of the CAS (Department) as at 1 January 2019 is at Appendix A.

CAS Auxiliary Force

1.7 The CAS Auxiliary Force is headed by the Commissioner of the CAS, who is appointed by and accountable to the Chief Executive. He is assisted by three Deputy Commissioners for the administration, operations, development and youth training of CAS. In this Audit Report, the Commissioner of the CAS and the Chief Staff Officer of the CAS (Department) are referred to as CAS Management.

1.8 The CAS Auxiliary Force is formed by members from all walks of life in the Hong Kong community. CAS invites members of the public who are interested in serving the community and undertaking various emergency duties to join the

Note 1: *In this Audit Report, “CAS member” refers to a member of the CAS Auxiliary Force and “CAS staff” refers to a staff working in the CAS (Department).*

Note 2: *The CAS (Department) is staffed by officers in the departmental grade of Operations and Training Officers and other officers in various general grades (e.g. Executive Officer, Supplies Officer and Clerical Officer) of the Government.*

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Auxiliary Force (Note 3). CAS members are classified into officer rank (Note 4) or other ranks (Note 5). Members at officer rank are tasked with management responsibilities (e.g. allocation of duties) on top of their operational duties. The recruitment procedures for a CAS member comprise functional and fitness tests, a written test (on use of Chinese and English for officer rank and Chinese for other ranks), an interview and a medical examination. Based on the performance of the applicants, CAS selects suitable applicants for enrolment as CAS members. As at 31 December 2018, there were 3,333 CAS members.

1.9 To ensure that CAS members maintain their proficiency in operations, section 10(1) of the CAS Regulation stipulates that the requirements for efficiency of a member in any year shall be 60 hours performance of training with diligence.

1.10 CAS provides youth training through its Cadet Corps. It aims at nurturing cadets to become future leaders and responsible citizens by motivating them to participate actively in community services, civic education and discipline training.

Note 3: *The recruitment exercise for members at officer rank is carried out annually and enrolment applications for members at other ranks are accepted throughout the year.*

Note 4: *For enrolment as a member at officer rank, the applicant should be:*
(a) *a permanent resident of Hong Kong of at least 18 years of age;*
(b) *able to speak fluent Cantonese and to read and write Chinese and English, and a holder of a bachelor's degree with special skills/experience that fits for the missions of CAS; and*
(c) *able to pass the functional and fitness tests and the medical examination.*

Note 5: *For enrolment as a member at other ranks, the applicant should be:*
(a) *a permanent resident of Hong Kong of at least 16 years of age. Any applicant under 18 years of age should obtain from his/her parent or guardian a written consent;*
(b) *able to speak fluent Cantonese and to read and write Chinese, with qualification as Form 3 graduate or above; and*
(c) *able to pass the functional and fitness tests and the medical examination.*

CAS accepts enrolment applications for cadets throughout the year (Note 6). Based on interview results, CAS selects successful applicants for enrolment as cadets. As at 31 December 2018, there were 4,262 cadets in 20 platoon groups under five Cadet Corps Companies.

1.11 The CAS Auxiliary Force comprises the following set-up:

- (a) **Command Core.** The Command Core assumes the roles of operational command and co-ordination, and takes overall charge of the command, control and resources deployment in execution of operational duties;
- (b) **Administration Force.** The Administration Force comprises the Human Resources Office, Internal Communications Office, Information Technology Office and Public Relations Office. The Force helps promulgate the positive image of CAS to the public, takes charge of all human resource issues, manages all kinds of internal communications among members in CAS, and assists and monitors the use of computers installed at different units;
- (c) **Tactical Force.** Its main function is to control and co-ordinate the performance of Tactical Force members in operations and emergencies. The Tactical Force comprises the Emergency Rescue Company, Mountain Search and Rescue Company (MSaR Company), Emergency Rescue Training Office, and Mountain Search and Rescue Training Office;
- (d) **Support Force.** It plays the major role in offering logistic support to the CAS Auxiliary Force in operations, major community services and ceremonial events. The Support Force comprises the Welfare Company, the CAS Band, the Transport Company, the Stores Company and the Communications Company;
- (e) **Regions.** There are three Regions, namely Hong Kong, Kowloon and New Territories Regions. Each Region comprises a Regional Headquarters and four Companies. Each Regional Headquarters exercises the command and

Note 6: *For enrolment as a cadet, the applicant should:*

- (a) *be aged 12 or above but under 16;*
- (b) *be a Hong Kong Identity Card holder; and*
- (c) *have obtained from his/her parent or guardian a written consent.*

Introduction

control functions on its Companies in regional administration, training and management;

- (f) ***Training and Development Force.*** It is responsible for providing training and developing policies and strategies in the aspects of service-wide and regional training, overseas programme, government and non-government training on CAS subjects, and ensuring that the implementation of training for CAS is up to the standard;
- (g) ***Cadet Corps.*** It is responsible for the management and development of cadets in the five Cadet Corps Companies; and
- (h) ***Audit Office.*** The Audit Office is responsible directly to the Commissioner of the CAS through the Commissioner's Committee (Note 7). It examines, evaluates and reports on the adequacy of the internal controls.

An extract of the organisation chart of the CAS Auxiliary Force as at 1 January 2019 is at Appendix B.

1.12 The Commissioner of the CAS will periodically chair a conference (i.e. Commissioner's Conference) with 15 members who are Regional/Force/Cadet Corps Commanders and above in examining or approving all administrative and managerial matters as well as operational policies within CAS. Besides, a Commissioner's Committee chaired by the Deputy Commissioner (Operations) assists the Commissioner in ensuring that CAS is well managed, and laid-down policies are adhered to by all CAS members. The Committee oversees matters such as discipline, training, welfare, efficiency and proper performance of duties of all personnel under the command of respective regional heads. The Committee will hold meeting before the Commissioner's Conference or at any time as and when required. The Committee examines and makes recommendations to the Commissioner on: (a) promotion of officers; (b) awards or commendations; (c) disciplinary matters; (d) service development; and (e) other crucial issues. In addition, the Commissioner's Office

Note 7: *The Commissioner's Committee is chaired by the Deputy Commissioner (Operations) and comprises the Deputy Commissioner (Administration), Deputy Commissioner (Development) and four Senior Assistant Commissioners of the CAS.*

holds meetings from time to time to discuss administrative matters of CAS (Note 8).

Expenditure of CAS

1.13 The Chief Staff Officer is the Controlling Officer of the CAS (Department) and is accountable for CAS's expenditure. The pay and allowances of CAS members are governed by the Auxiliary Forces Pay and Allowances Ordinance (AFPAO — Cap. 254). CAS members are eligible for pay and allowances (Note 9) only when they have been called out to provide emergency or regular services, or when they have attended training courses conducted by CAS. An extract of the rates of pay for CAS members in 2018-19 and 2019-20 are at Appendix C. A CAS member who attends training or provides services and a CAS cadet who attends training, activities or community services are eligible to receive a daily ration allowance (Note 10). Of CAS's total expenditure of \$109.4 million in 2017-18 (see Figure 1), the pay and allowances received by CAS members and cadets amounted to \$38.6 million (35% of \$109.4 million).

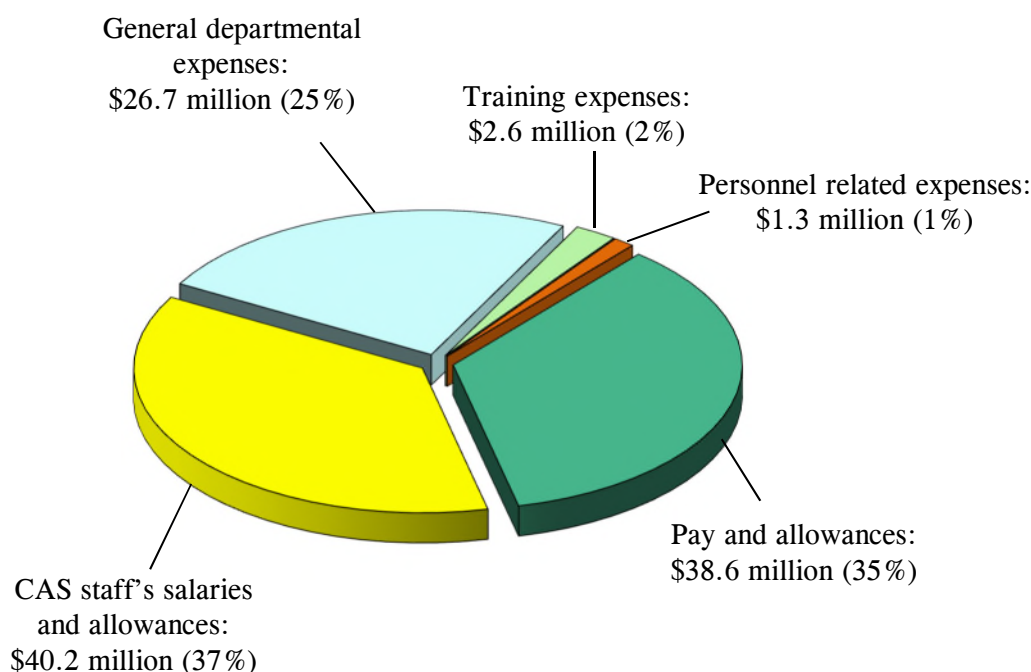
Note 8: *The Commissioner's Office is chaired by the Commissioner of the CAS and comprises seven members (i.e. three Deputy Commissioners and four Senior Assistant Commissioners of the CAS). According to CAS, the Office holds meetings to discuss policies, strategies and management issues relating to the development, administration and operations of CAS.*

Note 9: *The pay rates of CAS members range from \$92.6 to \$218.1 per hour for officers, and from \$44.8 to \$72.6 per hour for other ranks. The pay rates are reviewed every two years by the Secretary for Security. The revised pay rates are then submitted to the Secretary for Financial Services and the Treasury for approval under delegated authority from the Finance Committee of the Legislative Council.*

Note 10: *According to CAS, a CAS member or cadet who attends training, activities, community services or voluntary duties continuously for eight hours or more in a 24-hour period during which he/she is not provided with free meal is eligible for a ration allowance of \$96. Half ration allowance of \$48 is payable to a CAS cadet for attending training, activities or community services continuously for four hours or more but less than eight hours.*

Figure 1

**Analysis of CAS's total expenditure of \$109.4 million
(2017-18)**



Source: CAS records

Guidelines and instructions

1.14 The Commissioner of the CAS may, from time to time, under the authority of the CAS Ordinance and the CAS Regulation, issue orders for the administration and control of CAS. The General Orders of CAS (Note 11) embody policies, directives and instructions on specific subjects or issues relating to CAS organisational structure, function and service management. Similar to other government departments, the operations of CAS (Department) are governed by relevant government regulations and guidelines (including the Civil Service Regulations, the Stores and Procurement Regulations (SPRs) and the Financial Circulars, etc.) while the CAS Auxiliary Force makes reference to these regulations and guidelines.

Note 11: *The General Orders cover different themes including organisation functions, personnel, conduct and discipline, finance and accounts, uniform, stores and equipment, transport, accommodation and general administration.*

Audit review

1.15 In November 2018, the Audit Commission (Audit) commenced a review to examine the administration of CAS, focusing on:

- (a) training and services of Civil Aid Service members (PART 2);
- (b) management of the Civil Aid Service Cadet Corps (PART 3); and
- (c) administrative issues (PART 4).

Audit has found room for improvement in the above areas and has made a number of recommendations to address the issues.

General response from the Government

1.16 The Secretary for Security has said that he agrees in general with the audit observations and helpful audit recommendations. The SB notes that CAS has generally agreed with the audit recommendations and will make every endeavour to address those issues requiring follow-up actions, as part of its ongoing efforts to enhance operation and resource management. In particular, it is noted that CAS will conduct a holistic review on its administration, training and operation arrangements, taking into account all recommendations in this report, which will help improve the administration of CAS in the overall.

1.17 CAS Management agrees with the audit recommendations regarding the administration of CAS, which will help enhance the administration, training and operation management, as well as the governance and management of both the Department and the Auxiliary Force.

Acknowledgement

1.18 Audit would like to acknowledge with gratitude the full cooperation of the staff of SB, and staff and members of CAS during the course of the audit review.

PART 2: TRAINING AND SERVICES OF CIVIL AID SERVICE MEMBERS

2.1 This PART examines the training and services of CAS members, focusing on:

- (a) training provided to CAS members (paras. 2.3 to 2.9);
- (b) services provided by CAS members (paras. 2.10 to 2.22);
- (c) follow-up actions on CAS members not fulfilling efficiency requirements (paras. 2.23 to 2.29); and
- (d) pay and allowances of CAS members (paras. 2.30 to 2.43).

Efficiency requirements for CAS members

2.2 To ensure that CAS members maintain their proficiency in operations, section 10(1) of the CAS Regulation stipulates that the requirements for efficiency of a member in any year shall be 60 hours performance of training with diligence. CAS General Order No. 3.6.4 (Note 12) states that the 60-hour efficiency requirements might be met by a minimum of 30 hours of attendance in unit training plus a minimum of 30 hours of attendance in services. Any member who fails to comply with the efficiency requirements is an offence against discipline (see paras. 2.24 and 2.25). The total number of unit training hours provided by CAS each year is sufficient for each member to fulfil the minimum unit training requirements.

Note 12: *CAS General Order No. 3.6.4 superseded the then CAS General Order No. 3.3.2 “Requirements for efficiency of CAS members” with effect from 20 April 2017. The requirements for efficiency (i.e. a minimum of 30 hours of attendance in unit training plus a minimum of 30 hours of attendance in services) in both Orders are the same.*

Training provided to Civil Aid Service members

2.3 CAS aims to provide well-trained, skilful and disciplined personnel to assist in emergency operations or in situations where CAS assistance is required (see para. 1.4(a) to (d)). Training provided to CAS members comprises:

- (a) **Recruitment training.** All new members are required to attend a comprehensive recruitment training programme (of 161 and 271 hours for officer and other ranks respectively) to ensure that they are equipped with the basic skills and techniques for performing their duties. The CAS Training School provides recruitment training for new members. Recruitment training covers areas such as knowledge of CAS (e.g. the aim, role and functions of CAS), first aid, foot drill and basic emergency rescue;
- (b) **Centralised training.** Centralised training is provided by the CAS Training School. The training may be in the form of training courses, workshops and seminars through which CAS members may enhance their knowledge and skills, and acquire the necessary qualifications for further development or promotion. A CAS member is encouraged to attend at least one centralised training course per year through nomination by his/her Unit Commander; and
- (c) **Unit training.** The Regional/Force Commanders organise unit training for individual units to ensure and strengthen the operational efficiency of CAS members (e.g. core competency training to update and reinforce members' knowledge and skills and regular physical fitness training). Company Commanders are required to submit a quarterly training programme one month before commencement of the quarter concerned to the Commander of the relevant Region/Force for approval.

In 2018, CAS provided 251,757 hours of training to its members, i.e. on average, 75 hours per member (Note 13).

Note 13: *The average number of training hours per CAS member was calculated based on the average strength (i.e. the average of the strength as at each month end during the year) of 3,379 CAS members in 2018.*

Non-compliance with minimum unit training requirements by some CAS members

2.4 *Need to meet minimum training requirements.* Training is essential to ensure CAS members' proficiency in operations. The minimum unit training requirements (see para. 2.2) are also part of the statutory efficiency requirements that members must fulfil. Audit analysed the attendance of unit training by CAS members from 2016 to 2018 (Note 14). As shown in Table 2, for the years 2016 to 2018, the numbers of CAS members failing to meet the minimum unit training requirements of 30 hours were 826, 804 and 816, representing 24.5%, 23.9% and 24.1% of the average strength of CAS members respectively. In particular, 320 (9.5%), 269 (8%) and 281 (8.3%) of these members respectively did not attend any unit training. Audit noted that with effect from 1 January 2019, attendance of a member in centralised training organised by the CAS Training School would be counted on top of unit training when assessing whether he had fulfilled the 60-hour efficiency requirements (see para. 2.6). Audit considers that CAS needs to strengthen measures to ensure that CAS members comply with the minimum training requirements stipulated in CAS General Order (see also paras. 2.23 to 2.27).

Note 14: *Audit's analysis excluded those members recruited in the year because they might not have enough time to complete the 30 hours of unit training after completing the recruitment training programme in their first year of service. Members who left CAS in the year were also excluded as no follow-up actions were required.*

Training and services of Civil Aid Service members

Table 2

Unit training attendance of CAS members (2016 to 2018)

Unit training (Hour)	2016		2017		2018	
	(Number)	(% of average strength)	(Number)	(% of average strength)	(Number)	(% of average strength)
0	320	9.5	269	8.0	281	8.3
1 to <30	506	15.0	535	15.9	535	15.8
30 to <60	955	28.4	949	28.2	1,034	30.6
60 to <100	671	19.9	639	19.0	677	20.0
100 to <200	556	16.5	565	16.8	481	14.2
200 to <300	87	2.6	74	2.2	69	2.0
≥ 300 (Note)	23	0.7	17	0.5	3	0.1

Source: Audit analysis of CAS records

Note: The largest number of unit training hours was 414 in 2017.

Remarks: The average strengths in 2016, 2017 and 2018 were 3,367, 3,362 and 3,379 respectively.

2.5 Approval of exemption from efficiency requirements not always obtained.

According to CAS General Order No. 3.6.4, CAS members who do not fulfil the 60-hour efficiency requirements (see para. 2.2) may apply for exemption from the Commissioner of the CAS or Chief Staff Officer (Note 15). Audit examination revealed that in 2017, each of the 61 CAS members who received less than 30 hours of unit training had provided 100 or more hours of services. Of these 61 members, only 16 (26%) had applied for exemption from the efficiency requirements and were

Note 15: *The Commissioner may exempt any member from the requirements for efficiency, and the Chief Staff Officer is delegated to grant exemption to officers of Grade V or below (see Appendix C).*

Training and services of Civil Aid Service members

granted approval by the Commissioner of the CAS or Chief Staff Officer. Audit considers that CAS needs to remind CAS members who have not fulfilled the minimum training requirements to apply for exemption with justifications in accordance with CAS General Order.

2.6 *Need to keep proper records on approval made by CAS Management.* On 26 November 2018, CAS issued a circular informing CAS members that with effect from 1 January 2019, attendance of a member in centralised training (see para. 2.3(b)) organised by the CAS Training School would be counted on top of unit training when assessing whether he had fulfilled the 60-hour efficiency requirements. As stated in the circular, the proposed change was submitted to the Commissioner's Committee (see Note 7 to para. 1.11(h)) and was approved by the Commissioner of the CAS. Upon enquiry, the CAS (Department) informed Audit on 7 December 2018 and March 2019 that the recommended change was approved by the Commissioner in a Commissioner's Office meeting (see para. 1.12) held on 18 September 2018 but no minutes were kept. As it was necessary to wait for the upgrading of the computer system for implementing the change, the Commissioner approved and agreed to bring up the changes to the Commissioner's Conference for comment. On 18 December 2018, the matter was brought up at the Commissioner's Conference and the approval was recorded in the minutes of the Conference. Audit considers that as a good management practice, proper documentation needs to be kept on approval made by CAS Management.

Many new recruits leaving CAS before completion of recruitment training

2.7 *Need to explore ways to retain new recruits in CAS.* CAS invites the public to join the Auxiliary Force through providing recruitment information on its website, advertisement in local newspapers, information leaflets and recruitment talks (e.g. in various local universities). Considerable resources are used by CAS in recruiting and training new CAS members (Note 16). Audit found that from 2014 to 2018, a total of 1,351 new members were recruited by CAS (see Table 3). However,

Note 16: *Expenses include cost of medical examination, uniform, transportation and pay and allowances payable to a member for attending the recruitment training programme.*

Training and services of Civil Aid Service members

there were 345 (26%) drop-outs, i.e. new recruits who left CAS (Note 17) before completing the recruitment training programme (see para. 2.3(a)).

Table 3

**Analysis of new members leaving CAS
before completing the recruitment training programme
(2014 to 2018)**

Year	Number of new recruits (a)	Number of drop-outs (b)	Drop-out rate (c) = (b) ÷ (a) × 100%
2014	224	61	27%
2015	198	37	19%
2016	253	80	32%
2017	351	101	29%
2018	325	66	20%
Overall	1,351	345	26%

Source: Audit analysis of CAS records

Audit considers that CAS needs to explore ways to retain new recruits of CAS members (e.g. providing opportunities for interested persons to experience CAS training/activities so that they are more informed about the ethos and requirements of CAS before joining the Auxiliary Force).

Note 17: *According to CAS, 139 members did not provide reasons for not completing the recruitment training programme. For the remaining members, 36 members left CAS because they joined other disciplinary forces, and 140 and 30 members left because of work and family reasons respectively.*

Audit recommendations

2.8 Audit has *recommended* that CAS Management should:

- (a) strengthen measures to ensure that CAS members comply with the minimum training requirements stipulated in CAS General Order;**
- (b) remind CAS members who have not fulfilled the minimum training requirements to apply for exemption with justifications in accordance with CAS General Order;**
- (c) remind CAS staff to keep proper documentation on approval made by CAS Management; and**
- (d) explore ways to retain new recruits of CAS members.**

Response from the Government

2.9 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will:

- (a) strive to encourage members to meet the training requirements;**
- (b) strengthen measures to ensure that CAS members who could not meet the efficiency requirements shall apply for exemption (e.g. timely reminders will be issued to all CAS members to remind them to apply for the exemption, if required);**
- (c) ensure that proper documentation is kept on approvals made by CAS Management; and**
- (d) continue to explore ways to retain new recruits in CAS (e.g. the CAS Civil Defence Leadership Programme (Tertiary Students) has been implemented since early 2018 for engaging students from various colleges or universities to experience CAS training and activities).**

Services provided by Civil Aid Service members

2.10 As mentioned in paragraph 1.4, CAS provides various services to B/Ds and NGOs. The services included emergency services, regular public services (e.g. patrolling at hiking trails), and community services (e.g. crowd management and band performance). With respect to CAS members, the services also included providing training to other CAS members and CAS cadets. In 2018, CAS members provided 302,532 service hours, i.e. on average, 90 service hours per member (Note 18).

Non-compliance with minimum service requirements by some CAS members

2.11 *Minimum service requirements.* CAS General Order No. 3.6.4 states that a CAS member has to provide a minimum of 30 hours of services to fulfil the efficiency requirements in a year. Failure to meet the efficiency requirements is subject to disciplinary action. The total number of service hours provided by CAS each year is sufficient for each member to fulfil the minimum service requirements.

2.12 *Non-compliance with minimum service requirements.* Audit analysed the service hours of CAS members from 2016 to 2018 (Note 19). As shown in Table 4, for the years 2016 to 2018, the numbers of CAS members failing to meet the minimum service requirements of 30 hours were 711, 626 and 763, representing 21.1%, 18.7% and 22.5% of the average strength of CAS members respectively. In particular, 262 (7.8%), 234 (7%) and 275 (8.1%) of these members respectively did not provide any service.

Note 18: *The average number of service hours per CAS member was calculated based on the average strength of 3,379 CAS members in 2018.*

Note 19: *Audit's analysis excluded new recruits and members who left CAS in the year.*

Table 4

**Service hours provided by CAS members
(2016 to 2018)**

Service hours	2016		2017		2018	
	(Number)	(% of average strength)	(Number)	(% of average strength)	(Number)	(% of average strength)
0	262	7.8	234	7.0	275	8.1
1 to < 30	449	13.3	392	11.7	488	14.4
30 to < 60	932	27.7	858	25.5	938	27.8
60 to < 100	672	20.0	591	17.6	562	16.6
100 to < 400	716	21.3	864	25.7	725	21.5
400 to < 700	70	2.1	85	2.5	66	2.0
700 to < 1,000	15	0.4	17	0.5	17	0.5
≥ 1,000	2 (Note)	0.1	7 (Note)	0.2	9 (Note)	0.3

Source: Audit analysis of CAS records

Note: The largest numbers of service hours provided by the corresponding CAS member in 2016, 2017 and 2018 were 1,179, 1,801 and 1,729 respectively.

Remarks: The average strengths in 2016, 2017 and 2018 were 3,367, 3,362 and 3,379 respectively.

2.13 Need to meet minimum service requirements. The provision of services is essential for maintaining CAS members' proficiency in operations. The minimum service requirements (see para. 2.2) are also part of the statutory efficiency requirements that members must fulfil. The fact that a significant number of CAS members failing to fulfil the minimum service requirements in the period under audit examination is not satisfactory. Audit considers that CAS needs to strengthen measures to ensure that CAS members comply with the minimum service requirements stipulated in CAS General Order (see also paras. 2.23 to 2.27).

2.14 Approval of exemption from efficiency requirements not always obtained. As mentioned in paragraph 2.5, CAS members who do not fulfil the 60-hour efficiency requirements may apply for exemption from the Commissioner of the CAS

or Chief Staff Officer. Audit sample checked five members who failed to meet the minimum service requirements of 30 hours in 2017 and noted that these members had not applied for exemption. Audit considers that CAS needs to remind CAS members who have not fulfilled the minimum service requirements to apply for exemption with justifications in accordance with CAS General Order.

No guidelines for handling requests for non-emergency services

2.15 From time to time, CAS received requests from B/Ds and outside agencies for providing non-emergency services such as crowd control, band performance and motorcycle performance. Audit analysed the results of 292 requests received by CAS in 2017 (Note 20) and noted that 240 (82%) of the requests were accepted, 48 (17%) were rejected and 4 (1%) were either cancelled or withdrawn by the applicants.

2.16 ***Need to promulgate guidelines for assessing requests for non-emergency services.*** Audit found that the decision of accepting/rejecting a service request rested solely on two Principal Operations and Training Officers in the CAS (Department). According to CAS, there were no guidelines setting out the criteria for accepting service requests. Audit examination also found that of the 48 service requests rejected by the officers, there were only documented reasons for rejecting the requests in 10 cases (21%). Upon enquiry, the CAS (Department) informed Audit in December 2018 and March 2019 that the decisions were made by the officers after clarifying the nature of service requests from the applicants, assessing the risks involved and the availability of resources by consulting volunteer commanders if necessary, and carrying out evaluations by virtue of the officers' experience and sensitivity on work issue. For controversial cases, the officers would consult the top management of CAS. Given that CAS staff may assess service requests for non-emergency services based on different criteria, Audit considers that CAS needs to promulgate guidelines on accepting non-emergency service requests from B/Ds and outside agencies, and require CAS staff to keep proper records on the requests and document the reasons for accepting or rejecting the requests.

Note 20: *Audit requested CAS to provide a full list of service requests received in 2017. Up to early March 2019, it could only provide the relevant records for 292 requests.*

Response to emergency services

2.17 MSaR Company under the Tactical Force provides trained rescuers for search and rescue tasks in the mountains (e.g. searching and rescuing people who get lost or are missing in hiking and mountain activities) at the request of the Hong Kong Police Force, Fire Services Department (FSD) or other B/Ds. Members of MSaR Company must be qualified in first aid and evacuation of casualties, and be able to carry out mountain rescue tasks in complex situations and weather conditions.

2.18 When the CAS (Department) receives a service request involving MSaR Company, it will refer the request to the responsible Commander who will call upon his members to report for duty at the CAS Headquarters. According to CAS General Order No. 2.1.3, MSaR Company Commander needs to ensure that all members in the Company are able to report for duty within 60 minutes from the time of call out for any emergency tasks. However, according to CAS, no proper record was kept on the time of calling individual members. As such, Audit could not ascertain whether members of the Company met the requirements stated in the General Order.

2.19 *Need to lay down the basis for measuring target lead time for mountain emergency call-out operations.* According to CAS's performance pledge, the lead time for MSaR Company to respond to any mountain emergency call-out operation is one hour. According to CAS, the lead time is the time between the CAS (Department) receiving a call for assistance and the first CAS vehicle departing from the CAS Headquarters to the scene. However, the basis for measuring the lead time was not defined clearly in CAS guidelines.

2.20 Audit examined 13 emergency call-out cases in 2017 (Note 21) which involved members of MSaR Company and found that in 7 (54%) of the 13 cases, MSaR Company could not meet the one-hour performance pledge. Audit considers that CAS needs to remind CAS officers to record the time of call-outs made to individual MSaR Company members to facilitate the monitoring of the members'

Note 21: *The 13 emergency call-outs were made where members were not on standby duties at CAS Headquarters. For Sundays and public holidays, a team of members from MSaR Company was on standby duties at CAS Headquarters and would respond immediately to call-out operations. In 2017, seven emergency call-outs were made on Sundays or public holidays and the performance pledge was fully met.*

response times to call-outs. CAS also needs to define clearly the basis for measuring the target lead time in CAS guidelines for mountain emergency call-out operations and take measures to meet the target.

Audit recommendations

2.21 Audit has *recommended* that CAS Management should:

- (a) strengthen measures to ensure that CAS members comply with the minimum service requirements stipulated in CAS General Order;**
- (b) remind CAS members who have not fulfilled the minimum service requirements to apply for exemption with justifications in accordance with CAS General Order;**
- (c) promulgate guidelines on accepting non-emergency service requests from B/Ds and outside agencies, and require CAS staff to keep proper records on the requests and document the reasons for accepting or rejecting the requests; and**
- (d) regarding emergency services provided by MSaR Company:**
 - (i) remind CAS officers to record the time of call-outs made to individual members to facilitate the monitoring of the members' response times to call-outs; and**
 - (ii) define clearly the basis for measuring the target lead time for mountain emergency call-out operations in CAS guidelines and take measures to meet the target.**

Response from the Government

2.22 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will:

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- (a) more strictly enforce the minimum service requirements stipulated in CAS General Order to ensure that members meet the service requirements;
- (b) strengthen measures to ensure that CAS members who could not meet the efficiency requirements shall apply for exemption (e.g. timely reminders will be issued to all CAS members to remind them to apply for the exemption, if required);
- (c) establish relevant guidelines on accepting non-emergency service requests from B/Ds and outside agencies, and keep proper records on the requests and document the reasons for accepting/rejecting the requests; and
- (d) remind CAS officers to properly record the time of call-outs. CAS will also review and clearly define the basis for measuring the performance pledge/target lead time for mountain emergency call-out operations.

Follow-up actions on Civil Aid Service members not fulfilling efficiency requirements

2.23 As mentioned in paragraphs 2.4 and 2.12, some CAS members did not comply with the 60-hour efficiency requirements on the minimum training or service requirements. Audit noted that the overall number of CAS members who had not complied with the efficiency requirements for the years 2016 to 2018 ranged from 954 to 1,059, representing 28% to 31% of the average strength of CAS members in the respective years (Note 22). In particular, Audit analysis revealed that 215, 181, and 208 CAS members (representing 6%, 5% and 6% of the average strength respectively) had not attended any unit training nor provided any service from 2016 to 2018 respectively.

2.24 According to section 14(1) and schedule 1 of the CAS Regulation, the failure of a CAS member to comply with the efficiency requirements for any year is an offence against discipline. Section 14(1) states that the Commissioner of the CAS may impose upon a CAS member any one or more of the following punishments:

Note 22: *New recruits and members who left CAS in the year were excluded.*

- (a) a reduction in rank;
- (b) a caution, warning, reprimand or severe reprimand; and
- (c) a fine not exceeding \$500.

According to CAS, from 2016 to 2018, no disciplinary actions had been taken against any CAS members under section 14(1) of the CAS Regulation for non-compliance with the efficiency requirements. There were no documented justifications for not taking any disciplinary actions on these non-compliance cases (see para. 2.23).

2.25 In accordance with section 19 of the CAS Ordinance, the Commissioner, as the sole judge of the sufficiency of the cause, may discharge any member from CAS upon receiving a recommendation to that effect made by an officer of a rank higher than the rank held by the member in question. According to CAS, from 2015 to 2018, five members were discharged under section 19 of the CAS Ordinance due to non-compliance with the efficiency requirements and loss of contact.

2.26 ***Procedures for following up cases of non-compliance with the efficiency requirements.*** The CAS General Order No. 3.6.4 specifies the procedures for following up cases of non-compliance with the efficiency requirements as follows:

- (a) if a member is found absent from unit training and activities (e.g. services) for a period of time based on the attendance reports (Note 23 — see (b) below), the unit head should try all possible ways to locate the member and encourage him to improve the unsatisfactory attendance;
- (b) to ascertain CAS members' compliance with the efficiency requirements, the CAS (Department) compiles in February and August every year reports on members' attendance in preceding calendar year and the first six months of the current year respectively. Attendance reports are issued to unit heads for their review. After reviewing the attendance reports in February/August, the unit heads concerned will interview the members

Note 23: *The attendance reports highlight CAS members who attend less than 30 hours of training or provide less than 30 hours of services.*

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concerned and encourage them to improve their unsatisfactory attendance;
and

- (c) if there is no significant improvement, the management will take the following sequence of actions:
 - (i) **Advisory stage.** Advisory action (i.e. guidance/advice) will be taken at Regional/Company level. The member concerned should be fully apprised by his supervising officer of the contents of the guidance/advice given to him;
 - (ii) **Summary disciplinary stage.** If the Company Commander considers that the actions taken in the advisory stage are not effective, he will refer the case to the Regional Commander. According to the General Order, the Company Commander should submit his recommendations to the Regional Commander in March/September. The Regional Commander shall set up a Summary Inquiry Group (Note 24) to interview the member and to consider giving verbal or written warning to him. The Regional Commander should take appropriate actions and report to the Senior Assistant Commissioner (Administration) via the Chief Staff Officer in April/October; and
 - (iii) **Formal disciplinary stage.** In the case of no significant improvement after such warnings, the Senior Assistant Commissioner (Administration) will set up a Formal Disciplinary Inquiry Board (Note 25) to consider imposing further disciplinary actions in June/December.

Note 24: *The Summary Inquiry Group is chaired by an Assistant Regional/Force Commander or above and comprises two members (from other Companies and of a rank higher than that of the interviewee) and a secretary.*

Note 25: *The Formal Disciplinary Inquiry Board is chaired by an officer at Grade SVI or above and comprises two officers at Grade VI or above (see Appendix C) and a secretary. The Board conducts an independent hearing and determine actions to be taken (e.g. discharge the member from CAS).*

Areas for improvement

2.27 *Need to take follow-up actions on CAS members not fulfilling efficiency requirements.* Audit examined the follow-up actions taken (up to June 2018) on five members from different formations who failed to attend any unit training nor provide any service from January 2015 to June 2018. The results are shown in Table 5. Audit noted that Member C did not attend the Summary Inquiry Group meeting in early November 2018. In late November 2018, the Summary Inquiry Group suggested that the Formal Disciplinary Inquiry Board should consider discharging the member on the grounds that he failed to comply with the efficiency requirements from 2013 to 2017. However, Audit noted that the member had not been discharged as at 31 January 2019. Audit also noted that according to the recommendations proposed by the Regional Heads submitted to the Chief Staff Officer from 2015 to 2017, the performance of Members A, B, D and E was being closely monitored by the respective formations or followed up by the CAS Headquarters. However, up to December 2018, no further disciplinary actions had been taken on these members. Upon enquiry, CAS informed Audit in March 2019 that CAS General Order No. 3.6.4 had been under review, affecting the proceeding of these cases. Audit considers that CAS needs to follow up the five cases of CAS members failing to attend any unit training nor provide any service as soon as possible in accordance with the procedures stipulated in CAS General Order No. 3.6.4. Besides, as mentioned in paragraph 2.23, 28% to 31% of CAS members did not comply with the efficiency requirements from 2016 to 2018 each year. Audit considers that CAS needs to take measures to ensure that the procedures stipulated in CAS General Order No. 3.6.4 are followed for all cases of non-compliance with the efficiency requirements.

Table 5

Analysis of actions taken by CAS officers on five CAS members who had not attended any unit training nor provided any service (January 2015 to June 2018)

Member	Interview conducted	Summary Inquiry Group meeting convened	Verbal/written warning issued	Formal Disciplinary Inquiry Board hearing conducted
A	✓	×	✓	×
B	✓	×	×	×
C	✓	✓	×	×
D	✓	×	×	×
E	✓	×	×	×

Source: Audit analysis of CAS records

Audit recommendations

2.28 **Audit has recommended that CAS Management should:**

- (a) **follow up the five cases of CAS members failing to attend any unit training nor provide any service as soon as possible in accordance with the procedures stipulated in CAS General Order No. 3.6.4; and**
- (b) **take measures to ensure that the procedures stipulated in CAS General Order No. 3.6.4 are followed for all cases of non-compliance with the efficiency requirements.**

Response from the Government

2.29 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will strengthen measures to ensure that appropriate and timely follow-up actions will be taken against CAS members failing

to attend training and services (including the five members mentioned in paragraph 2.27).

Pay and allowances of Civil Aid Service members

Duties qualified for pay and allowances

2.30 The AFPAO (see para. 1.13) makes provision for the granting of pay, pensions, gratuities, allowances and other benefits in respect of the auxiliary forces, including CAS. According to CAS General Order, CAS members who have engaged in the following types of duties are eligible for pay and allowances:

- (a) **Active service.** Active service is the service of a member when the whole or any part of CAS is called out on the occasion of emergency by the Chief Executive or by the Commissioner of the CAS pursuant to any order of the Chief Executive under section 16 of the CAS Ordinance;
- (b) **Training.** This includes various types of training provided to CAS members (see para. 2.3); and
- (c) **Voluntary duty.** Voluntary duties include provision of the services mentioned in paragraph 2.10 and services to CAS Headquarters (e.g. recruitment duties), and unit administration work.

2.31 In 2017-18, CAS's expenditure on CAS members' pay and allowances was \$37.2 million. CAS provides general information and guidance on the accounting procedures concerning pay and allowances payable to CAS members in a CAS General Order.

Allocation of training and service hours

2.32 **Independent Commission Against Corruption (ICAC) 2017 assignment study.** In early 2017, ICAC conducted an assignment study on CAS's administration of duties and training for members. The study examined the procedures and practices adopted by CAS for the administration of duties and training for its members, and

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monitoring of their attendance. In relation to the allocation of duties and training, the findings of ICAC included:

- (a) invitation for enrolment for one-off duties might not be sent to all members at the same time;
- (b) administrative duties tended to be allocated to a restricted pool of members over a prolonged period;
- (c) there was no proper mechanism laid down for handling withdrawals from assigned duties; and
- (d) the basis of nominating and selecting members to attend centralised training courses was not always documented.

2.33 On 4 January 2018, CAS informed ICAC that measures had been taken to address its findings, including:

- (a) Company Commanders had been directed to follow the guiding principle of giving equal chance to individual members to take up one-off duty;
- (b) members should not be entrusted with overwhelmingly administrative duties and officers-in-charge had been reminded to enhance the job rotation mechanism to balance the interest and ability of individual members and the operational needs;
- (c) assignment of substitute members to fill up vacancies due to withdrawals of members from assigned duties would be on platoon basis; and
- (d) the CAS Training Development Section of the CAS (Department) had implemented a transparent selection system on allocation of training places.

2.34 **Audit examination.** Audit selected CAS members who were allocated with more hours in training and services in 2017 and 2018 to examine whether there was improvement in 2018 after CAS had implemented measures to ensure a fair allocation of training and service hours. Audit found that the average hours spent on training

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and provision of services per CAS member in 2017 and 2018 were 186 and 166 respectively. However, as shown in Table 6, 7 and 5 CAS members each received training and provided services for more than 1,500 hours a year in 2017 and 2018 respectively. In particular, three members (i.e. Members I, J and L) were each allocated with more than 1,500 hours a year in training and services in 2017 and 2018.

Table 6

**CAS members allocated with
more than 1,500 hours each in training and services
(2017 and 2018)**

Member	Number of hours allocated				Pay and allowances involved
	Training	Service	Service: unit administration	Total	
2017					
F	244	1,270	34	1,548	\$72,300
G	306	1,272	12	1,590	\$116,700
H	43	1,720	0	1,763	\$139,800
I	178	1,667	2	1,847	\$110,000
J	99	1,892	55	2,046	\$117,400
K	286	1,821	6	2,113	\$141,200
L	47	1,997	107	2,151	\$125,700
2018					
I	190	1,490	48	1,728	\$100,800
J	61	1,831	44	1,936	\$114,900
L	60	1,981	93	2,134	\$144,200
M	112	1,729	6	1,847	\$184,200
N	95	2,016	6	2,117	\$113,000

Source: Audit analysis of CAS records

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2.35 Upon enquiry in January and February 2019 about the reasons for allocating more than 1,500 hours a year in training and services a year to Members I, J and L in 2017 and 2018, CAS informed Audit that:

- (a) Member I had a good knowledge and experience in photo shooting and editing, and assisted in co-ordinating with photographers and managing the related equipment in major events upon requests of the Operations and Training Division;
- (b) Member J worked at CAS's Yuen Tun Camp normally twice a week. Member J was an experienced, reliable and efficient helper who possessed the skills and qualifications on carrying out minor works at the Campsite; and
- (c) Member L was a member of the Stores Company and was responsible for offering logistic support to Companies of the Support Force. Member L provided services in special assignments such as the CAS Spring Reception, Senior Officers' visit to Shenzhen and Zhongshan, and the 65th Anniversary Officers Mess Dinner. Member L was very devoted to Stores Company duties such as the Operations and Training Store maintenance duty.

While noting CAS's explanations, to ensure that duties are allocated in a fair and equitable manner, CAS needs to ascertain whether there are other members who are also qualified for those duties that used to be carried out by only a few members and avoid allocating duties only to a few members as far as practicable.

2.36 Audit noted that in response to ICAC's further enquiry in August 2018 (see para. 2.32), CAS issued a circular (CAS Circular No. 11/2018) in October 2018 on deployment of voluntary duties and unit administration duties which stated the general principle of giving equal chance to individual members to take up those duties. According to the Circular:

- (a) for voluntary duties (see para. 2.30(c)):
 - (i) a name list of all officers and members at other ranks of the respective units should be prepared;

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- (ii) a duty roster should be prepared in a fair and equitable manner (e.g. by adopting a shift system) with due consideration to a member's rank and qualification, as well as requirements of duties;
 - (iii) any member who is unable to perform the allocated duties should report to the respective Deputy Company Commander on the reasons concerned. A substitute member should also be deployed to fill the vacancy in accordance with the established relief procedure;
 - (iv) the finalised duty roster should be vetted by the Deputy Company Commanders;
 - (v) records in relation to (ii) to (iv) above should be properly documented for future vetting; and
 - (vi) reasons for failing to allocate duties according to (ii) above should be recorded for vetting by the Company Commander; and
- (b) for unit administration duties:
- (i) Unit Commanders should encourage qualified members to receive training on unit administration duties; and
 - (ii) members involved in unit administrative work are subject to a two-year office term. A duty roster should be formulated in this regard.

2.37 *Need to promptly implement a fair and equitable duty allocation system.*
In late November 2018, the Chief Staff Officer of the CAS issued a memorandum informing all Regional/Force/Cadet Corps Commanders that CAS Circular No. 11/2018 (see para. 2.36) would be effective from 1 January 2019 and requested them to submit to the CAS Headquarters on or before 22 December 2018 information on the regular operation and unit administration duty allocation system, covering details such as allocation procedures, relief mechanism and vetting procedures. Up to mid-February 2019, 8 of 9 regions/units had submitted their returns. According to CAS, Company Commanders were requested to report and discuss the returns at the Commander's Review and Senior Officer Seminar held on 2 March 2019. After

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the seminar, the CAS Headquarters would request all Company Commanders to further enhance their duty allocation systems by generating exception reports and laying down the mechanism for handling cases of withdrawal from allocated duties. The finalised proposal would be submitted to the Commissioner's Committee for examination before seeking the Commissioner of the CAS's approval. Audit considers that CAS needs to take prompt measures to implement a fair and equitable duty allocation system, giving due consideration to the audit findings in paragraphs 2.34 and 2.35.

Attendance monitoring

2.38 ICAC's 2017 assignment study found that there were inadequacies in the monitoring of CAS members' attendance in training and services, including:

- (a) there was inadequate control over the risk of fraudulent attendance records to cover up late arrival and early departure of members; and
- (b) the attendance claim forms (ACFs) for overtime work/training were not supported with written approval from the supervisors.

In early January 2018, CAS informed ICAC that a CAS circular was issued in mid-November 2017 to address ICAC's findings and all Company Commanders and above were reminded to closely supervise members to strictly follow the guidelines (Note 26) stated in the circular.

2.39 Apart from the circular, CAS General Order No. 4.1.1 also provides general guidance on the accounting procedures concerning pay and allowances payable to CAS members. According to the General Order:

- (a) Regional/Force/Cadet Corps Commanders should not approve any claim for scheduled training/voluntary duty which is not of a complete hour;

Note 26: *The guidelines included a requirement for a CAS member to complete ACF personally and input the dismissal time after the training/duty.*

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- (b) a member is not allowed to leave before completion of the first hour of scheduled training/voluntary duty, otherwise he will not receive any payment. If a member leaves before the scheduled dismissal time (because of emergency reasons) but after completion of the first hour of training/voluntary duty, he must obtain the approval of the officer-in-charge and the justifications must be documented in ACF;
- (c) a member is not allowed to join the first hour of a scheduled training/voluntary duty if he is late for more than 15 minutes. He is only allowed to join at the commencement of the following hour; and
- (d) the approving officer of ACF will check the training/voluntary duty against the approved programme of activities (e.g. quarterly training programme — see para. 2.3(c)) or the relevant order of the operation.

2.40 ***Need to step up monitoring of training and service attendance.*** Audit selected 315 approved ACFs for checking. These ACFs were submitted by 9 CAS formations for training received or services provided from April to June 2018 (Note 27). Audit noted the following areas for improvement:

- (a) ***Scheduled training/voluntary duties not of complete hour(s).*** According to 38 (12%) ACFs, the scheduled training/voluntary duties were not of complete hour(s);
- (b) ***Early departure of members while attending scheduled training/voluntary duties.*** According to 52 (17%) ACFs, the CAS members left before completion of the scheduled training/voluntary duties. However, no justifications were documented on ACFs. According to another 5 (2%) ACFs, the CAS members left before completion of the one-hour scheduled training;
- (c) ***Late arrival for scheduled training/voluntary duties.*** According to 15 (5%) ACFs, the CAS members were allowed to join the scheduled

Note 27: *For 6 larger formations with more CAS members (e.g. Hong Kong/Kowloon/New Territories Regions and Cadet Corps), 15 ACFs each were selected per month. For 3 smaller formations (e.g. Administration Force, and Training and Development Force), 5 ACFs each were selected per month.*

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training/voluntary duties even though they were late for more than 15 minutes. However, no explanations were documented on the ACFs;

- (d) ***Scheduled training/voluntary duties conducted without prior approval.*** The training/voluntary duties recorded in 58 (18%) ACFs could not be found in the approved programme of activities/orders of operations; and
- (e) ***ACFs not certified properly.*** According to 7 (2%) ACFs, the start times of the training/voluntary duties certified by the officers-in-charge were earlier than the arrival times reported in the ACFs by the officers. According to 4 (1%) ACFs, the dismissal times of the training/voluntary duties certified by the officers-in-charge were later than the departure times reported in the ACFs by the officers.

2.41 The above irregularities highlight inadequacies in the monitoring of CAS members' attendance in training and services. Audit considers that CAS needs to step up efforts in monitoring the processing of ACFs, and remind CAS members/staff to comply with the requirements stipulated in CAS General Order and circular pertinent to the submission of claims for pay and allowances.

Audit recommendations

2.42 **Audit has *recommended* that CAS Management should:**

- (a) **ascertain whether there are other CAS members who are also qualified for those duties that used to be carried out by only a few members and avoid allocating duties only to a few members as far as practicable;**
- (b) **take prompt measures to implement a fair and equitable duty allocation system, giving due consideration to the audit findings in paragraphs 2.34 and 2.35;**
- (c) **step up efforts in monitoring the processing of ACFs; and**
- (d) **remind CAS members/staff to comply with the requirements stipulated in CAS General Order and circular pertinent to the submission of claims for pay and allowances.**

Response from the Government

2.43 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will:

- (a) continue to ensure that duties for minor projects are allocated in a fair and equitable mechanism through further enhancement of CAS's duty allocation system as set out in paragraphs 2.36 and 2.37;
- (b) further specify in CAS internal circular and apply strict control to ensure that a fair and equitable duty allocation system is fully implemented;
- (c) continue to impose tight control over the training and service attendance by issuing reminders to all CAS members to strictly observe the requirements on submitting claims and stepping up the vetting of attendance claims for pay and allowances by the CAS Headquarters; and
- (d) issue reminders regularly to ensure compliance with relevant CAS General Orders and guidelines.

PART 3: MANAGEMENT OF THE CIVIL AID SERVICE CADET CORPS

3.1 This PART examines the management of the CAS Cadet Corps, focusing on:

- (a) participation of Civil Aid Service cadets in training, services and activities (paras. 3.3 to 3.21); and
- (b) control over vacant posts and strength (paras. 3.22 to 3.31).

The CAS Cadet Corps

3.2 The CAS Cadet Corps was established in 1968. It aims at providing teenagers with opportunities to acquire practical and leadership skills, as well as develop their confidence, sense of responsibility and self-discipline through group activities and training. The CAS Cadet Corps, headed by a Senior Assistant Commissioner, comprises five Cadet Corps Companies, which are subdivided into 20 Platoon Groups. CAS members are deployed to the Corps to serve as trainers in the Cadet Corps Training Office and/or leaders of Cadet Corps Companies or Platoon Groups. As at 31 December 2018, there were 4,262 cadets. In 2017-18, CAS cadets received allowances (see para. 1.13) of \$1.4 million.

Participation of Civil Aid Service cadets in training, services and activities

3.3 According to CAS General Order No. 3.4.2, the essence of training of the Cadet Corps is to provide a thorough youth leadership development to cadets through simplified and compact training activities, and encouragement of active participation in unit training and community services.

Training provided to CAS cadets

3.4 Training are mainly provided to CAS cadets through the following ways:

- (a) **Induction training.** All new cadets are required to attend a 32-hour induction training programme before they can attend a passing-out parade and be posted to their respective platoons. The cadet induction training programme covers knowledge of CAS (e.g. the aim, role and functions of CAS), foot drill and expedition techniques. According to CAS, the CAS Training School/CAS Cadet Corps Training Office provided about 40,000 hours of induction training to CAS cadets in 2018;
- (b) **Cadet service training.** The CAS Training School/CAS Cadet Corps Training Office and Platoon Groups organise centralised training courses and cadet promotion courses for cadets every year. Such training courses include first aid, basic rescue, crowd management, flag raising, canoeing, mountaineering and life saving. According to CAS, about 42,000 hours of cadet service training were provided to CAS cadets in 2018; and
- (c) **Unit training.** Company Commanders of Cadet Companies plan, organise, and supervise the training on platoon group basis for cadets under their command. Training provided to cadets includes foot drill and lecture for hiking. According to CAS, about 40,000 hours of unit training were provided to CAS cadets in 2018.

3.5 Training to cadets is structured under a stage training system which is divided into five stages from the rank of Cadet to the rank of Senior Cadet Leader (see Appendix D). The system works in line with the cadet promotion system. Upon completion of each training stage, a cadet is eligible for consideration for promotion.

3.6 Unlike CAS members, there are no mandatory requirements on annual training hours for cadets. In 2018, CAS provided about 122,000 hours of cadet induction, service training and unit training to its cadets. On average, each CAS cadet received about 34 hours of training in 2018 (Note 28).

Note 28: *The average training hours per CAS cadet was calculated based on the average strength (i.e. the average of the strength as at each month end during the year) of 3,580 CAS cadets in 2018.*

Cancellation/postponement of centralised training courses

3.7 Centralised training courses are organised by the CAS Training School and the Cadet Corps Training Office to meet the training needs of CAS cadets in specific skills, techniques and development, and for promotion of cadets (see para. 3.4(b)). The annual training plan for centralised training courses is proposed by the Company Commander/Staff Officer to the Cadet Corps Training Committee for final approval by the CAS Service Training Board with funding from the CAS Headquarters. CAS cadets who wish to apply for such courses have to be nominated by their Group Commanders. Audit examination of centralised training courses organised for the years 2016 to 2018 revealed that 12, 20 and 30 courses had been postponed or cancelled, representing 15%, 22% and 37% of the approved courses respectively (see Table 7).

Table 7

**Analysis of number of cancelled/postponed
centralised training courses
(2016 to 2018)**

Year	Number of courses			
	Approved as per training plan	Postponed	Cancelled	Provided
2016	81	8	4	69
2017	89	1	19	69
2018	81	4	26	51
		30		

Source: CAS records

3.8 Upon enquiry about the reasons for cancelling or postponing 30 (37%) of 81 centralised training courses in 2018, CAS informed Audit in January 2019 that 15 (50%) training courses had been postponed or cancelled due to limited resources and the remaining 15 (50%) due to insufficient nominations. In this connection, Audit

noted that of the 15 courses that were postponed/cancelled due to limited resources, 3 were mandatory for the promotion of cadets to senior ranks (e.g. Deputy Cadet Leaders Course and Foot Drill Course for Cadet Leaders — see Appendix D). Audit considers that CAS needs to ascertain the reasons for insufficient nominations of centralised training courses provided for CAS cadets and take measures to encourage participation (e.g. stepping up promotion to increase awareness of the courses). CAS also needs to explore ways to better utilise its resources, so that essential training courses (e.g. those that are mandatory for the promotion of cadets to senior ranks) can be provided as planned.

Participation of cadets in community services

3.9 The mission of the CAS Cadet Corps is to nurture its cadets and facilitate their development into future leaders and responsible citizens by motivating them to participate actively in community services, civic education and discipline training. Cadets reaching 13 years of age are encouraged to perform community services under the supervision of CAS officers and members at other ranks. The community services provided by CAS cadets include crowd management services in the Hong Kong Wetland Park and in major events (e.g. carnivals and open days), patrolling in country parks and hiking trails, and promotion of fire safety in major festivals (e.g. Chung Yeung and Ching Ming Festivals).

3.10 *Performance target on provision of community services.* Notwithstanding that there are no mandatory requirements on community services (Note 29) provided by a CAS cadet in a year, CAS has set a performance target for community services provided by CAS cadets in its COR. As shown in Figure 2, the target community service hours were reduced by 37% from 35,000 hours in 2013 to 22,000 hours in 2018 (see Note 4 to Table 1 in para. 1.5). According to CAS, the reasons for lowering the performance target included:

Note 29: *In COR of CAS, service hours provided by CAS cadets in conjunction with CAS members in country park patrolling duties are not reported under the performance target of “providing community services by CAS cadets”. The related service hours are reported under “patrolling the country parks and hiking trails” (see item (c) in Table 1 in para. 1.5).*

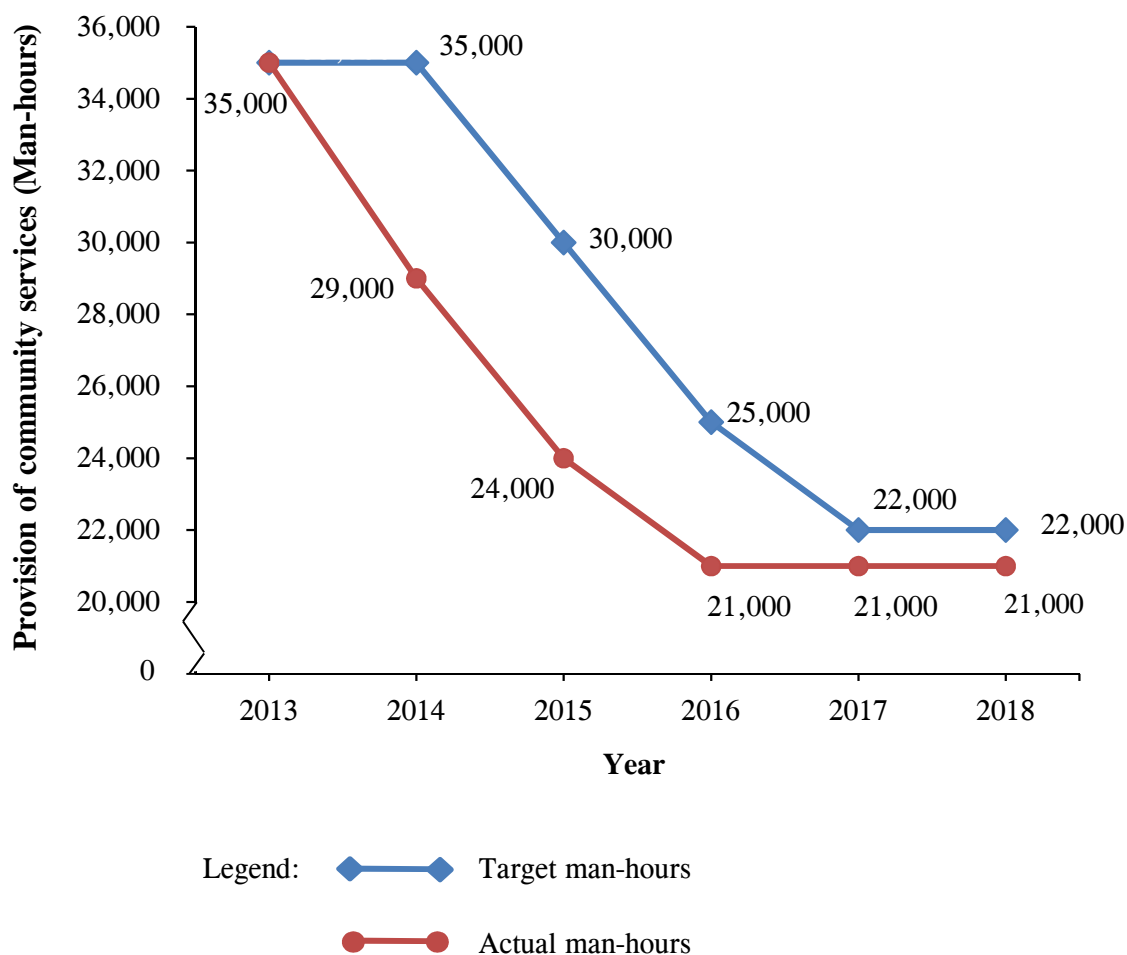
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- (a) the CAS Cadet Corps was focusing on providing cadets with a wide range of training and platoon group activities, which were means to nurture, educate and develop cadets. In this connection, CAS had increased the target man-hours for providing “recreational and social activities for CAS cadets” from 115,000 to 125,000 in the 2019 COR;
- (b) analysis of resignation forms of cadets revealed that too many services and activities were required by CAS;
- (c) most of the cadets enrolled in 2018 were below the age of 13 who were unable to participate in community services; and
- (d) students aged 16 to 17 were preparing for the Hong Kong Diploma of Secondary Education Examination (HKDSE) and they would minimise their participation in extracurricular activities.

3.11 As shown in Figure 2, despite repeated lowering of the performance targets, the actual community service hours from 2014 to 2018 still persistently failed to meet the targets, with the shortfall ranging from 1,000 to 6,000 man-hours (average: 3,600 man-hours).

Figure 2

Number of man-hours of CAS cadets' participation in community services
(2013 to 2018)



Source: CAS records

3.12 *Need to improve performance of participation in community services.* Upon enquiry on whether the under-performance of targets in COR (see para. 3.11) had been discussed by the senior management of CAS and the actions taken to address the issue, CAS informed Audit in January 2019 that the relevant matters were discussed by the senior management but no minutes or records were kept. In March 2019, CAS informed Audit that the reasons for not meeting the performance targets included:

- (a) reduction in the requests for community services by outside bodies;

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- (b) change of training focus by CAS on cadets (see para. 3.10(a)); and
- (c) joining the CAS Cadet Corps was rarely the only extracurricular activity for any single cadet and the attendance of cadets was always greatly affected by their school study together with school activities, and parental and peer group influences.

While noting CAS's explanation, given that the actual community service hours had decreased by 40% from 35,000 hours in 2013 to 21,000 hours in 2018 and were persistently below the performance targets from 2014 to 2018, Audit considers that CAS needs to explore effective measures to improve the performance as far as practicable.

3.13 ***Inadequate number of cadets to perform community services.*** To ascertain the participation of CAS cadets in community services organised by CAS, Audit examined the attendance of CAS cadets in three major community services in 2018, viz. crowd control at the Hong Kong Wetland Park, fire protection promotion duties in Ching Ming Festival and in Chung Yeung Festival. Audit examination revealed that:

- (a) ***Crowd control at the Hong Kong Wetland Park.*** A minimum of 20 cadets were required in each of the 35 days of duty at the Hong Kong Wetland Park in 2018. However, CAS could only deploy enough cadets to meet the requirements in 17 days (49%). For the remaining 18 days (51%), the numbers of cadets deployed were below the requirements by 1 cadet to 12 cadets (average: 5 cadets); and
- (b) ***Fire protection promotion services in Ching Ming and Chung Yeung Festivals.*** For the 2018 Ching Ming Festival, 368 cadets were required to carry out the services. However, CAS could only deploy 242 (66%) cadets to provide the services. For the 2018 Chung Yeung Festival, 194 cadets were required to carry out the services. However, CAS could only deploy 119 (61%) cadets to provide the services.

3.14 According to CAS, the reduction in service requests by outside bodies was one of the reasons for lowering the performance target on the number of community service hours (see para. 3.10). However, when there were opportunities for cadets to perform community services, the numbers of cadets deployed were less than the

requirements (see para. 3.13). Audit considers that CAS needs to take measures to grasp available community service opportunities and encourage CAS cadets to participate in community services.

3.15 *Need to increase the variety of community services by expanding the scope of self-initiated community services.* As mentioned in paragraphs 1.5 and 3.10, the target community service hours were reduced from 35,000 hours in 2013 to 22,000 hours in 2018 and the target was further reduced to 20,000 hours in 2019. According to CAS, one of the reasons was that the Agriculture, Fisheries and Conservation Department had reduced its demand for cadet services in the Hong Kong Wetland Park from 20,880 hours in 2013 to about 7,400 hours in 2018. In addition, the scale of deployment of CAS cadets in other crowd management services (e.g. at carnivals, festivals or open days) had also been reduced from about 8,000 hours in 2015 to about 5,000 hours in 2018. These changes had impacted on the service opportunities of the cadets. In this connection, Audit noted that the CAS Cadet Corps had provided self-initiated community services for other organisations (e.g. visits to elderly homes and hospitals). The man-hours for such self-initiated community services in 2017 and 2018 were 2,500 and 2,080 respectively. In August 2018, the establishment of the CAS Cadet Corps increased by 25% from 3,232 to 4,032. Audit considers that there is a need for CAS to step up efforts in increasing the variety of community services by expanding the scope of self-initiated community services to cater for the increase in the number of cadets and to facilitate the achievement of the mission of the Cadet Corps.

Inactive CAS cadets

3.16 *Need to increase participation of inactive cadets.* Provision of training, community services, and recreational and social activities (Note 30) are the means used by CAS to develop self-confidence and civic-mindedness of its cadets. Audit analysis of the training, community services, and recreational and social activities participated by CAS cadets for the years 2015 to 2018 revealed that the number of inactive cadets, who did not participate in any training, any community services nor any recreational and social activities ranged from 755 to 938, representing 26% to 32% of the average strength (see Table 8). Notwithstanding that there are no mandatory requirements on the training, community services and recreational and

Note 30: *Recreational and social activities provided to CAS cadets include spring carnival, games day, camping, backwoods cooking and visit to museums.*

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social activities for cadets, there is a need for CAS to step up actions to increase cadets' participation in training, community services, and recreational and social activities, so as to achieve the mission of the Cadet Corps (see para. 3.9).

Table 8

**Inactive CAS cadets
(2015 to 2018)**

Year	Average strength (a)	Cadets not participated in any training, any community services nor any recreational and social activities	
		Number (b)	Number of inactive cadets as % of average strength (c) = (b) ÷ (a) × 100%
2015	2,782	755	27%
2016	2,712	812	30%
2017	2,826	918	32%
2018	3,580	938	26%

Source: Audit analysis of CAS records

Remarks: The number of inactive cadets did not include new recruits and cadets who left the Cadet Corps in the year.

3.17 **CAS guidelines.** According to CAS guidelines, the follow-up actions for a cadet who has been absent from regular unit training for a period of time (Note 31) are as follows (see Table 9):

Note 31: *According to CAS, regular unit training includes training and activities provided by a platoon. A cadet is required to attend two regular unit training sessions of three hours each (effective from October 2018) or three regular unit training sessions of two hours each in a month.*

Table 9**Follow-up actions stipulated in CAS guidelines
on absence from regular unit training of CAS cadets**

Period of absence	Follow-up action	Responsible officer
Three times or above (i.e. one month or more)	Call the cadet concerned to find out the reasons for not attending regular unit training and encourage the cadet to attend the training	Instructor
Three months or more	Call the cadet concerned or his/her parents to find out the reasons for not attending the regular unit training and encourage the cadet to attend the training	Platoon Commander
Six months or more	Call the cadet concerned and his/her parents or issue a notification letter (Note) to the cadet's parents concerned to find out the reasons for the cadet not attending the regular unit training and encourage the cadet to attend the training	Group Commander
One year or more		

Source: CAS records

Note: In the letter, the parents concerned are informed that the cadet has been absent from regular unit training for six months or one year and leave application has not been received despite that a number of telephone calls has been made or letter has been sent to find out the reasons. In the letter, the timetable for training, activities and services for the quarter are enclosed and parents are requested to encourage the cadet concerned to participate.

The responsible officers are required to document the follow-up actions taken. According to the guidelines, Group Commanders and Company Commanders are required to review attendance of cadets under their command every three and six months respectively.

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3.18 ***Audit examination.*** Audit sample checked the follow-up actions taken on ten inactive cadets (Note 32), comprising five cadets who had been inactive for four years and five other cadets who had been inactive for two to three years as of December 2018. Audit noted that:

- (a) for two cadets, according to the records as of January 2017, one was busy with school work and the other could not be contacted. No records on other follow-up actions taken could be provided by CAS;
- (b) for three cadets, according to the records for the period from January to June 2018, two cadets could not be contacted. The other cadet was expected to resume activities after school examination. In all three cases, records on other follow-up actions taken could not be provided by CAS;
- (c) for two cadets, up to February 2019, CAS could only provide records on the issue of notification letters during 2016 to 2018. No other records of follow-up actions could be provided; and
- (d) for three cadets, up to February 2019, CAS could not provide the records showing that follow-up actions had been taken.

3.19 ***Need to step up follow-up actions on inactive cadets.*** As shown in paragraph 3.18, follow-up actions (e.g. issuing notification letters to cadets' parents) had not been taken on cadets who had not attended any training, provided any community services nor participated in any recreational and social activities in accordance with CAS guidelines in some cases. Audit considers that CAS needs to step up actions to increase cadets' participation, including enhancing the monitoring of cadets' attendance. In this connection, Audit noted that on 6 December 2018, the Chief Staff Officer issued a memorandum requesting Company Commanders to make use of the system reports to monitor the attendance of cadets, take appropriate encouragement actions and submit a return before 1 February 2019 on actions taken on cadets with no attendance in training, services, and activities for the period from

Note 32: *These cadets were chosen from platoons from different regions. They did not attend any training, provided any community services nor participated in any recreational and social activities. Since these cadets had not attended any regular unit training during the period under audit examination, the guidelines mentioned in paragraph 3.17 were applicable.*

1 January to 30 June 2018. The revised guidelines enclosed in the memorandum also required Company Commanders to submit reports on actions taken on cadets with no attendance every six months. While Audit appreciates CAS's efforts in strengthening the monitoring of CAS cadets, Audit considers that:

- (a) CAS needs to promulgate additional guidelines on follow-up procedures on unsatisfactory attendance of cadets (e.g. not participating in any services), as the current guidelines only stipulate procedures on unsatisfactory attendance relating to regular unit training (see para. 3.17). The guidelines should also stipulate further follow-up actions for cases where there is no improvement in the cadets' attendance after all the existing follow-up actions mentioned in paragraph 3.17 have been taken; and
- (b) apart from cadets with no attendance, CAS needs to take measures to ensure that responsible officers will take appropriate follow-up actions in accordance with its guidelines (e.g. absent from regular unit training for a period of time), and to remind officers to keep proper records on all the follow-up actions taken.

Audit recommendations

3.20 Audit has *recommended* that CAS Management should:

- (a) **ascertain the reasons for insufficient nominations of centralised training courses provided for CAS cadets and take measures to encourage participation;**
- (b) **explore ways to better utilise CAS resources so that essential training courses for CAS cadets (e.g. those courses which are mandatory for the promotion of cadets to senior ranks) can be provided as planned;**
- (c) **explore effective measures to improve the performance of the provision of community services as far as practicable;**
- (d) **take measures to grasp available community service opportunities and encourage CAS cadets to participate in community services;**

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- (e) **step up efforts in increasing the variety of community services by expanding the scope of self-initiated community services; and**
- (f) **step up actions to increase cadets' participation in training, community services and recreational and social activities, including:**
 - (i) **promulgating additional guidelines on follow-up procedures on unsatisfactory attendance of cadets (e.g. not participating in any services) and further follow-up actions for cases where there is no improvement in the cadets' attendance after all the existing follow-up actions have been taken; and**
 - (ii) **reminding CAS officers to take appropriate follow-up actions in accordance with CAS guidelines and keep proper records on all the follow-up actions taken.**

Response from the Government

3.21 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will:

- (a) ascertain the reasons for insufficient nominations of centralised training courses and encourage the participation of cadets;
- (b) closely monitor the availability of resources for essential training courses;
- (c) explore effective measures to improve the performance in respect of the target on provision of community services as far as practicable;
- (d) review the situation and encourage cadets to participate more in community services. It should be noted that providing cadets with the experience of performing community services is just one of the many methods to train up a cadet, and the CAS's belief and ultimate aim are that its cadets could enrich themselves, learn and reach higher in their life-long development through training and activities, as well as community services;

- (e) expand the scope of self-initiated community services. Platoon Group Commanders will be required to step up efforts in this regard and more actively encourage cadets to participate in community services; and
- (f) review the existing monitoring mechanism with a view to enhancing the monitoring of cadets' attendance and follow the arrangement outlined in the memorandum issued on 6 December 2018 for cadets with zero attendance (see para. 3.19). CAS will encourage officers and instructors to take follow-up actions in accordance with CAS guidelines to cultivate cadets' sense of responsibility.

Control over vacant posts and strength

Vacancies of senior-rank cadet not filled

3.22 One of the aims of the Cadet Corps is to nurture cadets to become future leaders. CAS cadets are encouraged to take up leadership roles in their platoons and shoulder part of the responsibilities of the trainers/leaders. To recognise cadets' devotion and efforts in attending training and civic duties, promotion and award schemes have been established (Note 33).

3.23 ***Strength of senior-rank cadets significantly below the establishment.*** Audit analysed the strength and establishment of CAS cadets of senior ranks in 2018 and noted that the vacancy rate of each rank ranged from 35% to 96% (see Table 10). In particular, the vacancy rates of cadet leader and senior cadet leader were over 90%. As shown in Table 11, the total number of cadet promotions from 2015 to 2018 were generally stable. However, the number of promotions to the ranks above senior cadet in terms of the respective establishments was relatively lower.

Note 33: *Through successful completion of different leadership training courses and participation in community services, a cadet can be promoted to senior ranks. For example, for promotion from senior cadet to deputy cadet leader, the cadet has to attend: (a) a platoon group training (in hiking or community services); (b) a training course organised by the CAS Training School/CAS Cadet Corps Training Office; (c) 24 hours of community services; and (d) an activity organised by the CAS Cadet Corps.*

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Table 10

**Establishment and strength of senior-rank cadets
(2018)**

	Senior cadet	Deputy cadet leader	Cadet leader	Senior cadet leader
Average establishment (a)	1,131	565	283	141
Average strength (b)	734	119	25	5
Vacancy (c) = (a) – (b)	397	446	258	136
Vacancy percentage (d) = (c) ÷ (a) × 100%	35%	79%	91%	96%

Source: Audit analysis of CAS records

Table 11

**Number of cadets promoted to senior ranks
(2015 to 2018)**

Promotion to	2015	2016	2017	2018	Percentage increase/(decrease) from 2015 to 2018
Senior cadet	298	313	266	337	13%
Deputy cadet leader	85	90	65	65	(24%)
Cadet leader	37	32	30	17	(54%)
Senior cadet leader	18	7	9	9	(50%)
Overall	438	442	370	428	(2%)

Source: Audit analysis of CAS records

3.24 Upon enquiry, CAS informed Audit in March 2019 that the major causes of vacancies of senior-rank cadets were:

- (a) the time span of a cadet participating in the Cadet Corps was only five years which was relatively short;
- (b) HKDSE highly affected the participation of cadets and their willingness for promotion;
- (c) cadets were usually heavily committed in their school events and other extracurricular activities; and
- (d) some cadets did not want to be promoted.

3.25 *Need to formulate action plans to address vacancy situation.* Upon enquiry about the actions taken by CAS to address the vacancy problems of senior-rank cadets, CAS informed Audit that a Cadet Promotion and Service Award Review Committee chaired by the Deputy Cadet Corps Commander was formed. During May to July 2017, three meetings were held to explore ways to simplify and enhance the cadet promotion and award procedures. However, the implementation of specific measures to encourage promotion was withheld pending the implementation of the recommendations of a study of the repositioning of the Cadets Corps (e.g. enhancement of the training framework). In view of the high vacancy rates of senior-rank cadets, Audit considers that CAS needs to formulate action plans to improve the situation as soon as possible.

Shortage of CAS members in the Cadet Corps

3.26 CAS members are deployed to the Cadet Corps as trainers or leaders to manage the Platoon Groups and provide training to CAS cadets. As at 31 December 2018, the establishment of CAS members in the Cadet Corps was 633. Audit analysis of the strength and establishment of CAS members in the Cadet Corps from 2015 to 2018 revealed that the number of vacancies increased by 45% from 55 in 2015 to 80 in 2018 (average number of vacancies: 69).

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3.27 *Need to monitor the shortage of CAS members in the Cadet Corps.* In 2017, CAS proposed to increase the establishment of the Cadet Corps by 25% from 3,232 to 4,032 and recruit more cadets from secondary schools through the School Partnership Scheme (Note 34). In July 2018, SB approved CAS's proposed increase in the establishment of the Cadet Corps with effect from August 2018. The establishment of CAS members also increased by 135 (3.7%) from 3,634 to 3,769 to man the newly created training teams under the CAS Training School/CAS Cadet Corps Training Office and to manage the enlarged CAS Cadet Corps. A financial provision of \$4.1 million for pay and allowances and training expenses was reserved for the initiatives.

3.28 Upon enquiry, CAS informed Audit in March 2019 that the following actions had been taken to address the shortage of CAS members in the Cadet Corps:

- (a) a "Groom Our Cadet to be Instructor" Scheme was commenced in early January 2018 with 70 cadets being enrolled as CAS members through the Scheme. Under the Scheme, they would be trained as instructors when they reached the age of 18; and
- (b) a special recruitment exercise of officers and instructors for the CAS Cadet Corps was launched in December 2018.

3.29 As the establishment of the Cadet Corps increased by 25%, it is expected that more training courses and activities will be organised. Audit considers that there is a need for CAS to monitor the shortage of CAS members in the CAS Cadet Corps and take appropriate follow-up actions to address the issue.

Audit recommendations

3.30 **Audit has recommended that CAS Management should:**

Note 34: *Under the Scheme, cadets are directly recruited from the secondary schools which are interested to participate in the Scheme and training can be provided in the school venues.*

- (a) **formulate action plans to address the vacancy situation of senior-rank cadets as soon as possible; and**
- (b) **monitor the shortage of CAS members in the CAS Cadet Corps and take appropriate follow-up actions to address the issue.**

Response from the Government

3.31 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that:

- (a) CAS will formulate action plans to improve the vacancy situation of senior-rank cadets; and
- (b) in light of the increase in the establishment of the Cadet Corps (see para. 3.27), corresponding CAS reorganisation was approved in August 2018. Recruitment training for additional CAS members will take about nine months. The situation will be improved upon completion of the recruitment training. CAS will continue to review the vacancy position of CAS members in the Cadet Corps.

PART 4: ADMINISTRATIVE ISSUES

4.1 This PART examines CAS's administrative issues, focusing on:

- (a) financial control (paras. 4.2 to 4.10);
- (b) procurement of goods and services (paras. 4.11 to 4.15);
- (c) management of stores and dangerous goods (paras. 4.16 to 4.27); and
- (d) governance of the Civil Aid Service (paras. 4.28 to 4.31).

Financial control

Overspending in 2017-18

4.2 In 2017-18, CAS had incurred an expenditure of \$112.2 million which exceeded the approved provision of \$109.4 million under Head 27 — CAS in the General Revenue Account by \$2.8 million. The excess expenditure fell into the pay and allowances item of the CAS Auxiliary Force, which was paid through a standing imprest account in late March 2018. In the absence of sufficient provision in Head 27 and given that supplementary provision was not available before the close of the financial year, the amount of \$2.8 million was reported under “advances” in the 2017-18 financial statements as a transitional accounting treatment and a one-off exceptional arrangement. In August 2018, Audit issued a management letter to the Financial Services and the Treasury Bureau, SB, the Treasury and CAS during the audit of the General Revenue Account. In the event, the overspending was reported in the supporting statements to the 2017-18 financial statements. In September 2018, the amount of \$2.8 million was charged to Head 27 for 2018-19 (absorbed within the 2018-19 provision). After the overspending incident, SB, the Treasury and CAS conducted reviews and made recommendations to improve the financial control of CAS. According to CAS, it had taken on board the recommendations of the reviews.

Arrears of revenue related to unreturned uniforms and accoutrements

4.3 *Need to expedite recovery actions in respect of arrears of revenue.* Audit examination of the arrears of revenue register revealed that as at 30 September 2018, the total amount of arrears of revenue was \$111,900, of which \$69,200 (62%) involving 314 cases was related to unreturned uniforms and accoutrements of CAS members/cadets.

4.4 CAS members/cadets have to return their uniforms and accoutrements when they retire, resign or are discharged from the Auxiliary Force. According to CAS, the practice for following up unreturned uniforms and accoutrements includes:

- (a) the Records Office of the CAS (Department) will send a notification letter to a member/cadet requesting him/her to return the items. If no response after a lapse of about 2.5 months and 4 months since the issue of notification letter to a member or a cadet respectively, the case will be passed to the Accounts Office to issue demand note for cost recoupment including administration cost;
- (b) if no response is received one month for a member and 14 days for a cadet after the due date specified on the demand note, the Accounts Office will issue the first reminder. Second reminder will be issued to a member if no settlement is made after another month (second reminder will not be issued to a cadet). If no settlement is made after 3 months from the issue of demand note, the case will be referred to the Department of Justice (DoJ) for the issue of legal notice; and
- (c) if no settlement is made one month after the issue of legal notice, the Accounts Office will inform DoJ to issue the second legal notice. If no response is received for another month after the issue of the second legal notice, the case will be referred to relevant Senior Operations and Training Officer to consider recommending for approval to write off the outstanding amount.

4.5 Audit noted the following issues relating to the cost recovery of unreturned uniforms and accoutrements:

- (a) ***Delay in issuing demand notes.*** Audit analysed 44 demand notes which were issued on 28 December 2018 and 7 January 2019. Audit found that the demand notes were issued, on average, 38.7 months (ranged from 7.2 to 87.1 months) after the Records Office issued notification letters to retired/resigned members/cadets requesting the return of the uniforms (Note 35). Audit sample checked ten cases each for members and cadets selected from the arrears of revenue register kept by the Accounts Office as of December 2018 (reporting the position as at 31 October 2018) and noted that:
- (i) in 18 (90%) of 20 cases, the Records Office had not taken timely actions to pass the cases to the Accounts Office for issuing demand notes. The delays ranged from 2 to 31.4 months (average: 12.7 months) (see para. 4.4(a)); and
 - (ii) in 10 (56%) of the 18 cases mentioned in (i), the Records Office took more than 12 months for taking follow-up actions (e.g. making telephone calls to CAS members/cadets concerned) before passing the cases to the Accounts Office for issuing demand notes;
- (b) ***Delay in taking follow-up actions by the Accounts Office.*** As at 31 October 2018, 166 (53%) of the 314 outstanding cases (see para. 4.3) had been outstanding for over 6 years (see Appendix E). Audit examination revealed that of the 314 cases:
- (i) in 109 (35%) cases with outstanding periods ranging from 1.7 to 12.5 years, it took 7 to 59 months (instead of 3 months — see para. 4.4(b)) for the Accounts Office to pass the cases to DoJ for issuing the first legal notices. Subsequently, for 54 of the 109 cases, it took a further 10 to 37 months (instead of one month — see para. 4.4(c)) for the Accounts Office to inform DoJ to issue the second legal notices. For the remaining 55 cases, the Accounts Office failed to inform DoJ to issue the second legal notices; and

Note 35: *Upon enquiry, the Records Office informed Audit that there were 30 cases where no demand notes were issued as at 31 December 2018. There was a lapse of 16.8 months on average (ranging from 2.6 to 70.9 months) from the issue of notification letters to retired/resigned members/cadets to 31 December 2018.*

- (ii) in 205 (65%) cases with outstanding periods ranging from 7.6 months to 7.1 years, the cases were not referred to DoJ; and
- (c) *Need to promulgate guidelines on existing practice.* According to CAS, responsible CAS staff followed the practice mentioned in paragraph 4.4 for handling unreturned uniform and accoutrement cases. However, such practice was not laid down in CAS guidelines. Audit considers that CAS needs to promulgate the practice in CAS guidelines and take measures to ensure compliance by CAS staff.

4.6 Upon enquiry, CAS informed Audit in March 2019 that the 44 cases (see para. 4.5(a)) involving \$37,425 were related to CAS members and cadets who had retired or resigned since 2011. As the cases had been outstanding for years, the chance of recovery was low. In view of the insignificant amount involved, CAS did not accord top priority to follow up these cases because of the shortage of staff in the Records Office and the Accounts Office. While noting CAS's explanation, Audit considers that CAS needs to expedite recovery actions in respect of arrears of revenue and write-off actions if further recovery actions are not warranted.

Internal audit services

4.7 According to CAS General Orders No. 2.1.7 and No. 3.3.4, the CAS Audit Office and Unit Audit Teams in each Region/Force/Cadet Corps/Unit are responsible for providing independent internal auditing services to CAS. The CAS Audit Office examines, evaluates and reports on the adequacy of internal control with a view to achieving proper, economic, efficient and effective use of resources. The Unit Audit Teams mainly perform audit inspection visits to unit training and unit administration (e.g. attendance records, attendance claims and discipline matters). ICAC's 2017 assignment study (see para. 2.32) found that there was a lack of independence in CAS's internal audit function, especially for unit audits where the auditor and the auditees belonged to the same Region/Force. The scope of the audit programme was also limited (e.g. not covering allocation of training/duties to members).

4.8 Audit noted that as at 31 December 2018, CAS was in the process of revising the scope of duties of its internal audit function. According to CAS, additional scope and duties of CAS's internal audit function would be added in CAS General Order No. 3.3.4, viz.: (a) Unit Audit Teams and CAS Audit Office would

inspect scheduled duty deployment records and unit administration deployment records; and (b) apart from Regional Headquarters, CAS Audit Office would conduct visits to various Companies/Units/Offices. In this connection, Audit noted that in 2017 and 2018, the internal audits conducted by CAS Audit Office and Unit Audit Teams had limited coverage on financial control matters (e.g. checking of ACFs). In light of the findings in this Audit Report, Audit considers that CAS needs to take measures to strengthen its internal audit function and consider extending the scope of its internal audits to cover more aspects of the financial control of the CAS Auxiliary Force (e.g. expenditure control on pay and allowances of CAS members).

Audit recommendations

4.9 Audit has *recommended* that CAS Management should:

- (a) promulgate the practice for following up unreturned uniforms and accoutrements in CAS guidelines and take measures to ensure compliance by CAS staff with a view to expediting the recovery actions in respect of arrears of revenue and write-off actions if further recovery actions are not warranted; and**
- (b) take measures to strengthen CAS internal audit function and consider extending the scope of the internal audits to cover more aspects of the financial control of the CAS Auxiliary Force.**

Response from the Government

4.10 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will:

- (a) conduct a review on the procedures for recovery of unreturned uniforms and accoutrements and promulgate the procedures. The review will include whether non-significant and personal uniform items (e.g. socks) from CAS members/cadets could be waived to save administrative efforts and costs in disposing of them; and**
- (b) take measures to strengthen the internal audit function of the CAS Audit Office.**

Procurement of goods and services

4.11 According to SPR 125, Controlling Officers are responsible for the procurement of stores, services and revenue contracts within the financial limits set out in SPR 220 (Note 36), and management of the stores and services procured and the contracts awarded. Controlling Officers shall also observe and uphold a culture of compliance with requirements of SPRs, and closely monitor their staff's compliance with the relevant requirements.

4.12 The CAS's procurement activities and management of stores are governed by SPRs. According to CAS, the Administration Division is entrusted with the function of supervising all stores and procurement matters. In general, day-to-day procurement of goods and services is carried out by the Supplies Section of the CAS (Department) headed by a Supplies Officer. For operational efficiency, Senior Operations and Training Officers of various sections are delegated with the authority to make direct procurement of transportation services not exceeding \$50,000 (through the General and Personnel Registry of the CAS (Department)) and to procure goods and services of urgent operational needs not exceeding \$50,000. From 2013-14 to 2017-18, CAS spent, on average, \$19.3 million per year on procurement of goods and services.

Areas for improvement

4.13 According to the CAS's registers, there were 181 and 3,708 quotation exercises each with an estimated amount over \$50,000 and \$50,000 or below respectively from 2013-14 to 2017-18. Audit selected 50 (28%) quotation exercises with a value of over \$50,000 each for examination and reviewed the registers for quotations with a value of not exceeding \$50,000 each kept by the Supplies Section and the General and Personnel Registry. Audit found that there is room for improvement in the following areas:

- (a) ***Number of quotations invited less than required.*** According to SPR 260(b), for purchases with a value of over \$50,000 but not exceeding

Note 36: *For example, according to SPR 220(a), the quotation limits for consultancy services and for goods and other services are \$3 million and \$1.4 million respectively.*

the quotation limit set out in SPR 220(a) (see Note 36 to para. 4.11), departments must invite at least five written quotations. Audit examination of quotation exercises of transportation services during 2016-17 and 2017-18 found that in 2016-17, there were one quotation exercise for the operations in Ching Ming Festival and three quotation exercises for the operations in Chung Yeung Festival. In the former case, the value of the purchases exceeded \$50,000 but only three quotations were invited. In the latter case, similar services were procured by three quotation exercises (see Table 12). In this case, three quotations were invited in each quotation exercise. Audit considers that the three quotation exercises could have been consolidated into one to achieve better economy of scale and at least five written quotations should be invited in accordance with SPR 260(b);

Table 12

**Quotation exercises for transportation services
that should have been consolidated**

Quotation Exercise	Date of service required	Number of service locations (Note)	Amount (\$)
1	9.10.2016	5	13,560
2	9.10.2016	7	18,528
3	10.10.2016	12	31,852
Total			63,940

Source: Audit analysis of CAS records

Note: The twelve locations in Quotation Exercise 3 were exactly the same as the five and seven service locations in Quotation Exercises 1 and 2 respectively.

Remarks: The three invitations for quotations were all made on 27 September 2016 to the same three suppliers.

- (b) *Suppliers repeatedly invited in a number of quotation exercises.* According to SPR 260(a), for purchases with a value of not exceeding \$50,000, departments should normally invite more than one supplier for quotations and accept the lowest conforming offer. According to the CAS's registers for procurement value of not exceeding \$50,000, there were 2,281 quotation exercises for transportation services and 1,427 quotation exercises for other goods and services with procurement value of not exceeding \$50,000 each from 2013-14 to 2017-18. In a system survey (Note 37) conducted by the Government Logistics Department (GLD) in 2017, GLD found that the same three suppliers were invited repeatedly for quotations within a short period of time in 2015. To maintain fair and competitive bidding, GLD recommended that the CAS should select suppliers from its supplier list on a fair basis. Audit examination of 40 quotation exercises for transportation services from January to March 2018 revealed that of some 80 suppliers in the supplier list, the same supplier(s) was/were repeatedly invited in two to seven quotation exercises each (see Table 13). However, there were no documented justifications for this practice.

Note 37: *Subject to the availability of resources, GLD may conduct system survey of a B/D, in addition to the routine supplies surveys and stock verification exercises under SPR 1005(a), to examine in depth the B/D's procurement and supplies procedures.*

Table 13

**Quotation exercises for transportation services
with same supplier(s) repeatedly invited
(January to March 2018)**

Suppliers invited	Number of times invited	Total number of quotation exercises involved
A	2	2
B, C	3	6
D, E	4	8
F, G	6	12
H	7	7
Total		35

Source: Audit analysis of CAS records

Remarks: Incumbent suppliers were excluded in the analysis.

Audit considers that CAS needs to invite quotations from suppliers on its supplier list by rotation together with the last successful supplier if its performance is satisfactory and avoid over-reliance on only a few suppliers for providing goods/services;

- (c) ***Need to seek proper approval for contract variations.*** According to SPR 520(c) and Appendix V(B) of the SPRs, approval of a Directorate Officer is required for making contract variations (e.g. any variations to a contract which will increase the original value of the contract or increase in contract sum) for contracts awarded through quotation, provided that the accumulated value of the contract will not exceed the quotation limit. Two contracts with approved contract sums of \$192,000 and \$249,000 were awarded. Due to changes in the service requirements, the final contract sums for the two contracts were \$203,520 and \$258,600 respectively (i.e. 6% and 4% above the approved contract sums). In both cases, contrary to SPR requirements, there were no records showing that approval for contract variations had been sought from a Directorate Officer;

- (d) ***Cancellation of quotation exercises.*** Audit examination of 50 quotation exercises for purchases with a value of over \$50,000 each revealed that some quotation exercises were cancelled due to inadequacies in the planning process, as follows:
- (i) ***Need to conduct more market research before setting essential requirements.*** In July 2016, a quotation exercise for supplying anchor slings together with connectors was cancelled because no supplier could meet all the three required safety standards set for the anchor slings (which was an essential requirement) specified in the terms of quotation. Another quotation exercise was conducted in August 2016 and the safety standard requirements for the anchor slings were reduced from the original three to any two of three. The contract was awarded in September 2016. Audit considers that more market research should be conducted before drawing up the essential requirements for quotations; and
 - (ii) ***Need to secure sufficient funding before inviting quotations.*** Audit noted that a quotation exercise in late 2013 with eight offers received was cancelled in 2014 due to insufficient funds;
- (e) ***Need to take measures to avoid ambiguity in the terms and conditions of the quotation documents.*** Audit noted that the terms of quotation in a quotation exercise stated that “upon request, a supplier must submit to CAS, one pair of quotation sample of the product offered, free of all costs, on or before the quotation closing date for evaluation”. Upon enquiry, GLD informed Audit in March 2019 that under the terms of quotation, the supplier involved could assume that it would only be required to submit a sample of its product offered upon the request of CAS. However, in reality, it would be impossible for CAS to make such a request to the supplier as CAS should only know who had submitted quotations after the quotation closing date. Audit considers that CAS needs to take measures to avoid ambiguity in the terms and conditions of the quotation documents; and
- (f) ***Need to ensure declaration of conflict of interests is made by responsible officers.*** Audit noted that there was no documentary evidence showing that the officers involved in the quotation exercise in July 2016 for supplying anchor slings together with connectors (see (d)(i)) had declared their interests. Audit considers that CAS needs to ensure that CAS staff

performing duties related to procurement declare their conflict of interests in the quotation process.

Audit recommendations

4.14 **Audit has *recommended* that CAS Management should:**

- (a) **take measures to ensure that the requirements stipulated in SPRs are complied with, including:**
 - (i) **ensuring that at least five written quotations are invited for purchases with value exceeding \$50,000;**
 - (ii) **consolidating purchases of goods/services of a similar nature to achieve better economy of scale; and**
 - (iii) **seeking proper approval for contract variations;**
- (b) **take measures to ensure that CAS staff invite quotations from suppliers on CAS supplier list by rotation together with the last successful supplier if its performance is satisfactory and avoid over-reliance on only a few suppliers for providing goods/services;**
- (c) **remind CAS staff to conduct more market research before setting essential requirements in quotation exercises;**
- (d) **take measures to ensure that funds are sufficient before conducting quotation exercises;**
- (e) **take measures to avoid ambiguity in the terms and conditions of the quotation documents; and**
- (f) **take measures to ensure that CAS staff performing duties related to procurement declare their conflict of interests in the quotation process.**

Response from the Government

4.15 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will:

- (a) strictly adhere to SPRs when inviting quotations (including those with value exceeding \$50,000). It will remind staff to consolidate purchase of goods/services of a similar nature to achieve better economy of scale and follow the relevant SPRs in procuring goods/services except under emergency operations. CAS will take measures to ensure that contract variations are approved in accordance with SPRs;
- (b) remind CAS staff to select suppliers from CAS's supplier list by rotation and avoid over-reliance on only a few suppliers for providing goods/services except when there is a limited number of suppliers in the market;
- (c) conduct more market research before inviting quotations and ensure that there is sufficient funding before inviting quotations; and
- (d) take steps to avoid ambiguity in the terms and conditions of the quotation documents and ensure that staff performing duties related to procurement declare their conflict of interests.

Management of stores and dangerous goods

4.16 Controlling Officers are responsible for the general supervision and control of stores. According to SPR 610, departments should keep complete records of the receipt and issue of all stores held in a departmental store unit. According to SPR 715, the Departmental Stores Manager (DSM) is responsible for proper accounting of inventory stores received and issued. SPRs also state that departments should consult the Director of Fire Services on the storage of highly inflammable or explosive items where quantities exceed the exemption levels stipulated under the Dangerous Goods Ordinance (DGO — Cap. 295), and on the adequacy of fire-fighting facilities, where necessary.

Management of stores

4.17 ***Departmental stock verification.*** According to SPR 1015, in addition to the supplies surveys and stock verification exercises conducted by GLD, a Controlling Officer may appoint public officers of his department to inspect and verify completely stocks of all items held on ledger charge in all stores under his control. The appointed officers should inspect and verify:

- (a) progressively, in the case of large store, ensuring that each item is checked at least once every three years. The Controlling Officer should, where necessary, arrange more frequent verifications and inspections to be carried out; and
- (b) completely, stores by stores in the case of small stores, at least once a year, and preferably about six months after the last verification by either GLD or a Board of Survey (Note 38).

4.18 CAS has three major stores: a Uniform Store, a General and Stationery Store, and a Dangerous Goods Store. The numbers of stores items in the three stores as of October 2018 were 106, 178 and 2 respectively. According to CAS, the Uniform Store and the General and Stationery Store are under the management of the Supplies Section while the management of the Dangerous Goods Store is shared by various user formations and the Supplies Section for operational reasons. Audit reviewed the management of stores by CAS and noted the following issues:

- (a) ***Delays in updating records of returned stores items.*** Audit reviewed the results of the annual departmental stock verification exercises by CAS from 2014 to 2018 for its three major stores. Audit noted that surpluses were found in the verification exercises in respect of 9 to 15 stores items when compared with the ledger balances. Audit also found that:

Note 38: *According to SPR 1010(a), the Director of Government Logistics appoints Boards of Survey to verify stocks of government stores held by departments which the Supplies Surveys and Stock Verification Section of GLD is unable to verify within the approved checking period stipulated in SPR 1005(a), i.e. at least once every three years.*

- (i) 12 stores items (e.g. rubber industrial gloves) were repeatedly reported as having surpluses after annual departmental stock verifications. The surpluses found ranged from 10 to 1,735 units (average: 287 units). According to CAS, the surpluses were attributable to the fact that stores records were not updated when the stores items were returned but updated only after an annual stock verification exercise; and
- (ii) for 18 stores items (e.g. latex disposable gloves and triangular bandage), each of the surpluses represented a large percentage of the respective ledger balances, ranging from 21% to 826% (average: 182%). According to SPR 610, departments should keep complete records of the receipt and issue of all stores held in a departmental store unit. Departments should also post all ledgers promptly.

Audit considers that CAS needs to update the stores records promptly once returned stores are received for stock replenishment purpose and for monitoring the expiry dates of stores items;

- (b) ***Annual inventory verification exercises not conducted.*** Inventory holding units of CAS are divided into two groups: 23 office units and 32 volunteer units. Inventory items are broadly classified into two categories: furniture and office equipment, and training and operational stores items. Inventory items are accounted for in inventory sheets of two copies each, with the master copy and duplicated copy kept by the Supplies Section and respective inventory holding units respectively. An inventory holder is appointed in each of the inventory holding units to maintain and update the record of inventory items. According to SPR 715, the DSM should ensure that the public officer maintaining the inventories in a store unit records all the issues and receipts correctly and makes cross-references of the entries in the relevant inventory records. The DSM should also arrange to check inventories at least once a year and ensure that any discrepancies are properly dealt with. Audit reviewed the master copies of the inventory sheets for the period from 2013 to 2018 and noted that among the 23 office units and 32 volunteer units:
 - (i) the number of office units which had not conducted annual inventory verification increased from 0 in 2015 to 3 (13%) in 2018. The number of volunteer units which had not conducted annual inventory

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verification increased significantly from 1 (3%) in 2015 to 32 (100%) in 2018; and

- (ii) 6 (26%) of 23 office units and all 32 volunteer units had not conducted annual inventory verifications for more than one year (see Table 14).

Table 14

**Analysis of office/volunteer units
with no annual inventory verifications conducted
(2013 to 2018)**

Number of year with no annual inventory verifications conducted	Number of unit involved	
	Office unit	Volunteer unit
1	14	—
2	3	9
3	2	13
4	1	10
Total	20	32

Source: Audit analysis of CAS records

Upon enquiry, CAS informed Audit in March 2019 that inventory holders of volunteer units were CAS members who were not “public officers” under SPR 715. As CAS was seeking the advice from the Financial Services and the Treasury Bureau on the issue, CAS would take stop-gap measures to address the issue in the interim. While noting CAS’s explanation, Audit considers that CAS needs to remind its staff to carry out inventory verifications on departmental stores, and maintain an accurate and up-to-date inventory records as required under SPRs; and

- (c) ***Irregularities identified in Audit’s inventory checks.*** Audit conducted inventory checks on 2 office units and 3 volunteer units on a sample basis in January and February 2019. For each unit, five inventory items were selected for checking. In three units, discrepancies between the physical

quantities and quantities as shown in the inventory sheets were found in seven inventory items (with discrepancies ranging from 1 to 37 units). According to CAS, the discrepancies arose mainly because inventory sheets were not updated by the inventory holding units for some items transferred to other units and a digital camera was missing. Audit considers that CAS needs to take follow-up actions on the irregularities identified in Audit's inventory checks.

Disposal of surplus stores

4.19 The Supplies Section is responsible for processing requests for disposal of surplus stores in CAS. Surplus stores pending disposal are kept in user sections and surplus uniforms and accoutrements are kept in the Supplies Section. According to SPRs 1105 and 1106, a Departmental Disposal Committee (DDC) shall be appointed to consider and approve disposal of surplus (serviceable and unserviceable) stores with a value of not exceeding \$1.4 million (Note 39). For disposal of surplus stores exceeding the value of \$1.4 million, DDC will put forward its recommendations to the Controlling Officer (i.e. Chief Staff Officer) for his consideration and approval.

4.20 From January 2015 to July 2018, a total number of 50 disposals (involving 1,421 items of some 162,000 units) of unserviceable stores were approved by DDC. Out of the 50 disposals, 20 (40%) with a total of 238 items were having saleable value and managed through commercial disposal. The remaining 30 (60%) disposals involved stores items, which were disposed of through dumping as commercial disposal was considered not cost-effective.

4.21 ***Disposed stores not properly recorded and accounted for.*** According to SPR 1155, whatever the method of disposal, Controlling Officers are responsible to ensure that the movement of stores is properly recorded and accounted for, in line with the requirements in SPRs and for items dumped, a list of stores for dumping is prepared to certify that the stores have been dumped or destroyed. According to SPR 850, when departments issue stores for dumping, a voucher must be completed to certify that stores are issued and received for dumping purposes. Audit examined the 50 disposal exercises (items included projectors, cameras and generator set)

Note 39: *With effect from 1 January 2018, the financial limit has changed from \$1.43 million to \$1.4 million.*

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approved by DDC together with the relevant disposal records and identified the following deficiencies:

- (a) for 1 disposal exercise approved in 2016 (involving 120 items), both the list of stores for dumping and the voucher were not found;
- (b) for 6 disposal exercises approved in 2015 and 1 exercise in 2016 (involving 194 and 17 items respectively), all the relevant vouchers were not found;
- (c) for 2 disposal exercises approved in 2015 and 2017, lists of stores for dumping were not found; and
- (d) a disposal exercise was approved in November 2017 for disposing of 5 items of medical consumables (i.e. 3,500 surgical masks, 2,000 gowns, 1,885 gowns for protection against special disease, 1,700 personal protective coveralls and 2,500 shoe covers for protection against special disease by which the effective dates had expired). Upon Audit enquiry, the list of stores for dumping and the voucher were only prepared in January 2019.

For proper control of stores, Audit considers that CAS needs to take measures to ensure that when conducting disposal exercises of stores items, vouchers and lists of stores are prepared in accordance with SPR requirements.

Management of dangerous goods

4.22 ***Storage of dangerous goods.*** CAS maintains a Dangerous Goods Store of some 7 square metres which is located at the ground floor of the CAS Headquarters. Due to operational reasons, the store is used by various users such as the Supplies Section of the CAS (Department), and Support Force, Tactical Force and New Territories Region of CAS. Petrol and diesel kept in the Store, which are highly inflammable, are used by CAS for operating its equipment (e.g. chainsaws). They are classified as Category 5 dangerous goods under DGO.

4.23 While the provisions of DGO do not apply to the Government, CAS obtained FSD's approval in February 2006 on the quantities of the dangerous goods kept in its Dangerous Goods Store. According to the approval, a number of

Category 5 dangerous goods with specified quantities were allowed to be kept inside CAS's Dangerous Goods Store (see Appendix F) subject to the compliance with a number of fire services requirements including:

- (a) the entrance to the Dangerous Goods Store should bear a notice in English and Chinese painted thereon in a conspicuous colour indicating that the Store contains flammable Category 5 dangerous goods and smoking is prohibited;
- (b) the Store should be provided with a fixed automatically operated appliance (e.g. a sprayer unit) inside and a gas fire extinguisher outside;
- (c) the Store's door opening is to be fitted with a self-closing door having a fire resisting period of not less than one hour; and
- (d) two buckets of sand are to be provided and allocated outside the Dangerous Goods Store near the doorway.

4.24 ***Audit inspection and stocktake.*** Audit conducted an inspection and stocktake, accompanied by a CAS staff, at the Dangerous Goods Store on 11 January 2019. Audit found inadequacies in CAS's management of its Dangerous Goods Store, as follows:

- (a) ***Dangerous goods exceeded approved quantity.*** Audit's stocktake revealed that four dangerous goods items kept inside the Store exceeded FSD's approved quantities by 3 litres (enamel) to 108 litres (diesel) (see Appendix F). Audit examination of the stores ledger also revealed that as at 31 October 2018, the balances of petrol and diesel were 72 litres and 90 litres respectively, exceeding FSD's approved quantities by 36 (72 – 36) litres and 54 (90 – 36) litres respectively;
- (b) ***Storage of dangerous goods with other goods.*** According to FSD, apart from the approved dangerous goods (see Appendix F), no other goods should be stored inside the Dangerous Goods Store. Audit found that other flammable items (i.e. three cylinders of liquefied petrol gas, three bottles of engine oil, one can of unknown fluid, and two bottles of ethanol) were kept in the Dangerous Goods Store (see Appendix F and Photograph 1);

Photograph 1

Dangerous goods and other items found in the Dangerous Goods Store



Source: Photograph taken by Audit staff on 11 January 2019

- (c) **Conspicuous warning notices not displayed.** Audit found that the notice on the front door of the CAS Dangerous Goods Store was small and the colour was fading. The warnings of “no smoking” and “flammable Category 5 dangerous goods” were also not displayed, which was not in compliance with the fire services requirements;
 - (d) **Fire extinguisher not properly maintained.** The CAS Dangerous Goods Store had two fire extinguishers, one kept inside the Store and the other one outside. Audit noted that the fire extinguisher inside the Store had a notice stating that the appliance failed in the maintenance inspection conducted in May 2018; and
 - (e) **Defective self-closing door and sand buckets placed inside the Store.** Audit found that a self-closing device of a door was broken and therefore the self-closing function was out of order. A total of four buckets of sand were all put inside the Store, which was not in compliance with the fire services requirements.
- 4.25 **Need to take prompt follow-up actions.** After the inspection, in view of the possibility of posing a risk of fire hazards, Audit referred the audit findings

mentioned in paragraph 4.24(a) and (d) to CAS for urgent follow-up actions on 28 January 2019. In response, CAS staff invited Audit staff to visit the Dangerous Goods Store again on 1 February 2019. Audit noted that CAS had removed the excess quantities of dangerous goods kept in the Store and the interior condition of the Store had been tidied up (see Photograph 2). However, the non-compliance with the fire services requirements mentioned in paragraph 4.24(c) to (e) had not been rectified. In Audit's view, to minimise fire safety hazards, CAS needs to take prompt follow-up actions on the irregularities identified by Audit and consult the Director of Fire Services where necessary. CAS also needs to take measures to ensure compliance with the pertinent fire services requirements at all times.

Photograph 2

Dangerous Goods Store after tidying up



Source: Photograph taken by Audit staff on 1 February 2019

Audit recommendations

4.26 Audit has *recommended* that CAS Management should:

- (a) take measures to ensure that the requirements of SPRs are complied with, including:
 - (i) updating the stores records promptly once returned stores are received;

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- (ii) **conducting annual inventory verifications on departmental stores and maintaining an accurate and up-to-date inventory records; and**
 - (iii) **preparing vouchers and lists of stores when conducting disposal exercises of stores items;**
- (b) **take follow-up actions on the irregularities identified in the Audit's inventory checks as mentioned in paragraph 4.18(c);**
- (c) **take prompt follow-up actions on the irregularities identified by Audit (see para. 4.24(c) to (e)) relating to the management of Dangerous Goods Store and consult the Director of Fire Services where necessary; and**
- (d) **take measures to ensure compliance with the pertinent fire services requirements at all times.**

Response from the Government

4.27 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that:

- (a) appropriate follow-up actions for the audit recommendations in paragraph 4.26(a) and (b) will be taken;
- (b) prompt rectification actions for management of the Dangerous Goods Store had been taken by CAS and all rectifications were completed on 22 February 2019. FSD conducted an inspection to the Dangerous Goods Store on 28 February 2019 and no irregularity was noted; and
- (c) CAS Stores Company will be assigned to take up the full responsibility for and management of the daily operations of the Dangerous Goods Store to ensure compliance with relevant fire services requirements at all times.

Governance of the Civil Aid Service

Areas for improvement in the governance of CAS

4.28 As mentioned in paragraph 1.12, CAS has established the Commissioner's Conference and the Commissioner's Committee to assist the Commissioner of the CAS to manage CAS. In addition, the Commissioner's Office also holds meetings from time to time to discuss administrative matters of CAS. Apart from CAS staff, members of the meetings included Senior Officers of the Auxiliary Force. Audit noted areas for improvement, as follows:

- (a) ***Terms of Reference.*** CAS General Orders only specify the composition (Note 40) and functions of the Commissioner's Conference and the Commissioner's Committee but not that of the Commissioner's Office;
- (b) ***Quorum and frequency of meetings.*** The quorum of each meeting and frequency of meetings are not laid down in CAS General Orders. According to CAS, about five Commissioner's Conference meetings are held each year and the attendance rate of the five conferences held in 2017 was 100%. For the Commissioner's Committee, meetings are held before the Commissioner's Conference or at any time as and when required. The attendance rates of the seven Committee meetings held in 2017 were over 80%. Since records of the Commissioner's Office meetings were not kept (see (c) below), the frequency and the attendance of meetings were not available;
- (c) ***Records of meetings.*** Records of meetings are kept for the Commissioner's Conference and the Commissioner's Committee. No minutes of meetings have been prepared for the Commissioner's Office meeting (see also para. 2.6); and
- (d) ***Declaration of conflict of interests.*** CAS General Order No. 3.5.2 lays down guidelines on declaration of interests by CAS members at meetings. According to the General Order, when a member (including the Chairman)

Note 40: *The Commissioner's Conference, Commissioner's Committee and Commissioner's Office comprise 16, 7 and 8 members respectively (see para. 1.12). Among the members, the Deputy Commissioner (Operations) and the Senior Assistant Commissioner (Operations) are civil servants and others are volunteers.*

has any direct personal or pecuniary interest in any matter under consideration by the Committee, he must as soon as practicable after he has become aware of it, disclose to the Chairman (or the Committee) prior to the discussion of the item. The Chairman (or the Committee) shall decide the follow-up action on the member disclosing the interest (e.g. remain in the meeting as an observer or withdraw from the meeting). A designated form (requiring the signatures of the member disclosing the interest and the officer acknowledging the receipt of the declaration) should be used for declaration of interests. Audit examination of the minutes of the Commissioner's Conference and the Commissioner's Committee meetings held in 2017 and 2018 revealed that:

- (i) on three occasions, the designated form was not used and the declaration of interests was recorded in the minutes of meeting instead; and
- (ii) at a Commissioner's Committee meeting held to discuss matters including promotion of officers, all members declared that there were no conflict of interests in a declaration form. However, in the minutes of meeting, it was recorded that two members had declared conflict of interests and made no comments in the discussion of the promotion of the officers concerned.

4.29 ***Need to enhance governance of CAS.*** In PARTs 2 and 3 of this Audit Report, Audit has highlighted inadequacies in the training and services of CAS members and cadets (including members' non-compliance with the CAS Regulation and/or General Orders regarding the efficiency requirements and the processing of claims for pay and allowances, and inadequate follow-up actions on cadets not participating in training, services and activities). In PART 4, while CAS has taken measures to improve its financial control, Audit has identified instances of non-compliance with: (a) SPRs in the procurement of goods and services, and management of stores; and (b) the fire services requirements in the management of the Dangerous Goods Store. In the relevant PARTs of this Audit Report, Audit has made recommendations to address the specific issues. To ensure that an established mechanism is in place to oversee and regularly report the follow-up actions to the relevant CAS authorities, CAS needs to enhance its governance. CAS also needs to raise the awareness of CAS staff and CAS members on the need to comply with government regulations and guidelines, and CAS General Orders respectively. In view of the inadequacies mentioned in paragraph 4.28, CAS also needs to promulgate

in CAS General Orders the terms of reference of the Commissioner's Office, the quorum requirement and frequency of the meetings of the Commissioner's Conference, the Commissioner's Committee and the Commissioner's Office, and properly document the records of meetings of the Commissioner's Office and the declaration of conflict of interests by CAS members.

Audit recommendations

4.30 **Audit has *recommended* that CAS Management should:**

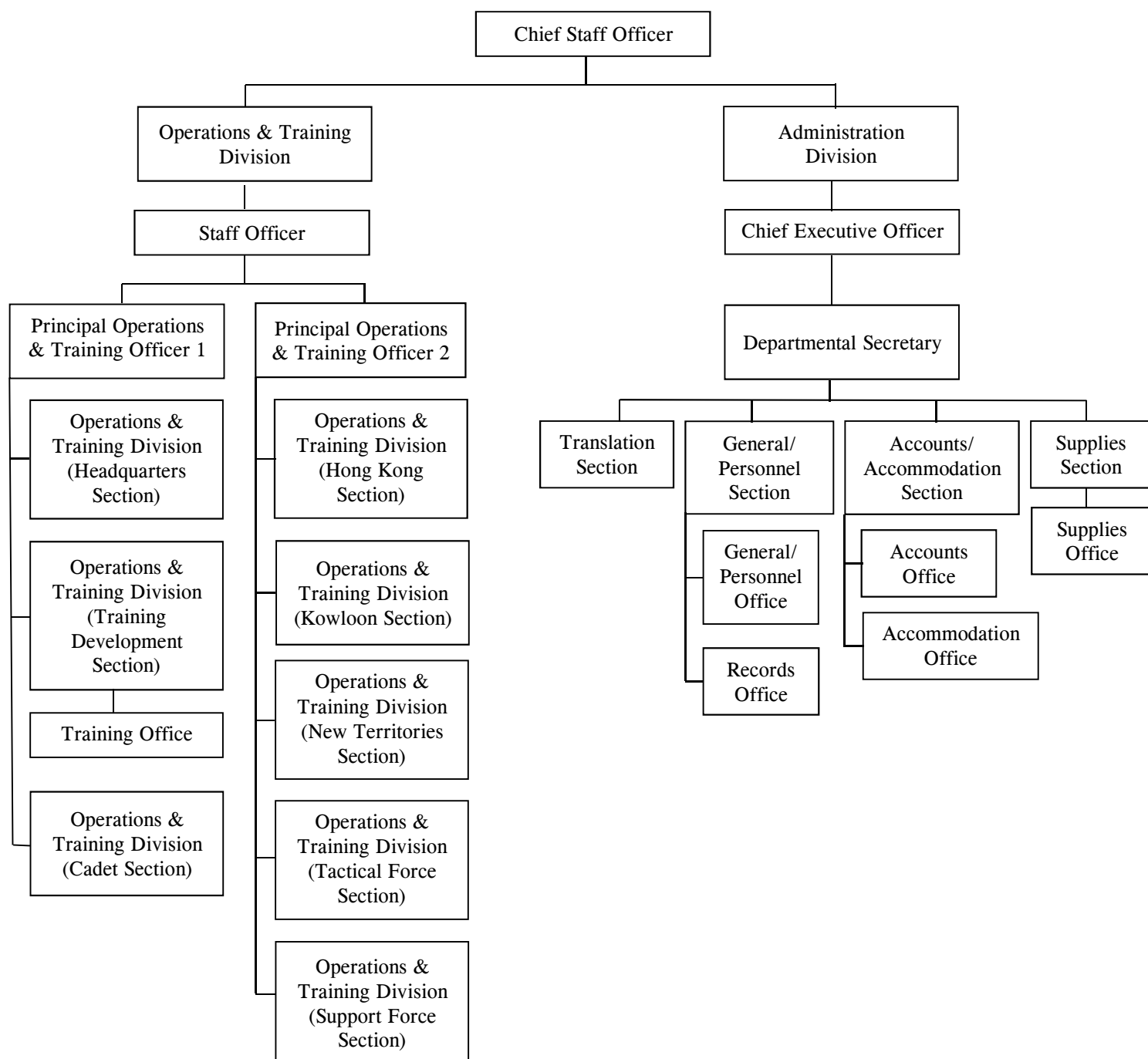
- (a) **enhance the governance of CAS to ensure that an established mechanism is in place to oversee and regularly report to the relevant CAS authorities the follow-up actions on the issues identified in this Audit Report;**
- (b) **raise the awareness of CAS staff and CAS members on the need to comply with government regulations and guidelines, and CAS General Orders respectively;**
- (c) **promulgate in CAS General Orders:**
 - (i) **the terms of reference of the Commissioner's Office; and**
 - (ii) **the quorum requirement and frequency of the meetings of the Commissioner's Conference, the Commissioner's Committee and the Commissioner's Office; and**
- (d) **properly document the records of meetings of the Commissioner's Office and the declaration of conflict of interests by CAS members.**

Response from the Government

4.31 CAS Management agrees with the audit recommendations. The Chief Staff Officer of the CAS has said that CAS will:

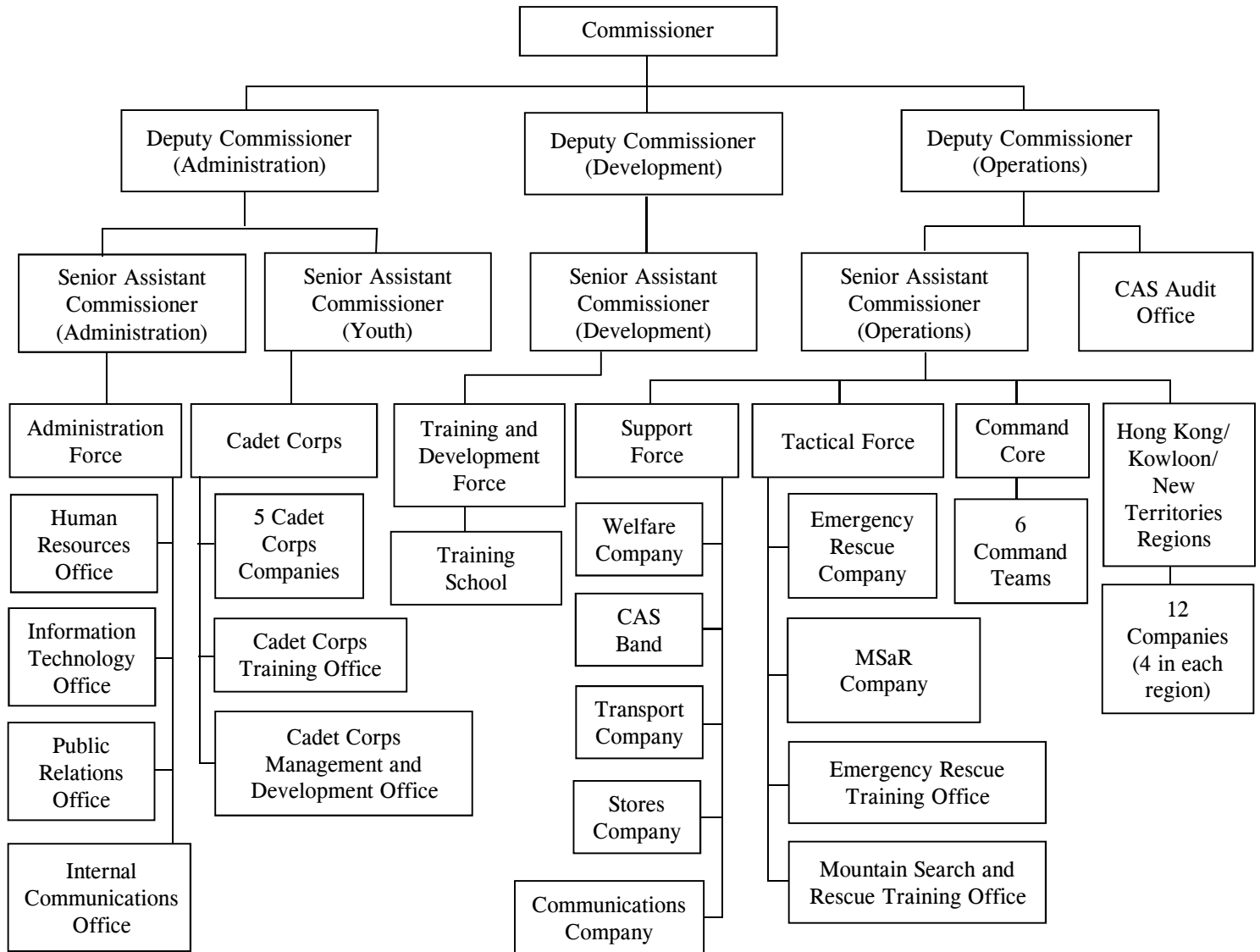
- (a) update relevant internal orders and guidelines;
- (b) enhance administrative procedures regarding records of meetings and declaration of interests;
- (c) conduct a holistic review on CAS's administration, training and operation. The review will take into account all recommendations in this Audit Report and CAS Management will closely monitor the implementation of all follow-up actions; and
- (d) monitor more closely the governance and management of both the CAS (Department) and the Auxiliary Force.

Organisation chart: Civil Aid Service (Department)
(1 January 2019)



Source: CAS records

**Organisation chart: Civil Aid Service Auxiliary Force (extract)
(1 January 2019)**



Source: CAS records

**Rates of pay for Civil Aid Service members (extract)
(2018-19 and 2019-20)**

	Grade	Hourly rate of pay (\$)	Daily rate of pay (i.e. hourly rate × 8 hours) (\$)
Officer			
Commissioner	SVII	218.1	1,744.8
Deputy Commissioner	VII	186.3	1,490.4
Senior Assistant Commissioner	VII	186.3	1,490.4
Assistant Commissioner	VII	186.3	1,490.4
Principal Adviser	SVI	166.2	1,329.6
Deputy Regional Commander	SVI	166.2	1,329.6
Assistant Regional Commander	VI	166.2	1,329.6
Adviser	VI	166.2	1,329.6
Company Commander	SV	134.5	1,076.0
Deputy Company Commander	V	103.8	830.4
Platoon Commander	IV	92.6	740.8
Other ranks			
Senior Section Leader	SIII	72.6	580.8
Section Leader	III	66.8	534.4
Deputy Section Leader	II	54.4	435.2
Senior Member	SI	45.8	366.4
Member	I	44.8	358.4

Source: CAS records

Remarks: A member can only receive the daily rate of pay (i.e. hourly rate × 8 hours) for attendance in training or service duty for 8 hours or more in any period of 24 hours.

Civil Aid Service Cadet Stage Training System

Stage	Rank	Basic training requirements	Supplementary requirements
I	Cadet (on enrolment)	<ul style="list-style-type: none"> • Cadet Induction Programme 	<ul style="list-style-type: none"> • Recommended by Senior Staff Officer, Cadet Corps Training Office
II	Senior Cadet	<ul style="list-style-type: none"> • Outdoor Activities Training • Cadet Corps Induction Training 	<ul style="list-style-type: none"> • Recommended by Platoon Commander
III	Deputy Cadet Leader	<ul style="list-style-type: none"> • Deputy Cadet Leader Course • Elementary Expedition Training and Assessment or Community Services Training 	<ul style="list-style-type: none"> • Recommended by Platoon Commander • Performed at least 24 hours of community services in the capacity of a Senior Cadet • Attended at least 1 Cadet Corps major event or national education programme in the capacity of a Senior Cadet
IV	Cadet Leader	<ul style="list-style-type: none"> • Foot Drill Course for Cadet Leaders • Elementary Expedition Training and Assessment • Community Services Training 	<ul style="list-style-type: none"> • Recommended by Platoon Commander • Performed at least 24 hours of community services in the capacity of a Deputy Cadet Leader • Attended at least 1 Cadet Corps major event or national education programme in the capacity of a Deputy Cadet Leader
V	Senior Cadet Leader	<ul style="list-style-type: none"> • Senior Cadet Leader Course • Emergency Rescue Training for Cadets or Casualty Handling Training for Cadets or Casualty Simulation Training for Cadets 	<ul style="list-style-type: none"> • Recommended by Platoon Commander • Performed at least 24 hours of community services in the capacity of a Cadet Leader • Attended at least 1 Cadet Corps major event or national education programme in the capacity of a Cadet Leader

Source: CAS records

**Ageing analysis of outstanding demand notes
(31 October 2018)**

Number of years outstanding	Number of demand notes	Percentage
1 or less	14	4 %
> 1 to 3	40	13 %
> 3 to 6	94	30 %
> 6 to 9	91	29 %
> 9 to 12	60	19 %
> 12 (Note)	15	5 %
Total	314	100 %

Source: Audit analysis of CAS records

Note: The oldest case had been outstanding for 12.5 years.

**Dangerous goods and other items stored
in the Civil Aid Service Dangerous Goods Store
(11 January 2019)**

Items	FSD approved quantities (a) (Litre)	Estimated quantities inspected by Audit (Note 1) (b) (Litre)	Excess quantities (c) = (b) – (a) (Litre)
Category 5 dangerous goods			
Petrol	36	72 (Note 2)	36
Diesel	36	144 (Note 2)	108
Kerosene	90	145	55
Paint, enamel, various colours	20	23	3
Thinner for cellulose lacquer	8	8	0
Cellulose lacquer	8	4	0
Mineral turpentine	36	18	0
Ethanol	Not applicable	3	3
Others			
Liquefied petroleum gas (Note 3)	Not applicable	3 cylinders	3 cylinders
Engine oil	Not applicable	2.5	2.5
Unknown fluid	Not applicable	18	18

Source: Audit stocktake on 11 January 2019

Note 1: Audit estimated the quantities based on the quantity labels on the containers of the dangerous goods.

Note 2: According to the stores records kept by the Supplies Section as at 11 January 2019, 54 litres of petrol and 90 litres of diesel were kept.

Note 3: Liquefied petrol gas is controlled under the Gas Safety Ordinance (Cap. 51) and is not subject to the control of DGO.

Acronyms and abbreviations

ACF	Attendance claim form
AFPAO	Auxiliary Forces Pay and Allowances Ordinance
Audit	Audit Commission
B/Ds	Government bureaux/departments
CAS	Civil Aid Service
COR	Controlling Officer's Report
DDC	Departmental Disposal Committee
DGO	Dangerous Goods Ordinance
DoJ	Department of Justice
DSM	Departmental Stores Manager
FSD	Fire Services Department
GLD	Government Logistics Department
HKDSE	Hong Kong Diploma of Secondary Education Examination
ICAC	Independent Commission Against Corruption
MSaR Company	Mountain Search and Rescue Company
NGO	Non-governmental organisation
SB	Security Bureau
SPRs	Stores and Procurement Regulations