

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.