

## **CHAPTER 8**

### **Labour and Welfare Bureau Working Family and Student Financial Assistance Agency**

#### **Working Family Allowance Scheme**

**Audit Commission  
Hong Kong  
31 March 2025**

*This audit review was carried out under a set of guidelines tabled in the Provisional Legislative Council by the Chairman of the Public Accounts Committee on 11 February 1998. The guidelines were agreed between the Public Accounts Committee and the Director of Audit and accepted by the Government of the Hong Kong Special Administrative Region.*

Report No. 84 of the Director of Audit contains 8 Chapters which are available on our website (<https://www.aud.gov.hk>).



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# WORKING FAMILY ALLOWANCE SCHEME

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# WORKING FAMILY ALLOWANCE SCHEME

## Executive Summary

1. The Working Family Allowance (WFA) Scheme has been enhanced and renamed from the Low-income Working Family Allowance Scheme with effect from 1 April 2018. WFA Scheme aims at encouraging self-reliance and easing inter-generational poverty by supporting low-income working households which are not on the Comprehensive Social Security Assistance and have longer working hours. To qualify for WFA, a household must meet the requirements for working hours, and income and asset limits. Different rates of allowances are provided based on the monthly aggregate working hours of the household (i.e. Basic Allowance, Medium Allowance or Higher Allowance) and household income (i.e. full-rate, 3/4-rate or half-rate). Each eligible child within the household may be granted Child Allowance. A WFA application is made on a household basis and covers the immediate past 6 calendar months. Since the introduction of WFA Scheme and up to September 2024, over 770,000 applications had been received with some 700,000 applications approved and about \$11 billion granted. As of September 2024, there were about 51,000 active WFA households (i.e. households which had been approved with WFA and submitted latest applications in the past 6 months), involving around 173,000 persons, including about 72,000 children.

2. The Working Family Allowance Office (WFAO) of the Working Family and Student Financial Assistance Agency (WFSFAA), comprising 457 civil servants and 253 non-civil service contract staff, is responsible for implementing WFA Scheme. In 2023-24, the expenditure for WFAO was \$2,201 million (including approved WFA of \$1,713 million, one-off WFA extra payment of \$79 million and operational expenses of \$409 million). The Audit Commission (Audit) has recently conducted a review to examine the implementation of WFA Scheme.

## Processing of applications

3. *Need to further encourage online submission of applications.* An applicant may submit an application for WFA by post, in person, using drop-in boxes,

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or through WFAO's electronic-submission system which was rolled out in September 2019. While the use of electronic-submission for WFA application increased from 4% in 2019-20 (from September 2019) to 54% in 2024-25 (up to September 2024), around 46% of the applications were still submitted by non-electronic means. For these applications, a contractor had been engaged by WFAO to input the information in the application forms (e.g. income and assets of applicants/household members) for uploading to WFAO's computer system, namely, the Working Family Allowance Management System (WFAMS). The cost for engaging the contractor was \$1.6 million in 2023-24 (paras. 1.8 and 2.7).

4. *Need to improve monitoring of processing time of applications.* WFAO has stipulated in its Operational Manual some internal timeframes for processing applications by stages. For example, Vetting Officers should submit recommendations to Vetting Supervisors for approval within 20 working days upon receipt of applications, receipt of complete information, or the applicants' deadlines for reply for providing information. According to WFAO, as the circumstances of individual cases were unique, no timeframe had been set on the overall processing time of applications. Audit noted that for the period from 2022-23 to 2024-25 (up to September 2024), some applications were with longer processing time. For example, of the 277,230 processed applications with complete information, the processing time from receipt of complete information to completion of processing was over 30 days in 13,563 (4.9%) applications, ranging from 31 to 519 days (averaging 44 days). Audit examined 105 applications received in 2022-23 to 2024-25 (up to September 2024) and noted that:

- (a) in 21 (20%) applications, the time taken for Vetting Officers to submit recommendations to Vetting Supervisors for approval exceeded the internal stipulated timeframe by 6 to 331 working days (averaging 63 working days). According to WFAO, the longer time taken was because the previous applications from the same applicants approved with WFA were either under special investigation or internal review; and
- (b) in 9 (9%) applications, WFAO did not contact the applicants to request for supplementary information (e.g. bank statements) until 21 to 372 working days (averaging 105 working days) after receipt of applications. In 6 of these 9 applications, WFAO did not contact the applicants to clarify irregularities noted in the supporting documents until 21 to 159 working days (averaging 45 working days) after receipt of the related documents. While according to WFAO, the longer time taken was due to various



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reasons (e.g. cross-checking of voluminous transactions in bank statements against supporting documents), the reasons were not documented in WFAMS/casefiles (paras. 2.11, 2.12 and 2.14 to 2.16).

5. ***Need to ensure consistent practice in vetting applications.*** Audit noted some inconsistent practices in vetting applications. Among the 105 applications examined by Audit, in 1 application, the rental deposit paid by the applicant for her public rental housing unit was included as household assets, whereas it was not included for 67 applicants who also resided in public rental housing units. Besides, in 3 applications, the applicants/their household members had reported the balances of electronic-wallet as household assets. However, in 3 other applications, while there were electronic-wallet transactions shown in the bank statements, WFAO did not request the applicants to report the electronic-wallet balances as household assets (para. 2.20).

6. ***Need to review timeframe for reporting quality assurance (QA) checks results and strengthen improvement measures identified in QA checks.*** WFAO conducts QA checks on processed applications selected on a random basis by WFAMS as part of the control mechanism to ensure that they are in order. Audit noted that:

- (a) the overall percentage of applications failing QA checks (i.e. applications found with errors) for the period from April 2018 to September 2024 was 13%, with percentages ranging from 9% to 18%. The percentage of applications that failed QA checks in 2024 (up to September) had increased to 15% (13% in 2023);
- (b) according to the Summary of Quality Assurance Checking Result of Working Family Allowance Applications (the Summary Report) for 2023, the 558 errors found in applications that failed QA checks were mostly caused by input errors, or some vetting staff had not exercised sufficient due care in analysing the information/proof provided by applicants or might have difficulty in fully comprehending various types of documentary proof and therefore had made inaccurate assessments; and
- (c) the Summary Report is compiled on an annual basis and the 2023 report was issued in April 2024 (i.e. 4 months after the year-end) (paras. 2.24 to 2.27).

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7. ***Room for improvement in handling rejected applications.*** For the period from 2018-19 to 2024-25 (up to September 2024), the rejection rates of applications averaged at 5.6%, ranging from 4.4% to 6.5%. Audit noted that for the period 2022-23 to 2024-25 (up to September 2024):

- (a) the major reason for rejection was “Rejected (No Response)” (i.e. WFAO has requested an applicant for supplementary information but the required information or clarification is not received after the deadline for reply), which accounted for 82% of the rejected applications;
- (b) about 16% of the rejected applications were due to failure in meeting eligibility criteria (e.g. working hour requirements) and rejections due to this reason were on an increasing trend; and
- (c) in 9 (60%) of the 15 rejected applications examined by Audit, the reasons for rejection were internally classified as “Rejected (No Response)”. In 5 (56%) of the 9 cases, the applicants had replied to WFAO but the applications were finally rejected because of insufficient supporting information/documents provided to satisfy WFAO’s requirements (paras. 2.32, 2.33 and 2.35).

### Follow-up on processed applications

8. ***Need to review target percentage of high-risk cases for special investigation.*** WFAO has set up a Special Investigation Section (SI Section) to conduct special investigation of selected cases. According to WFAO, SI Section aims to, among others, detect and investigate suspected fraud cases so as to ensure that the limited public resources are utilised to support households that are most in need. A risk-based approach is adopted for conducting special investigation, under which an overall target percentage has been set on conducting in-depth investigation on high-risk cases (including cases randomly selected by WFAMS from the pool of post-payment applications meeting one or more of the risk rules prescribed by WFAO, all internal referrals, all external referrals and all SI-initiated cases). A lower target percentage is applied for conducting authentication on random selection of cases which do not meet the risk rules. According to WFAO, the target percentages had been met for the years from 2018-19 to 2024-25 (up to September 2024). In the same period, the percentage of special investigation cases arising from internal referrals had increased exponentially (e.g. from 19% in 2019-20 to 59% in 2023-24). By contrast, the percentage of special investigation cases arising from randomly selected cases

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meeting risk rules decreased from 34% in 2019-20 to 6% in 2023-24. Audit noted the following issues:

- (a) ***Decrease in proportion of high-risk current year applications with special investigation conducted.*** When a referral was made, it was common for some or all of the previous applications of the same applicant to be retrieved and referred for investigation. Each previous application of the same applicant covering a claim period of 6 months would be counted as one case. Among the high-risk cases selected for special investigation, there was a decreasing trend in the proportion of current year applications (i.e. applications with disbursement made in the same year as the commencement of the special investigation) from 73% in 2019-20 to 16% in 2023-24;
  - (b) ***Decrease in number of applicants involved in high-risk cases selected for special investigation.*** The number of applicants involved in high-risk cases selected for special investigation was on a decreasing trend, with a decrease of about 9% in 2023-24 compared to 2019-20; and
  - (c) ***Decrease in percentage of high-risk cases selected for special investigation from applications meeting the risk rules.*** There was a decreasing trend in the percentage of high-risk cases being selected for special investigation from the pool of applications meeting the risk rules prescribed by WFAO, which are reviewed regularly and considered by WFAO as effective in identifying possible fraud risks. This may pose a risk of some high-risk and current year fraud cases being undetected (paras. 3.2, 3.3 and 3.5 to 3.11).
9. ***Need to improve management information for reviewing risk rules.*** As at 9 December 2024, of the cases with special investigation commenced during the period from the launch of WFA Scheme in 2018-19 to 2024-25 (up to September 2024), 84% of the cases had been completed and 16% were on-going. Audit noted that:
- (a) of the completed cases, 41% of the cases involved under-reported items, comprising 22% of the cases not affecting the amount of allowance disbursed, 18% of the cases involving recovery of overpaid allowance (involving an amount of \$20.1 million) and 1% of the cases suspected to involve fraud and referred to the enforcement agency for investigation

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(involving overpaid allowance of \$1.4 million). The percentage of special investigation cases with under-reported items ranged from 24% in 2018-19 to 52% in 2023-24;

- (b) while checkboxes are available in WFAMS for inputting over-payment reasons (e.g. unreported assets or unreported income from work), there was no additional breakdown tier of the types of under-reported items (e.g. for unreported assets, whether they were related to unreported bank accounts or cash values of insurance policies);
- (c) the risk rules for identifying applications with possible fraud risks should be reviewed on a half-yearly basis and are updated when necessary. Audit noted that there was no documentation showing that statistics/analyses on special investigation results had been reviewed during the latest review meeting on risk rules in October 2024; and
- (d) the percentage of special investigation cases randomly selected from applications meeting the risk rules and subsequently detected with under-reported items had been on a decreasing trend since 2021-22, decreasing from 25% to 14% in 2023-24 (paras. 3.12 to 3.15).

10. ***Need to shorten processing time of special investigation cases.*** For special investigation cases commenced during the period from the launch of WFA Scheme in 2018-19 to 2024-25 (up to September 2024), the longest processing time of cases completed as at 9 December 2024 was 1,301 days (i.e. 3.6 years), averaging 210 days. As for the on-going special investigation cases, the longest time elapsed from case commencement and up to September 2024 was 1,221 days (i.e. 3.3 years), averaging 231 days. Audit examined 50 special investigation cases conducted in the period from 2021-22 to 2024-25 (up to September 2024) and noted that:

- (a) in 7 (35%) of the 20 on-going cases examined (with elapsed time ranging from 567 to 1,221 days and averaging 960 days), there were long time lags between the follow-up actions taken with applicants and/or the corresponding organisations regarding information search (e.g. bank search). For example, in a case with an elapsed time of 567 days since commencement, since issuing correspondences to insurance companies in November 2023 and up to September 2024 (i.e. 10 months), there was no evidence showing that WFAO had followed up on the case; and

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- (b) no internal timeframe had been set on processing of special investigation cases, and WFAMS did not issue alerts (e.g. reminding case officers to take actions within a specified timeframe after the last follow-up action). There was also no management information on the processing time on special investigation cases (paras. 3.17, 3.19 and 3.20).

11. ***Room for improvement in issuing notifications and consent forms.*** According to WFAO's guidelines, for performing information search to verify/collect information about household members, WFAO needs to seek prescribed consent and will adopt a consistent and prudent approach by asking each household member to sign a consent form on verification of personal information. It is WFAO's practice to issue a Notification on Assessment and Verification to the applying household to inform the applicant/household members that the application is under investigation. Audit examined 50 special investigation cases and noted room for improvement. For example, among the 48 cases with notifications/consent forms issued, the time lag between the commencement of investigation and issuance of notifications/consent forms varied significantly, ranging from 0 to 683 days (averaging 55 days). In 6 (13%) cases, the time lags were over 3 months (paras. 3.22 to 3.24).

12. ***Need to issue notifications for review/appeal cases within stipulated timeframes.*** According to the Guidance Notes for Applications under WFA Scheme, an applicant for WFA who is not satisfied with the application results may apply in writing to WFAO for a review within 4 weeks from the issue of the Notification of Application Result. If the applicant is not satisfied with the review results, he/she may apply in writing to WFAO for an appeal within 6 weeks from the issue of the Notification of Review Result. In the period from 2018-19 to 2024-25 (up to September 2024), WFAO processed 839 review cases and 2 appeal cases. The timeframes for issuing Acknowledgement of Receipt of Application for Review/Appeal and Notification of Review/Appeal Result are set out in the Operational Manual. Audit examined 30 review/appeal cases (comprising 20 approved cases, 7 withdrawn cases and 3 rejected cases) processed in the period from 2022-23 to 2024-25 (up to September 2024) and noted that there were delays in issuing both types of notifications. For example, while the timeframe for issuing Acknowledgement of Receipt of Application for Review/Appeal is within 10 days from the receipt of application, delays were found in 6 (20%) of the 30 cases, ranging from 1 to 20 days (averaging 8 days) (paras. 3.29 to 3.31).

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13. *Need to maintain proper documentation on processing withdrawal of review/appeal cases.* An applicant may request for withdrawal of his/her application for review/appeal. Audit examination of the 7 withdrawn review/appeal cases revealed areas for improvement. For example, according to the Operational Manual, before issuing a Notification of Withdrawal of Application for Review/Appeal to an applicant, an assessment should be made that the case does not warrant in-depth investigation or does not involve restitution of overpaid allowance. However, in all the 7 withdrawn cases examined, there was no documentation showing that such assessment had been performed (paras. 3.34 and 3.35).

### Other related issues

14. *Need to set and publicise performance measures for WFA Scheme.* WFSFAA administered various student financial assistance schemes and WFA Scheme. For the former, it published a number of performance targets and indicators in the Controlling Officer's Reports and on website for the various schemes. However, WFSFAA had not publicised any performance pledges or targets/indicators for WFA Scheme. For example, timeframe had not been set on the overall processing time of WFA applications (see para. 4) (para. 4.3).

15. *Need to review provision of outreaching activities.* WFAO organises outreaching activities, including information booths, briefing sessions and form-filling sessions, for promoting WFA Scheme and facilitating the public to apply for WFA. For the period from 2018-19 to 2024-25 (up to September 2024), WFAO conducted a total of 718 outreaching activities, with an attendance of about 93,000. Audit noted that there is a need to review the provision of form-filling sessions and information booths. For example, of the 164 form-filling sessions conducted in the period from 2018-19 to 2024-25 (up to September 2024), 46 (28%) sessions were attended by 5 persons or fewer. With regard to the districts where the sessions were offered, since 2019-20, except for 3 sessions, all the other sessions had been provided in Sham Shui Po. While Kwun Tong and Yuen Long were among the top three districts in terms of successful applicants' residential districts since the launch of WFA Scheme, Yuen Long had not been covered in all years and no sessions had been conducted in Kwun Tong since 2020-21. There is also a need to keep under review service hours of information booths. For the 421 information booths set up in the period from 2018-19 to 2024-25 (up to September 2024), only 24 (6%) booths were open at weekends or after office hours on weekdays (paras. 4.9 to 4.14).

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16. ***Need to ascertain reasons for higher rejection rates and provide more assistance to ethnic minorities (EM) applicants.*** According to WFAO, various efforts had been made to facilitate EM applicants' easy understanding of WFA Scheme (e.g. translating guidelines of the Scheme into 8 languages). Audit noted that from 2018-19 to 2024-25 (up to September 2024), the rejection rates for EM applicants over the years (average: 10.2%) were consistently higher than the overall rejection rates (average: 5.6%). Audit considers that WFSFAA needs to ascertain the reasons for the higher rejection rates of EM WFA applicants and provide appropriate assistance to them accordingly (paras. 4.15 to 4.17).

17. ***Need to keep under review WFA Scheme.*** According to the Government, upon the launch of WFA Scheme, it has constantly kept the Scheme under review. Enhancements have been made aiming at improving the effectiveness of the Scheme and better supporting low-income working families (e.g. an increase in allowance rates by 15% across the board with effect from the claim month of April 2024). Audit noted that the number of WFA applications had been on a decreasing trend since the peak in 2020-21. According to the Government, the number of WFA applications and active households might be affected by multiple factors, including the prevailing economic situation and labour market conditions, as well as eligible applicants' individual circumstances and keenness to apply for WFA. In this audit review, Audit has identified room for improvement in the administration of WFA Scheme. Having regard to the developments of WFA Scheme, WFSFAA needs to, in collaboration with the Labour and Welfare Bureau, take into account the audit observations and recommendations in this Audit Report, keep under review the operation of WFA Scheme with a view to enhancing the Scheme as appropriate (paras. 4.22 to 4.24).

## Audit recommendations

18. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Head, WFSFAA should:**

### ***Processing of applications***

- (a) **continue to explore measures to further enhance the process on receipt of WFA applications, including exploring feasibility of making better**

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use of technology and encouraging electronic-submission of applications (para. 2.9);

- (b) take measures to expedite the processing of WFA applications as far as practicable (e.g. exploring ways to enhance WFAMS), and ensure that staff collect and/or clarify necessary information for processing WFA applications in a timely manner and record all contacts with applicants (para. 2.22(a) and (b));
- (c) take measures to ensure that consistent practices are adopted by staff in the vetting process, including regularly reviewing the list of items to be counted as household assets and providing more staff training; and enhance the list of items counted/not counted as household assets in the Guidance Notes for Applications under WFA Scheme by including more common examples (para. 2.22(d) and (e));
- (d) further strengthen efforts to enhance the quality and accuracy of vetting of WFA applications (para. 2.29(a));
- (e) review the timeframe and frequency for compiling and submitting the Summary of Quality Assurance Checking Result of Working Family Allowance Applications (para. 2.29(b));
- (f) provide more pertinent reasons for rejection of applications and make continued efforts to facilitate WFA applicants' understanding of the eligibility criteria (para. 2.36(a));

### *Follow-up on processed applications*

- (g) review the selection of cases for special investigations and take follow-up actions as appropriate (para. 3.27(a));
- (h) conduct further analyses on special investigation results and make use of such information in reviewing the risk rules (para. 3.27(b));
- (i) upon reviewing the special investigation results, formulate measures as appropriate to improve WFAO's risk management and application vetting process (para. 3.27(c));



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- (j) **explore measures to shorten the processing time of special investigation cases as appropriate (para. 3.27(d));**
- (k) **review and monitor the practice of issuing Notification on Assessment and Verification and the consent forms to applicants and household members in WFAO's guidelines, including setting a reference timeframe for issuing the relevant documents, and consider adding an alert function in WFAMS to help ensure compliance with the timeframe (para. 3.27(e));**
- (l) **enhance the Operational Manual by specifying more clearly the timeframe for issuing the Acknowledgement of Receipt of Application for Review/Appeal, and take measures to ensure that review and appeal cases are handled in a timely manner, including complying with the timeframes of issuing acknowledgements/notifications as stipulated in the Operational Manual (para. 3.37(a));**
- (m) **take measures to ensure that proper documentation is maintained for processing review and appeal cases and in handling withdrawal requests, such as stipulating requirements in the Operational Manual to record the assessment made on withdrawal requests (para. 3.37(b));**

### ***Other related issues***

- (n) **take measures to improve the performance management and reporting for WFA Scheme, including setting performance targets/indicators in the Controlling Officer's Reports and/or on website and publicising the achievements thereon (para. 4.6);**
- (o) **review the provision of outreaching activities, including keeping under review the arrangement of outreaching activities and the service hours of information booths and taking follow-up actions as appropriate (para. 4.20(a));**
- (p) **ascertain the reasons for the higher rejection rates of EM WFA applicants and provide appropriate assistance to them accordingly (para. 4.20(b)); and**

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- (q) in collaboration with the Secretary for Labour and Welfare, take into account the audit observations and recommendations in this Audit Report, keep under review the operation of WFA Scheme with a view to enhancing the Scheme as appropriate (para. 4.25).

## **Response from the Government**

19. The Head, WFSFAA 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 ***Low-income Working Family Allowance (LIFA) Scheme.*** According to the Government, the 2012 poverty statistics indicated a need to relieve the financial burden of working poor families not receiving the Comprehensive Social Security Assistance (CSSA), with particular focus on children, in order to address inter-generational poverty. These families typically need to support children by a relatively smaller number of working members. In the 2014 Policy Address, the Chief Executive of the Hong Kong Special Administrative Region announced the Government's proposal to introduce a scheme with an aim to encourage self-reliance of low-income families not receiving CSSA through employment and to support children and youths in these families to alleviate inter-generational poverty. According to the Government, there were two considerations:

- (a) firstly, despite the protection offered by the statutory minimum wage, many grassroots workers, as the sole breadwinners of families, still bore a heavy financial burden. Providing them with suitable assistance and encouraging them to remain employed would help them from falling into the CSSA safety net; and
- (b) secondly, offering appropriate support to the children and youths of these families would promote upward mobility and break the vicious cycle of inter-generational poverty.

LIFA Scheme was launched in May 2016. The allowance was means-tested, granted on a household basis and tied to working hours to encourage self-reliance.

1.3 ***Working Family Allowance (WFA) Scheme.*** In July 2017, the Government commenced a comprehensive review of LIFA Scheme with a view to making improvements to benefit more working households. In the 2017 Policy Address, it was announced that LIFA Scheme would be enhanced (including extending to cover

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singleton households and allowing all household members to aggregate their working hours) and renamed as WFA Scheme with effect from 1 April 2018.

1.4 WFA Scheme aims at encouraging self-reliance and easing inter-generational poverty by supporting low-income working households which are not on CSSA and have longer working hours. The salient features of the Scheme are as follows:

(a) **Eligibility.** To qualify for WFA, a household must meet the requirements for working hours, and income and asset limits:

(i) **Working hour requirements (Note 1).** Under the principle of rewarding hard work, the Scheme provides different rates of allowances based on the aggregate working hours of the household. The working hour requirements for non-single-parent households are:

- **Basic Allowance.** Total monthly working hours of 144 to less than 168 hours;
- **Medium Allowance.** Total monthly working hours of 168 to less than 192 hours; and
- **Higher Allowance.** Total monthly working hours of 192 hours or more.

Single-parent households benefit from lower working hour requirements (Note 2); and

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**Note 1:** *Working hours include hours of paid work performed by the applicant and other members of the household (employed or self-employed), and hours derived from their paid holidays and absence (e.g. sick leave and maternity leave).*

**Note 2:** *For single-parent households, the total monthly working hour requirements are: (a) 36 to less than 54 hours for Basic Allowance; (b) 54 to less than 72 hours for Medium Allowance; and (c) 72 hours or more for Higher Allowance.*

- (ii) ***Income and asset limits (Note 3).*** Households of different sizes are subject to different monthly household income and asset limits. Depending on household income, the allowance may be granted at full-rate, 3/4-rate or half-rate (Note 4). For example, for a 4-person household, the monthly household income upper limit for the full-rate allowance is \$25,000 and the household asset limit is \$590,000 for the claim months from April 2024 to March 2025 (see Appendix A). The income and asset limits are reviewed annually;
- (b) ***Child Allowance.*** Each eligible child within the household (Note 5) may be granted Child Allowance;
- (c) ***Household basis.*** Application is made on a household basis (Note 6), including singleton households. Members must be Hong Kong residents. The applicant and his/her household members may report the working hours of more than one job within the same month, and the working hours of the applicant and his/her household members are aggregated;

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**Note 3:** *Household income includes wages, fees received for services rendered, profits from business and rental income, etc. Household assets include land, landed properties (excluding self-occupied properties), vehicles/vessels, taxi/public light bus licences, investments, shares/business undertakings, and bank deposits/cash, etc.*

**Note 4:** *The income limits are calculated with reference to the Median Monthly Domestic Household Income of economically active (MMDHIEA) households, as follows:*

- (a) *full-rate allowance: monthly household income not exceeding 50% of MMDHIEA households;*
- (b) *3/4-rate allowance: monthly household income exceeding 50% but not higher than 60% of MMDHIEA households; and*
- (c) *half-rate allowance: monthly household income exceeding 60% but not higher than 70% of MMDHIEA households.*

**Note 5:** *An eligible child has to be aged below 15, or aged between 15 and 21 receiving full-time non-post-secondary education.*

**Note 6:** *A household generally refers to a unit with persons having close economic ties (but excluding economic ties arising from employment relationships) and living on the same premises in Hong Kong.*

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- (d) ***Claim period.*** An application covers the immediate past 6 calendar months. The allowance is granted for each month in which the eligibility criteria are met. The rate of allowance is determined based on the aggregate working hours and total income of the household, provided that the household assets are within the asset limits; and
- (e) ***Non-CSSA recipient.*** CSSA cannot be received concurrently with WFA in the same month.

1.5 In the 2023 Policy Address, it was announced that the Government would increase the rates of allowances under WFA Scheme by 15% across the board with effect from the claim month of April 2024, benefiting all households receiving WFA. According to the Government, increasing the rates would effectively strengthen the policy objectives of the Scheme. Apart from further alleviating the burden of grassroots working families, the initiative would also encourage continuous self-reliance through full-time employment and incentivise more families to join the labour market. The WFA rates with effect from the claim month of April 2024 are shown in Table 1 (Notes 7 and 8).

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**Note 7:** *According to the Working Family Allowance Office, for the applications received from 2018-19 to 2024-25 (up to September 2024) and approved as of December 2024: (a) 88%, 8% and 4% of the approved applications were granted the Higher, Medium and Basic Allowances respectively; and (b) 68%, 20% and 12% of the approved applications were granted the full-rate, 3/4-rate and half-rate allowances respectively.*

**Note 8:** *For example, for a 4-person household including 2 eligible children with monthly working hours of 195 hours and monthly income of \$24,000 (subject to household asset limit of \$590,000), Higher Allowance and Child Allowance are granted at full-rate (i.e. \$1,610 for each type of allowance), totalling \$4,830 (i.e. \$1,610+\$1,610×2) per month. The total WFA payable for a 6-month claim period is \$28,980 (i.e. \$4,830×6).*

Table 1

**Rates of allowances under WFA Scheme  
(with effect from claim month of April 2024)**

Type of allowances	Full-rate (\$)	3/4-rate (\$)	Half-rate (\$)
<i>Monthly allowance for each household</i>			
Basic Allowance	1,150	863	575
Medium Allowance	1,380	1,035	690
Higher Allowance	1,610	1,208	805
<i>Monthly allowance for each eligible child</i>			
Child Allowance	1,610	1,208	805

Source: Working Family and Student Financial Assistance Agency records

1.6 Since the introduction of WFA Scheme in April 2018 and up to September 2024, over 770,000 applications had been received with some 700,000 applications approved and about \$11 billion granted. As of September 2024, there were about 51,000 active WFA households (i.e. households which had been approved with WFA and submitted latest applications in the past 6 months), involving around 173,000 persons, including about 72,000 children. The number of applications received and approved, and amount of allowance approved from 2018-19 to 2024-25 (up to September 2024) are shown in Table 2.

**Table 2**

**Number of applications and amount of allowance approved  
(2018-19 to 2024-25 (up to September 2024))**

Year of application	Number of applications		Amount of allowance approved (Note 2) (\$ million)
	Received	Approved	
2018-19	92,883	86,875	1,184
2019-20	109,011	101,826	1,346
2020-21	135,229	123,854	1,792
2021-22 (Note 1)	134,942	125,314	2,070
2022-23 (Note 1)	128,127	117,467	1,889
2023-24	115,589	104,576	1,713
2024-25 (up to September 2024)	58,816	43,646	756
Total	774,597	703,558	10,750

*Source:* Working Family and Student Financial Assistance Agency records

*Note 1:* According to the Government, due to the impact brought by the coronavirus disease (COVID-19) epidemic, a time-limited special arrangement had been implemented for the claim months from June 2021 to May 2022 to reduce the working hour requirements for non-single-parent households (i.e. from 144 to 72 working hours for Basic Allowance and from 168 to 132 working hours for Medium Allowance, while maintaining that at 192 working hours for Higher Allowance). The lower working hour requirements for single-parent households remained unchanged.

*Note 2:* The rates of allowances for WFA Scheme were increased with effect from the claim months of July 2020 and April 2024 respectively (see Appendix B).

*Remarks:* According to the Working Family Allowance Office, all yearly figures shown in the table pertain to the year of application.



### ***Responsible office***

1.7 ***The Working Family Allowance Office (WFAO).*** The Working Family and Student Financial Assistance Agency (WFSFAA) is responsible for providing dedicated financial assistance to needy families in Hong Kong, supporting children and youths receiving education and encouraging household members to stay in active employment. WFAO of WFSFAA is responsible for implementing WFA Scheme. Headed by a Principal Executive Officer, WFAO comprises 3 operation divisions and an Information Technology Management Unit. Each of the operation divisions, led by a Chief Executive Officer, is responsible for the processing of WFA applications, such as handling of receipt of applications, vetting of applications, quality assurance (QA) checking, handling of review and appeal regarding processed applications, as well as arranging payment of allowances. There is also a Special Investigation Section (SI Section) responsible for conducting special investigation of selected cases. An extract of the organisation chart of WFSFAA as at 31 December 2024 is at Appendix C. As at 31 December 2024, the number of staff responsible for administering WFA Scheme totalled 710, including 457 civil servants and 253 non-civil service contract staff. In 2023-24, the expenditure for WFAO was \$2,201 million (including approved WFA of \$1,713 million, one-off WFA extra payment of \$79 million (Note 9) and operational expenses of \$409 million (Note 10)).

### ***Processing of WFA applications***

1.8 ***Application and processing procedures.*** An applicant may submit an application for WFA by post, in person, using drop-in boxes, or through WFAO's electronic-submission (e-submission) system (Note 11). The processing of an application generally involves the following procedures:

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**Note 9:** *According to WFAO, the one-off extra payment granted to all eligible WFA recipients, announced in the 2023-24 Budget, was equal to one half of the average monthly allowance in approved months in a recipient's most recently submitted WFA application, provided that it was submitted within the application period from 1 November 2022 to 3 May 2023 and eventually approved.*

**Note 10:** *The estimated expenditure for WFAO in 2024-25 was \$2,305 million. According to WFSFAA, the increase in expenditure in 2024-25 was mainly due to the increase in rates of allowances under WFA Scheme by 15% (see para. 1.5).*

**Note 11:** *According to WFAO, the e-submission system was rolled out in September 2019 to provide more user-friendly service for WFA applicants and improve operational efficiency of the office.*

## Introduction

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- (a) upon receipt of a paper-form application, application details will be input into WFAO's computer system (see para. 1.10). For applications submitted online, the data will be transferred to the system automatically;
- (b) the application details will be automatically matched with the database of the Social Welfare Department (SWD) (i.e. to ascertain whether the household is a CSSA recipient) and the Immigration Department (i.e. to check against death records) respectively before proceeding to the vetting process;
- (c) WFAO will check the application details together with the supporting documents provided in the application, and where applicable information provided by the applicant in his/her previous application(s) (e.g. address proof and birth certificates of eligible children) to ascertain the applicant's eligibility for WFA;
- (d) WFAO may also contact other parties concerned (e.g. applicant's employers) to enquire and verify information in relation to the application if necessary during the vetting process;
- (e) upon completion of the processing of an application, WFAO will issue a Notification of Application Result to the applicant, stating whether the household is eligible and the reasons for ineligible claim months (if applicable); and
- (f) if the application is approved, WFA will in general be disbursed to the applicant's bank account within 7 days from the issue of the Notification of Application Result.

1.9 ***Review and appeal mechanism.*** An applicant who is not satisfied with the application results may apply in writing to WFAO for a review within 4 weeks from the issue of the Notification of Application Result with justifications. If the applicant is not satisfied with the review results, he/she may apply in writing for an appeal within 6 weeks from the issue of the Notification of Review Result with justifications.

1.10 ***Working Family Allowance Management System (WFAMS).*** WFAO uses WFAMS to administer WFA Scheme. In addition to maintaining a database of WFA application details (including particulars of applicants and household members, working hours, income and assets information), application status and amount of approved allowance, WFAMS also provides automated functions in the processing and management of applications, including assigning applications to officers for vetting applications, calculating allowances, preparing for payments, issuing acknowledgement messages and generating various correspondences to applicants, and generating management information.

### ***Publicity and facilitation measures***

1.11 To raise public awareness of WFA Scheme and to encourage eligible working households to submit applications, WFAO promotes the Scheme through various channels. Apart from a 24-hour hotline (Note 12) and the website, WFAO has launched a chatbot to enhance enquiry services of the Scheme. It also operates enquiry counters and sets up information booths to answer enquiries, offers assistance in filling out application forms at sessions organised by non-governmental organisations (NGOs), and directly mails promotional leaflets (see Figure 1) to low-income households. Other channels for promotion such as advertisements in public transport, roadside banners and promotional video broadcasts in public areas are also utilised.

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**Note 12:** *According to WFAO, calls received outside office hours are handled by 1823.*

Figure 1

### Promotional leaflet for WFA Scheme



Source: WFSFAA records

## Audit review

1.12 In December 2024, the Audit Commission (Audit) commenced a review to examine the implementation of WFA Scheme. The audit review has focused on the following areas:

- (a) processing of applications (PART 2);
- (b) follow-up on processed applications (PART 3); and
- (c) other related 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**

1.13 The Secretary for Labour and Welfare and the Head, WFSFAA agree with the audit recommendations and will take appropriate follow-up actions and improvement measures correspondingly.

### **Acknowledgement**

1.14 Audit would like to acknowledge with gratitude the full cooperation of the staff of WFSFAA during the course of the audit review.

## PART 2: PROCESSING OF APPLICATIONS

2.1 This PART examines issues relating to the processing of WFA applications, focusing on the following areas:

- (a) receipt of applications (paras. 2.5 to 2.10);
- (b) vetting and assessment of applications (paras. 2.11 to 2.23);
- (c) QA checks (paras. 2.24 to 2.30); and
- (d) handling of rejected applications (paras. 2.31 to 2.37).

### ***Background***

2.2 WFAO has issued an Operational Manual laying down various administrative procedures for WFA Scheme for internal reference by staff. The processing of WFA applications generally include the following phases:

- (a) ***Receipt of applications.*** WFA Scheme is open for application all year round. To apply for WFA, an applicant is required to submit a completed application form and documentary proof (e.g. address proof and proof of working hours, household income and assets) to WFAO. The claim period is the immediate past 6 calendar months before the submission of the application. The application deadline is the last day of the month following the last claim month (Note 13). Late applications or applications with invalid claim periods will normally not be accepted;
- (b) ***Vetting of applications.*** Upon receipt of an application, WFAO conducts vetting of the application based on the information and supporting documents provided by the applicant, and determines whether a household is eligible for WFA for each month of the claim period. Subject to the

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**Note 13:** *For example, application for WFA for the period from January to June needs to be submitted within the period from 1 to 31 July of that year.*

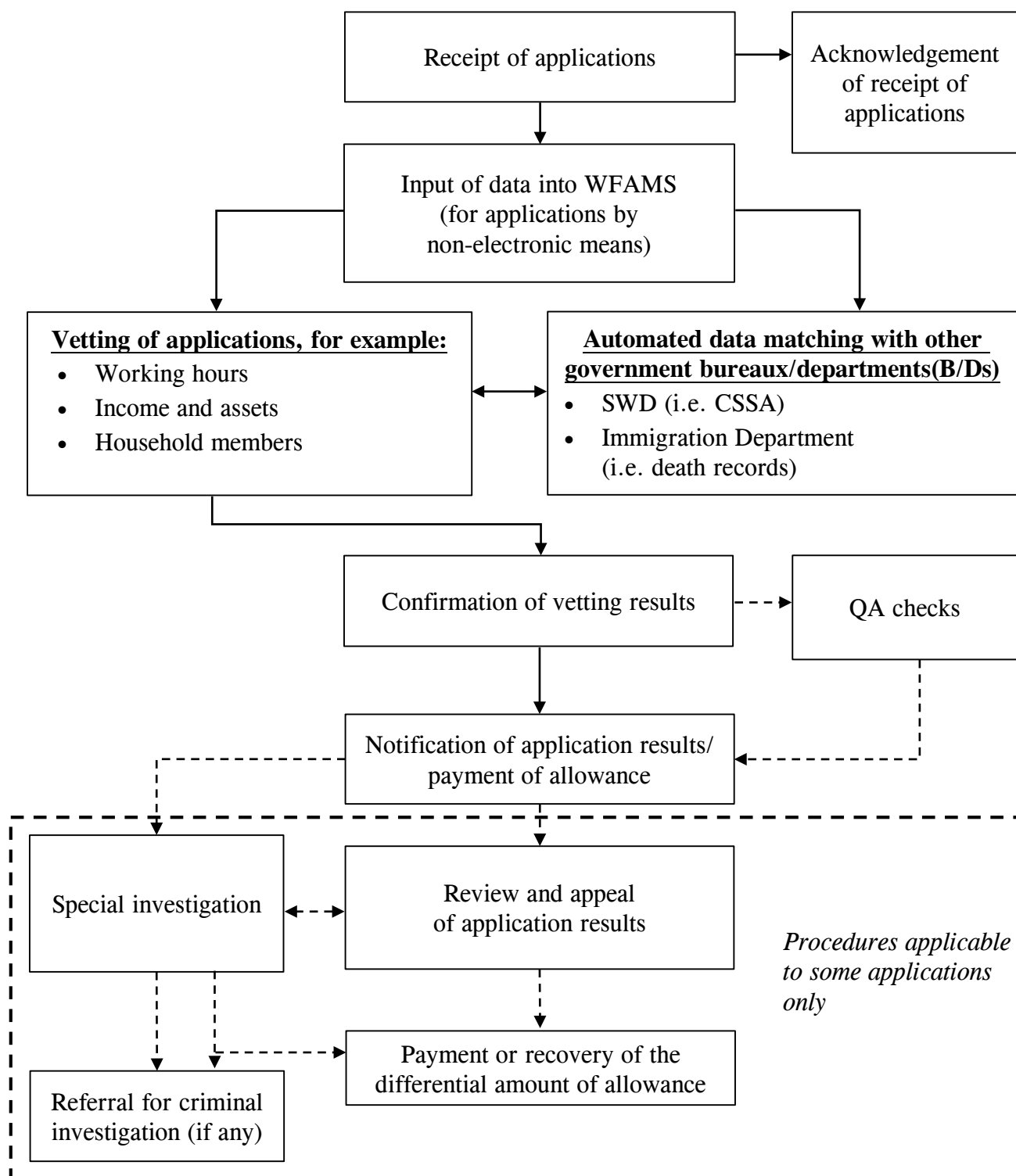
eligibility criteria being met, the amount of allowance for each claim month is calculated by WFAMS;

- (c) ***QA checks.*** A specified percentage of the processed applications are randomly selected by WFAMS for QA checks. The applications are checked against supporting documents, information in WFAMS and physical casefiles (see para. 2.3) to ensure that they are in order;
- (d) ***Outcome and notification.*** Upon completion of processing of the application, a Notification of Application Result will be issued, stating whether the household is eligible for WFA and the reasons for ineligible claim months (if applicable); and
- (e) ***Payment of allowance.*** If an application is approved for WFA, the allowance will in general be disbursed to the applicant's bank account within 7 days from the issue of the Notification of Application Result. For each application (covering a claim period of 6 months), the applicant may receive the allowance for all eligible month(s) in one go.

2.3 WFAO uses WFAMS (see para. 1.10) for processing applications and also maintains a paper-based file (i.e. physical casefile) for each application. According to WFAO, the physical casefile, along with WFAMS, serves as an integral part of the record-keeping system in compliance with the Government's records management requirements and related guidelines. For the handling of an application, the information in WFAMS is to be considered in conjunction with that in the physical casefile. Figure 2 shows a flowchart of the application processing procedures for WFA.

Figure 2

Flowchart of application processing procedures for WFA



Source: WFSFAA records



2.4 In the period from 2018-19 to 2024-25 (up to September 2024), 774,597 applications were received and 703,558 (90.8%) were approved (see Table 3).

**Table 3**

**Number of applications processed  
(2018-19 to 2024-25 (up to September 2024))**

Year of application	Number of applications (Note)			
	Received	Approved	Rejected	Withdrawn
2018-19	92,883	86,875	4,051	1,957
2019-20	109,011	101,826	5,314	1,871
2020-21	135,229	123,854	8,754	2,621
2021-22	134,942	125,314	6,869	2,759
2022-23	128,127	117,467	7,243	3,416
2023-24	115,589	104,576	7,413	3,591
2024-25 (up to September 2024)	58,816	43,646	3,662	2,209
Total	774,597 (100.0%)	703,558 (90.8%)	43,306 (5.6%)	18,424 (2.4%)

*Source:* WFSFAA records

*Note:* As at 30 September 2024, 765,288 applications had been processed and 9,309 (1.2%) applications were under processing.

*Remarks:* According to WFAO, all yearly figures shown in the table pertain to the year of application.

### Receipt of applications

#### *Need to further encourage online submission of applications*

2.5 Applicants may submit application forms and supporting documents to WFAO either by post, in person, using drop-in boxes, or through WFAO's e-submission system (Note 14). WFAO has accepted e-submission of applications since September 2019. The utilisation of e-submission is shown in Table 4.

**Table 4**

**Number of WFA applications by e-submission  
(2019-20 (from September 2019)  
to 2024-25 (up to September 2024))**

Year of application	Number of applications		Percentage of e-submission (c) = (b) ÷ (a) × 100%
	Total (a)	By e-submission (b)	
2019-20 (from September 2019)	63,509	2,247	4 %
2020-21	135,229	11,341	8 %
2021-22	134,942	22,887	17 %
2022-23	128,127	42,549	33 %
2023-24	115,589	52,181	45 %
2024-25 (up to September 2024)	58,816	31,879	54 %

*Source:* Audit analysis of WFSFAA records

*Remarks:* According to WFAO, all yearly figures shown in the table pertain to the year of application.

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**Note 14:** According to WFAO, previously successful WFA applicants using e-submission service can make use of e-prefilled forms (i.e. with prefilled basic information from the last successful application) and submit supplementary information online. Those who have registered for “iAM Smart” accounts can also view their application status/results, download submitted applications and documents, and make withdrawal, review and appeal requests online. Applicants with “iAM Smart+” can, in addition, digitally sign the application forms.

2.6 According to WFAO, the significant increase in the percentage of e-submission over the years was mainly contributed by:

- (a) gradual enhancements in the user-friendliness of the e-submission system. For example, enhancements rolled out in August 2021 included an option to support digital signing for applicants with “iAM Smart+”, and allowed form-saving and data pre-filling. In December 2021, further enhancements had been rolled out to allow applicants to update personal information, withdraw applications and submit review/appeal applications; and
- (b) the promotion efforts on publicising the e-submission service, including highlighting to applicants the benefits of using the service and providing a Quick Response Code (i.e. QR Code) for direct access to the service through promotional messages and slogan on flyers, banners, application materials, letters and paper pre-filled forms issued to applicants, and drop-in boxes (see Photograph 1), and promoting the WFA e-submission service on the Government’s “iAM Smart” website and mobile application.

**Photograph 1**

**Promotional message of e-submission service on drop-in box**



Source: WFSFAA records

## Processing of applications

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2.7 While the use of e-submission for WFA application increased from 4% in 2019-20 (from September 2019) to 54% in 2024-25 (up to September 2024), around 46% of the applications were still submitted by non-electronic means (i.e. by post, in person or via drop-in boxes). For these applications, a contractor had been engaged by WFAO to input the information in the application forms (e.g. personal particulars, details of working hours, and income and assets of applicants/household members). The electronic data would then be submitted to WFAO for uploading to WFAMS. The cost for engaging the contractor was \$1.6 million in 2023-24.

2.8 In Audit's view, to save costs and enhance efficiency, WFSFAA needs to continue to explore measures to further enhance the process on receipt of WFA applications.

## Audit recommendation

2.9 **Audit has *recommended* that the Head, WFSFAA should continue to explore measures to further enhance the process on receipt of WFA applications, including exploring feasibility of making better use of technology and encouraging e-submission of applications (e.g. enhancing cooperation with other B/Ds and NGOs to further promote e-submission).**

## Response from the Government

2.10 The Head, WFSFAA agrees with the audit recommendation. He has said that over the years, WFSFAA has implemented tech-enabled measures to enhance efficiency in the registration of applications and promoted the e-submission service to applicants, and will continue to explore opportunities to further enhance the process of receiving and processing applications.

## Vetting and assessment of applications

### *Need to improve monitoring of processing time of applications*

2.11 The Operation Teams are responsible for processing WFA applications, under each of which are a number of Vetting Teams that comprise Vetting Officers, Vetting Supervisors, Assistant Managers and overseen by Managers/Senior

Managers. Applications are assigned to Vetting Officers by WFAMS according to pre-set criteria. The Operational Manual has stipulated some internal timeframes for processing applications by stages and vetting staff should take follow-up actions as soon as practicable according to the internal timeframes, for example:

- (a) Vetting Officers may approach applicants or their household members to verify information and/or request supplementary information. Applicants/household members are requested to reply to WFAO within 14 calendar days. If no reply is received on or before the due date, a reminder letter will be issued to request the applicants/household members to reply to WFAO within 14 calendar days (i.e. deadline for reply). Vetting Officers/Vetting Supervisors need to document in WFAMS or casefiles the records of contacts (including verbal contacts) with the applicants/household members; and
- (b) Vetting Officers should submit recommendations to Vetting Supervisors for approval within 20 working days upon receipt of applications (where no supplementary information is needed), receipt of complete information, or the applicants' deadlines for reply for providing information.

### 2.12 According to WFAO:

- (a) WFAMS included built-in alerts according to the pre-set timeframes to remind Vetting Officers/Vetting Supervisors for follow-up actions. Weekly progress reports were also generated highlighting cases with applicable timeframes falling due, and alert messages were sent to Assistant Managers of the Vetting Teams for monitoring purposes; and
- (b) as the circumstances of individual cases were unique, no timeframe had been set on the overall processing time of applications (i.e. from the date of receipt of application to completion of processing). Rather, to ensure timely processing, alerts were issued to officers concerned according to internal timeframes set for each stage (e.g. from the date of receipt of complete information/the applicant's deadline for reply for providing information to the date of the Vetting Officer making recommendation to the Vetting Supervisor).

## Processing of applications

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2.13 To facilitate Audit’s analysis, WFAO compiled the statistics on the average processing time (Note 15) for the years from 2018-19 to 2024-25 (up to September 2024) (see Tables 5 and 6).

**Table 5**

**Average processing time of processed applications  
from receipt of application to completion of processing  
(2018-19 to 2024-25 (up to September 2024))**

<b>Year of application</b>	<b>Number of processed applications</b>	<b>Average processing time (days)</b>
2018-19	87,495	40
2019-20	102,936	52
2020-21	132,208	60
2021-22	134,942	46
2022-23	128,126	39
2023-24	115,580	36
2024-25 (up to September 2024)	49,517	31
Overall (Note)	750,804	45

*Source:* WFSFAA records

*Note:* According to WFAO: (a) the total number differs from the total number of applications processed reported in the Note to Table 3 in paragraph 2.4 (i.e. 765,288 applications) because the records of 14,484 applications were purged (i.e. data was no longer available) pursuant to WFAO’s record-keeping guidelines in compliance with the Personal Data (Privacy) Ordinance (Cap. 486); and (b) the number of processed applications included those which were rejected because the applicants did not respond to WFAO’s request for information, or provided supplementary information but was found to be insufficient for WFAO’s continued processing of the applications. The processing time of such rejected applications were in general longer.

*Remarks:* According to WFAO, all yearly figures shown in the table pertain to the year of application.

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**Note 15:** For this analysis, the completion date of processing refers to the date on which the Vetting Supervisor endorsed the recommendation by the Vetting Officer.

Table 6

**Average processing time of processed applications  
from receipt of complete information to completion of processing  
(2018-19 to 2024-25 (up to September 2024))**

<b>Year of application</b>	<b>Number of processed applications with complete information</b>	<b>Average processing time (days)</b>
2018-19	87,000	11
2019-20	101,881	15
2020-21	126,419	17
2021-22	128,704	13
2022-23	121,686	10
2023-24	109,083	10
2024-25 (up to September 2024)	46,461	9
Overall (Note)	721,234	13

*Source:* WFSFAA records

*Note:* According to WFAO, for the calculation of the average processing time of applications from receipt of complete information to completion of processing, applications without complete information should be excluded. Therefore, 29,570 applications which were rejected due to applicants' failure to submit supplementary information or the required supporting documents had been excluded from this analysis.

*Remarks:* According to WFAO, all yearly figures shown in the table pertain to the year of application.

## Processing of applications

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2.14 Audit further analysed the processing time of applications for the period from 2022-23 to 2024-25 (up to September 2024) (see Table 7) and noted that some applications were with longer processing time (Note 16), as follows:

- (a) of the 293,223 processed applications, the processing time from receipt of applications to completion of processing for 31,672 (10.8%) applications was over 60 days, ranging from 61 to 608 days (averaging 77 days) (Note 17); and
- (b) of the 277,230 processed applications with complete information, the processing time from receipt of complete information to completion of processing was over 30 days in 13,563 (4.9%) applications, ranging from 31 to 519 days (averaging 44 days).

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**Note 16:** *For this analysis, a longer processing time represents:*

- (a) *more than 60 days from receipt of application to completion of processing, making reference to (b) below and a total of 28 days allowed for applicants/household members to submit supplementary information to WFAO (see para. 2.11(a)); and*
- (b) *more than 30 days from receipt of complete information to completion of processing, making reference to the 20-working day timeframe for Vetting Officers to submit recommendations to Vetting Supervisors upon receipt of applications, receipt of complete information, or the applicants' deadlines for reply for providing information (see para. 2.11(b)).*

**Note 17:** *According to WFAO, for the case with the longest processing time (i.e. 608 days), the long processing time was mainly due to an ongoing special investigation (see para. 3.2) on a previous application of the household, at the end of which under-reported items were found. To safeguard public money, it was WFAO's practice to put the processing of the current application on hold pending the outcome of the special investigation.*



Table 7

**Processing time of applications  
(2022-23 to 2024-25 (up to September 2024))**

Processing time	Number of applications	
	From receipt of application to completion of processing (Note 1)	From receipt of complete information to completion of processing (Note 2)
30 days or less	137,978 (47.1%)	263,667 (95.1%)
31 to 60 days	123,573 (42.1%)	12,035 (4.3%)
61 to 90 days	26,379 (9.0%)	1,265 (0.5%)
91 to 120 days	4,300 (1.5%)	208 (0.08%)
More than 120 days	993 (0.3%)	55 (0.02%)
Total	293,223 (100.0%)	277,230 (100.0%)

Source: Audit analysis of WFSFAA records

*Note 1: According to WFAO, the number of applications for calculation of processing time from receipt of application to completion of processing included those which were rejected because the applicants did not respond to WFAO's request for information, or provided supplementary information but was found to be insufficient for WFAO's continued processing of the applications. The processing time of such rejected applications were in general longer.*

*Note 2: According to WFAO, for the calculation of the average processing time of applications from receipt of complete information to completion of processing, applications without complete information (see Note 1 above) should be excluded. Therefore, 15,993 applications which were rejected due to applicants' failure to submit supplementary information or the required supporting documents had been excluded from this analysis.*

## Processing of applications

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2.15 Audit examined 105 applications received in 2022-23 to 2024-25 (up to September 2024) (Note 18) and noted that:

- (a) in 21 (20%) applications, the time taken for Vetting Officers to submit recommendations to Vetting Supervisors for approval exceeded the internal stipulated timeframe (i.e. within 20 working days upon receipt of applications (where no supplementary information is needed), receipt of complete information or the applicants' deadlines for reply for providing information (see para. 2.11(b))). The time exceeded ranged from 6 to 331 working days (averaging 63 working days). However, there was no documentation in the casefiles showing the justifications for the longer time taken; and
- (b) of the 50 approved applications, the processing time from receipt of applications to completion of processing ranged from 11 to 608 days, averaging 182 days, and the processing time from receipt of complete information to completion of processing ranged from 1 to 519 days, averaging 53 days. Audit noted that the time spent on collecting complete information from applicants/household members ranged from 1 to 401 working days (averaging 89 working days), and found scope for expediting the collection and/or clarification of necessary information/documents, as follows:
  - (i) in 9 (9%) applications, WFAO did not contact the applicants to request for supplementary information (e.g. bank statements and pay slips) until 21 to 372 working days (averaging 105 working days) after receipt of the applications; and
  - (ii) in 6 of these 9 applications, WFAO did not contact the applicants to clarify irregularities noted in the supporting documents (e.g. nature of income/expenditure items in bank statements, and suspected unreported income/assets) until 21 to 159 working days (averaging 45 working days) after receipt of the related documents.

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**Note 18:** *The 105 applications examined by Audit included: (a) 50 approved applications, 15 rejected applications and 15 withdrawn applications and most of them were with longer processing time (i.e. over 60 days from receipt of applications to completion of processing); and (b) 25 applications with QA checks conducted by WFAO in 2023 and 2024 (up to September).*

2.16 Upon enquiry of the reasons for the longer time taken for processing the applications mentioned in paragraph 2.15, WFAO informed Audit in February and March 2025 that:

- (a) the longer time taken for the 21 applications (see para. 2.15(a)) was because the previous applications from the same applicants approved with WFA were either under special investigation (see para. 3.2) or internal review (Note 19). While the reasons for exceeding the internal timeframe might not be explicitly documented in the casefiles, Vetting Teams would always, as and when needed, make easy cross-references to WFAMS and casefiles of previous applications, relevant on-going special investigations and internal reviews. As such, documentation on the justifications for the longer time taken in casefiles was considered not necessary; and
- (b) the longer time taken to collect and/or clarify information in the 9 applications (see para. 2.15(b)) was because:
  - (i) in 5 applications, more time was required due to various reasons including cross-checking of voluminous transactions in bank statements against the supporting documents, suspicious bank account transactions with unreported income found, inconsistent

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**Note 19:** *According to WFAO, it may initiate an internal review on an application/review case/appeal case in which vetting has been completed, mainly on the following grounds:*

- (a) *an applicant, whose application has been rejected by WFAO due to his/her failure to submit supplementary information or the required supporting documents by the deadline specified by WFAO and who has hence been issued with a Notification of Insufficient Information for Following Up on the Application, requests for the re-opening of his/her application after having submitted all the required information or supporting documents;*
- (b) *back-pay of allowance or recovery of overpaid allowance is required, as identified by the investigation by SI Section;*
- (c) *adjustments on the amount of allowance is required due to other reasons (e.g. under-reported items related to the previous claim periods found in re-applications); or*
- (d) *other reasons based on circumstances of the cases.*

*For the period from 2018-19 to 2024-25 (up to September 2024), 15,683 internal reviews had been initiated.*

## Processing of applications

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self-declaration of working hours and income, referral of the application to law enforcement agency (i.e. the Hong Kong Police Force (HKPF)) for investigation, and retrieval of previous applications which were potential over-payment cases for internal review. However, Audit noted that the reasons for the longer time taken were not specifically documented in the casefiles;

- (ii) in 2 applications, the Vetting Officers had contacted the applicants verbally within 20 working days before issuing letters to request for supplementary information. However, Audit noted that such verbal contacts with the applicants were not recorded in WFAMS/casefiles, contrary to the requirement in the Operational Manual (see para. 2.11(a)); and
- (iii) in 2 applications, the vetting process was held up due to special investigation of the applicants' previous applications. The processing resumed and letters to request for supplementary information were issued when the special investigations were largely finalised/completed.

2.17 As the reasons for the long processing time of individual applications were not specifically documented in WFAMS nor the casefiles (see paras. 2.15 and 2.16), the WFAMS-generated reports could not facilitate senior management's monitoring unless a case-level enquiry was made. Upon enquiry, WFAO informed Audit in January and March 2025 that:

- (a) the internal timeframes served primarily as reference points to help timely identify applications potentially warranting intervention at a more senior level. The actual processing time of application always varied case-by-case depending on individual circumstances;
- (b) the internal timeframes also helped ensure that unless for good reasons, all key procedures in the processing of applications were attended by staff within reasonable time. Assistant Managers of the Vetting Teams would review the progress reports generated by WFAMS and, having regard to case-specific circumstances, take appropriate actions on cases warranting attention; and

- (c) WFAO's senior management did not only rely on WFAMS-generated reports to monitor the processing of cases. Instead, there were other more effective means for senior management to monitor the progress. For example, overall processing time of applications was reported to the top management at monthly meetings. Senior Managers of Operation Teams also held regular meetings with Managers/Assistant Managers to examine cases with long processing time.

2.18 While noting WFAO's explanations, in view of the longer time taken noted in processing some applications, WFSFAA needs to:

- (a) take measures to expedite the processing of WFA applications as far as practicable (e.g. exploring ways to enhance WFAMS);
- (b) take measures to ensure that staff collect and/or clarify necessary information for processing WFA applications in a timely manner, and record all contacts with applicants; and
- (c) consider compiling more management information to facilitate monitoring of processing of WFA applications.

### *Need to ensure consistent practice in vetting applications*

2.19 To be eligible for WFA, the household assets must be within the asset limits (see para. 1.4(a)(ii)). All household members (including the applicant) need to report all assets within and outside Hong Kong. WFAO has listed out common examples of items counted/not counted as assets for applicants' reference on website and in the Guidance Notes for Applications under WFA Scheme (the Guidance Notes for Applications). It has also listed out more examples on items to be counted as household assets in the Operational Manual for staff reference.

2.20 Audit examination of the 105 applications (see para. 2.15) noted some inconsistent practices in vetting applications, as follows:

## Processing of applications

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- (a) ***Rental deposit for public rental housing.*** In 1 application, the rental deposit paid by the applicant for her public rental housing unit was included as household assets. However, for 67 applicants who also resided in public rental housing units, there was no evidence showing that WFAO had confirmed with the applicants if rental deposits were paid for their public rental housing units, and no such deposits were included as household assets. According to WFAO, any form of rental deposit should not be counted as household assets; and
- (b) ***Electronic-wallet balances.*** In 3 applications, the applicants/their household members had reported the balances of electronic-wallet as household assets. However, in 3 other applications, while there were electronic-wallet transactions shown in the bank statements, WFAO did not request the applicants to report the electronic-wallet balances as household assets.

2.21 To ensure fairness in the vetting process, WFSFAA needs to take measures to ensure that consistent practices are adopted by staff in the vetting process, including regularly reviewing the list of items to be counted as household assets and providing more staff training. WFSFAA also needs to enhance the list of items counted/not counted as household assets in the Guidance Notes for Applications by including more common examples (e.g. electronic-wallet balances).

## Audit recommendations

2.22 **Audit has *recommended* that the Head, WFSFAA should:**

- (a) **take measures to expedite the processing of WFA applications as far as practicable (e.g. exploring ways to enhance WFAMS);**
- (b) **take measures to ensure that staff collect and/or clarify necessary information for processing WFA applications in a timely manner, and record all contacts with applicants;**
- (c) **consider compiling more management information to facilitate monitoring of processing of WFA applications;**

- (d) **take measures to ensure that consistent practices are adopted by staff in the vetting process, including regularly reviewing the list of items to be counted as household assets and providing more staff training; and**
- (e) **enhance the list of items counted/not counted as household assets in the Guidance Notes for Applications under WFA Scheme by including more common examples (e.g. electronic-wallet balances).**

## Response from the Government

2.23 The Head, WFSFAA agrees with the audit recommendations and will take necessary follow-up actions as recommended. He has said that WFSFAA will:

- (a) continue to adopt built-in alerts to remind Operation Teams to take necessary follow-up actions and explore ways to further enhance WFAMS to expedite the processing of applications as appropriate;
- (b) explore ways to further enhance WFAMS to alert staff to collect information and seek clarification in good time, and remind staff to record all contacts with applicants in accordance with the Operational Manual;
- (c) enhance the monitoring of the processing of individual cases and compile more management information to facilitate senior management's monitoring of complicated cases with long processing time;
- (d) continue to review and update the list of household asset items in the Operational Manual based on operational experience to ensure consistency in practices adopted by staff in the vetting process, continue to organise training and sharing sessions for vetting staff on the handling of WFA applications, refine the training materials and remind staff of updates in the Operational Manual; and
- (e) continue to update the list of household asset items in the Guidance Notes for Applications based on operational experience by including more common examples of household assets.

### Quality assurance checks

#### *Need to review timeframe for reporting QA checks results and strengthen improvement measures identified in QA checks*

2.24 WFAO conducts QA checks on processed applications selected on a random basis by WFAMS as part of the control mechanism to ensure that they are in order. As stipulated in the Operational Manual, for QA checks:

- (a) a specified percentage of processed applications are selected on a random basis by WFAMS before the issue of Notification of Application Result to applicants;
- (b) checking officers have to check the applications against supporting documents and information in WFAMS to ensure that they are in order within 4 working days upon receipt of a checking request, and record the checking outcomes and follow-up actions in WFAMS; and
- (c) checking officers are at least one rank higher than the approving officers (i.e. at Assistant Manager level or above) and not the officers involved in the vetting process.

2.25 The results of QA checks for the period from April 2018 to September 2024 (see Table 8) showed that the overall percentage of applications failing QA checks (i.e. applications found with errors) was 13%, with percentages ranging from 9% to 18%.



Table 8

**Results of QA checks  
(April 2018 to September 2024)**

Year of QA checks completed	Number of applications with QA checks	
	Conducted	Failed
2018 (from April)	2,854	513 (18%)
2019	4,663	730 (16%)
2020	4,148	471 (11%)
2021	4,280	368 (9%)
2022	4,008	478 (12%)
2023	3,564	450 (13%)
2024 (up to September)	2,580	399 (15%)
Overall	26,097	3,409 (13%)

*Source:* WFSFAA records

*Remarks:* According to WFAO, all yearly figures shown in the table pertain to the year of completion QA checks.

2.26 According to WFAO, since December 2022, checkboxes specifying the reasons for failing QA checks have been provided in WFAMS and a report showing such details is generated on an annual basis. A report, namely Summary of Quality Assurance Checking Result of Working Family Allowance Applications (the Summary Report), is then submitted to WFAO's senior management for review. According to the Summary Report for 2023, for the 3,564 applications with QA checks conducted:

## Processing of applications

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- (a) 450 (13%) applications failed QA checks and involved 558 errors, with 36 (1%) involved changes in WFA amounts (Note 20);
- (b) out of the 36 applications that involved changes in WFA amounts, assessment results of 5 applications changed from approved to rejected (i.e. the applicants were not eligible for WFA);
- (c) in 1 case, the checking officer and the approving officer of the application were both at the Assistant Manager rank, contrary to the requirement in the Operational Manual that the checking officers should be at least one rank higher than the approving officers (see para. 2.24(c));
- (d) the 558 errors found in applications that failed QA checks were mostly caused by:
  - (i) input errors resulting from careless mistakes in checking or overlooking of documents;
  - (ii) some vetting staff had not exercised sufficient due care in analysing the information/proof provided by applicants; or
  - (iii) some vetting staff might have difficulty in fully comprehending various types of documentary proof (e.g. insurance policies/income statements issued by different companies) and therefore had made inaccurate assessments; and
- (e) a number of recommendations would be implemented to enhance the quality of vetting. For example, vetting staff should be reminded to pay more attention to the handling of documentary proof in the vetting process and pay extra attention to data input/record in WFAMS. Operation Teams should also identify common/frequent errors and/or weaknesses, draw up

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**Note 20:** *The reasons for failing QA checks were mainly due to irregularities found in information relating to: (a) working hours and income (35.8%); (b) assets (29.4%); and (c) household members (11.9%). For the 36 applications involved changes in WFA amounts, WFAO uplifted the allowance amounts in 17 applications, lowered the allowance amounts in 14 applications and rejected 5 applications.*

areas for improvement and share them with vetting staff regularly, say at a six-month interval.

2.27 The Summary Report provided analyses and offered insights on areas for improvement in the vetting process to enhance service quality. However, Audit noted that:

- (a) the percentage of applications that failed QA checks in 2024 (up to September) had increased to 15% (13% in 2023) (see Table 8 in para. 2.25);
- (b) as the Summary Report is compiled on an annual basis, the analysis for the QA checks conducted in 2024 (up to December) was under compilation as of February 2025. According to WFAO, further analysis and evaluation of the process were still underway. In this connection, Audit also noted that the 2023 report (showing the results of QA checks conducted in 2023) was issued in April 2024 (i.e. 4 months after the year-end) (Note 21); and
- (c) according to WFAO, the recommendations (see para. 2.26(e)) had been implemented. For example, from time to time, different teams would hold meetings to brief vetting staff of updates in guidelines on vetting requirements and to remind them to handle data/files and data input/records with care. Operation Teams had also held regular meetings to review the QA failed cases and discuss the common errors identified, and had taken follow-up actions with vetting staff immediately.

2.28 The QA results indicated the need for WFAO to further strengthen efforts to enhance the quality and accuracy of vetting of WFA applications (e.g. exploring the feasibility of making better use of technology and providing more training to Vetting Officers). As the results of QA checks are useful for monitoring the vetting quality and formulating measures to enhance the vetting process, there is merit to

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**Note 21:** *According to WFAO, the enhancement of vetting procedures and quality did not depend solely on the Summary Report as the office reviewed the practices from time to time throughout the year and made suitable enhancements whenever necessary. Besides, when the 2023 Summary Report was under preparation, the findings were already reported to the top management for deliberation on the follow-up actions in the monthly meeting in February 2024.*

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review the timeframe and frequency for compiling and submitting the Summary Report. WFSFAA also needs to take measures (e.g. establishing controls in WFAMS) to ensure that QA checks are conducted by officers of the rank stipulated in the Operational Manual.

## Audit recommendations

2.29      **Audit has *recommended* that the Head, WFSFAA should:**

- (a)      **further strengthen efforts to enhance the quality and accuracy of vetting of WFA applications (e.g. exploring the feasibility of making better use of technology and providing more training to Vetting Officers);**
- (b)      **review the timeframe and frequency for compiling and submitting the Summary of Quality Assurance Checking Result of Working Family Allowance Applications; and**
- (c)      **take measures (e.g. establishing controls in WFAMS) to ensure that QA checks are conducted by officers of the rank stipulated in the Operational Manual.**

## Response from the Government

2.30      The Head, WFSFAA agrees with the audit recommendations which align with WFSFAA's long-standing efforts to enhance the effectiveness of its vetting of WFA applications. He has said that:

- (a)      the vetting process involves the review of a wide variety of documentary proof and individualised communication with applicants. The room for fully automating the process is currently limited. This notwithstanding, WFSFAA has been proactively exploring wider adoption of information technology applications. Examples of enhancement made to WFAMS include built-in functions to detect and draw attention to potentially inconsistent and self-contradictory information regarding the applications. On the training front, WFSFAA has long been running induction courses for new vetting staff, briefings for serving staff on recent updates on WFA

Scheme and vetting practices/standards, as well as sharing sessions on skills for vetting complicated applications. WFSFAA will also continue to refine the training materials and remind vetting staff through regular briefings of the importance of quality and accuracy of vetting. Moreover, newly joined staff will undergo a two-week understudy period, followed by hands-on training and coaching;

- (b) on top of the annual QA Summary Report, which is to be compiled within the first quarter of the following year, WFSFAA will prepare a mid-year summary report; and
- (c) WFSFAA will review the control functions in WFAMS and relevant provision in the Operational Manual to ensure compliance.

## Handling of rejected applications

### *Room for improvement in handling rejected applications*

2.31 Upon completion of the processing of a WFA application, WFAO will issue a Notification of Application Result to the applicant, stating whether the household is eligible and the reasons for ineligible claim months (if applicable). For unsuccessful applications, it is WFAO's practice to inform applicants of the reasons for rejecting their applications in the Notification of Application Result.

2.32 For the period from 2018-19 to 2024-25 (up to September 2024), the rejection rates of WFA applications averaged at 5.6% (see Table 3 in para. 2.4), ranging from 4.4% (in 2018-19) to 6.5% (in 2020-21). Audit analysis of reasons for rejection of applications (totalling 18,318 applications) recorded in WFAMS for the period 2022-23 to 2024-25 (up to September 2024) (see Table 9) and noted that:

- (a) the major reason for rejection was "Rejected (No Response)". According to the Operational Manual, this internal classification represents cases for which reminder letters requesting for supplementary information have been issued to applicants but the required information or clarification is not received after the deadline for reply. According to WFAO, rejected applications under this classification in WFAMS cover those with no response at all, and those with some information submitted but found to be

## Processing of applications

insufficient for following up on the applications. A notification letter will be issued to inform the applicant that the application cannot be further processed due to insufficient information for following up on the application. They accounted for 82 % of the rejected applications; and

- (b) there were slight increases in the percentages of applications failing to meet working hour requirements and exceeding income limits.

**Table 9**

**Reasons for rejection of applications  
(2022-23 to 2024-25 (up to September 2024))**

Reason	Number of rejected applications			
	2022-23	2023-24	2024-25 (up to September 2024)	Overall
No response (Note)	5,962 (82 %)	6,125 (83 %)	2,927 (80 %)	15,014 (82 %)
Failed to meet working hour requirements	349 (5 %)	408 (5 %)	246 (7 %)	1,003 (5 %)
Exceeded income limits	374 (5 %)	416 (6 %)	266 (7 %)	1,056 (6 %)
Exceeded asset limits	436 (6 %)	325 (4 %)	130 (4 %)	891 (5 %)
Others	122 (2 %)	139 (2 %)	93 (2 %)	354 (2 %)
Total	7,243(100 %)	7,413(100 %)	3,662 (100 %)	18,318 (100 %)

*Source: Audit analysis of WFSFAA records*

*Note: According to WFAO, rejected applications under this classification in WFAMS included those with no response at all and those with insufficient information submitted for following up on the applications.*

2.33 Audit examination of 15 rejected applications (see Note 18 to para. 2.15) and noted room for improvement:

- (a) ***Need to continue taking measures to facilitate applicants' understanding of eligibility criteria of WFA Scheme.*** In 9 (60%) of the 15 rejected applications examined, the reasons for rejection were internally classified as "Rejected (No Response)". According to the Operational Manual, this classification should be made when WFAO has requested an applicant for supplementary information but the required information or clarification is not received after the deadline for reply (see para. 2.32(a)). Audit noted that in 5 (56%) of the 9 cases, the applicants had replied to WFAO but the applications were finally rejected because of insufficient supporting information/documents provided to satisfy WFAO's requirements. For example, in 3 cases, the applicants submitted declarations at WFAO's requests (e.g. an applicant declared that he did not hold any bank account for his own companies that had ceased operations). However, the applications were rejected because other supporting information/documents sought were not provided (e.g. a profit and loss account verified by a certified public accountant). In another case, WFAO requested the applicant to provide an employer's certification (as the applicant's bank statement showed that he had regular monthly income which contradicted with his declaration as a casual worker earning a daily wage (Note 22)). The applicant informed WFAO of the difficulty in submitting the required document (i.e. his employer refused to provide an employer's certification) and requested WFAO to arrange an interview to discuss possible solutions (including his signing of another self-declaration). However, there was no documentation showing that WFAO had responded to his request. According to WFAO, notification letters informing the applicants that there was insufficient information for following up on the applications were issued. In Audit's view, WFSFAA needs to provide more pertinent reasons for rejection of applications in WFAMS (e.g. adding "insufficient information" as a rejection reason), and continue exploring measures to facilitate applicants' understanding of eligibility criteria of WFA Scheme (see para. 2.34); and
- (b) ***Need to exercise due care in calculating household assets.*** According to the Operational Manual, amounts of outstanding mortgage loans from land, properties, vehicles and vessels, etc, should be deducted from the amounts of total household assets. Audit noted that in 1 rejected application, the

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**Note 22:** *According to WFAO, after the office's request for clarification on the contradiction, the applicant revised his declaration without giving any explanation. Having regard to his history of under-reporting household income and assets, WFAO asked him to provide a certification from employer.*

## Processing of applications

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Vetting Officer mistakenly informed the applicant that the outstanding mortgage loan of his property should not be deducted from the total household assets. Accordingly, the Vetting Officer did not request the applicant to provide relevant supporting document, and the amount of the outstanding mortgage loan had not been deducted from the amount of total household assets (Note 23).

2.34 According to WFAO, efforts had been made to facilitate applicants' understanding of the application process, including:

- (a) offering assistance and guidance to applicants in the submission of documents (e.g. use of other WFA forms and screen captures of relevant mobile applications) as far as practicable;
- (b) explaining the eligibility criteria of the Scheme and documentary proof required to applicants. For example, since December 2024, apart from promulgating the required documents to be submitted through various means (e.g. Guidance Notes for Applications and website), WFAO has introduced a pop-up message showing individual tables on items required to be reported/counted as income and assets before applicants filling in the e-submission form; and
- (c) informing all unsuccessful applicants of the eligibility criteria they failed to meet in the Notification of Application Result, with elaborations given as necessary in complicated cases.

2.35 In Audit's view, given that about 16% of the rejected WFA applications were due to failure in meeting eligibility criteria (e.g. working hour requirements) and rejections due to this reason were on an increasing trend, there are merits for WFAO to provide more pertinent reasons for rejection of applications so as to further facilitate applicants' application process.

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**Note 23:** *According to WFAO, the exclusion of the outstanding mortgage loan amount did not affect the assessment result of the application.*



## Audit recommendations

- 2.36      **Audit has *recommended* that the Head, WFSFAA should:**
- (a)      **provide more pertinent reasons for rejection of applications and make continued efforts to facilitate WFA applicants' understanding of the eligibility criteria; and**
  - (b)      **remind Vetting Officers to exercise due care in calculating household assets according to the requirements stipulated in the Operational Manual.**

## Response from the Government

- 2.37      The Head, WFSFAA agrees with the audit recommendations and will take necessary follow-up actions as recommended. He has said that WFSFAA will:
- (a)      review and provide more pertinent reasons for rejection, and make continued efforts to facilitate applicants' understanding of the eligibility criteria and supporting documents required. In particular, having regard to the feedback gathered from vetting staff during their day-to-day interaction with applicants, WFSFAA will continue to review the reference materials on WFA Scheme and means of promulgating information useful to applicants; and
  - (b)      continue to organise induction courses for new vetting staff and briefings for serving staff on recent updates on WFA Scheme and vetting practices/standards, as well as sharing sessions on skills for vetting complicated applications, and continue to remind vetting staff to ensure compliance with the requirements of the Operational Manual and other relevant guidelines through regular briefings.

## **PART 3: FOLLOW-UP ON PROCESSED APPLICATIONS**

3.1 This PART examines the follow-up on processed applications, focusing on the following areas:

- (a) special investigation (paras. 3.2 to 3.28);
- (b) review and appeal on processed applications (paras. 3.29 to 3.38); and
- (c) recovery of overpaid allowance (paras. 3.39 to 3.45).

### **Special investigation**

3.2 WFAO has set up an SI Section (see Appendix C) to conduct special investigation of selected cases. According to WFAO, SI Section aims to:

- (a) detect and investigate suspected fraud cases so as to ensure that the limited public resources are utilised to support households that are most in need;
- (b) review if the cases are approved according to the vetting standards and ensure that eligible households are granted the appropriate amounts of allowance; and
- (c) continuously evaluate and improve the risk management of WFAO based on the investigation results, and thereby enable the effective and efficient vetting of WFA applications.

According to WFAO, SI Section adopts a risk-based approach and endeavours to detect and deter fraud cases as far as possible through conducting in-depth investigations and/or authentication depending on risk levels of cases (see para. 3.5).

3.3 According to the internal guidelines laid down in WFAO's Operational Manual and SI Section's working manual, cases for special investigation are selected from the following sources:

- (a) ***Randomly selected by WFAMS.*** WFAMS randomly selects specified percentages of post-payment applications meeting one or more of the risk rules prescribed by WFAO (Note 24) for in-depth investigation and those do not for authentication on a monthly basis;
- (b) ***Internal referrals.*** Suspected fraud cases referred by Operation Teams;
- (c) ***External referrals.*** Suspected fraud cases referred or reported by external parties (e.g. members of public or other B/Ds); and
- (d) ***SI-initiated.*** Investigation initiated by SI Section on post-payment cases. For example, if an application is found with irregularities in the course of special investigation, SI Section may initiate investigation into the applicant's previous applications.

3.4 The workflow for special investigation typically involves collection of evidence, which may include obtaining information from other B/Ds and/or other organisations, conducting interviews and/or home visits and verification of supporting documents. When it is confirmed that the household should not be entitled to the approved amount of WFA, WFAO will initiate recovery of overpaid allowance and/or refer the suspected fraud cases to law enforcement agencies (e.g. HKPF).

### ***Need to review target percentage of high-risk cases for special investigation***

3.5 According to WFAO's guidelines, a risk-based approach is adopted for conducting special investigation:

- (a) ***In-depth investigation on high-risk cases.*** In this context, high-risk cases include: (i) cases randomly selected from the pool of applications meeting the risk rules; (ii) all internal referrals; (iii) all external referrals; and (iv) all SI-initiated cases (see para. 3.3). An overall target percentage has been set on conducting in-depth investigation on these high-risk cases; and

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**Note 24:** *Risk rules are set as one of the means to identify high-risk cases and are reviewed regularly by SI Section and endorsed by WFAO's senior management.*

## Follow-up on processed applications

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- (b) *Authentication on cases not meeting risk rules.* As for the cases which do not meet the risk rules, a lower target percentage is applied for random selection of such cases for authentication.

3.6 According to WFAO, the target percentages of cases selected for special investigation for high-risk cases and cases not meeting the risk rules had been met for the years from 2018-19 to 2024-25 (up to September 2024). The percentage of high-risk cases with special investigation conducted significantly exceeded the target percentage for the years from 2022-23 to 2024-25 (up to September 2024).

3.7 Table 10 shows the percentage of special investigation cases by sources for the period from 2018-19 to 2024-25 (up to September 2024). Audit noted that among the high-risk cases:

- (a) the percentage of special investigation cases arising from internal referrals had increased exponentially from 19% in 2019-20 to 59% in 2023-24. Internal referrals had replaced randomly selected cases meeting risk rules as the major source of high-risk cases for special investigation since 2021-22, and accounted for over 75% of the high-risk cases since 2022-23; and
- (b) by contrast, the percentage of special investigation cases arising from randomly selected cases meeting risk rules decreased from 34% in 2019-20 to 6% in 2023-24.

Audit further analyses noted areas warranting attention.

Table 10

**Percentage of special investigation cases by sources  
(2018-19 to 2024-25 (up to September 2024))**

Year of commencement of special investigation	Randomly selected cases meeting risk rules (a)	Internal referrals (b)	External referrals (c)	SI-initiated (d)	High-risk cases (e) = (a) + (b) + (c) + (d)	Randomly selected cases not meeting risk rules (f)	Total (g) = (e) + (f)
2018-19	56 %	4 %	1 %	1 %	62 %	38 %	100 %
2019-20	34 %	19 %	2 %	3 %	58 %	42 %	100 %
2020-21	24 %	22 %	4 %	4 %	54 %	46 %	100 %
2021-22	15 %	35 %	3 %	4 %	57 %	43 %	100 %
2022-23	7 %	50 %	4 %	5 %	66 %	34 %	100 %
2023-24	6 %	59 %	4 %	4 %	73 %	27 %	100 %
2024-25 (up to September 2024)	5 %	60 %	4 %	7 %	76 %	24 %	100 %
Overall	16 %	41 %	4 %	4 %	65 %	35 %	100 %

*Source: Audit analysis of WFSFAA records*

*Remarks: According to WFAO, all yearly figures shown in the table pertain to the year when special investigation commenced (i.e. the case commencement date recorded in WFAMS).*

**3.8 Decrease in proportion of high-risk current year applications with special investigation conducted.** Audit noted that when a referral was made (e.g. internal referrals by the Operation Teams to SI Section), it was common for some or all of the previous applications of the same applicant to be retrieved and referred for investigation, as suspected unreported items (e.g. bank accounts) recently discovered might also affect previous applications. Each previous application of the same applicant covering a claim period of 6 months would be counted as one case. For

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example, in 2023-24, for the special investigation cases arising from internal referrals, the average number of cases per applicant was 4.7 cases. As such, out of the cases on which special investigation were conducted, a large proportion was related to previous year applications made by the same applicants. Audit noted that among the high-risk cases selected for special investigation, the proportion of current year applications (i.e. applications with disbursement made in the same year as the commencement of the special investigation) showed a decreasing trend from 73% in 2019-20 to 16% in 2023-24. According to WFAO, this was because the majority of applicants selected for special investigation involved multiple previous applications.

3.9 ***Decrease in number of applicants involved in high-risk cases selected for special investigation.*** Audit examination found that the number of applicants involved in high-risk cases selected for special investigation was on a decreasing trend. For example, despite the increase in the number of active households by about 20% from some 42,000 in May 2019 to some 51,000 in March 2024, there was a decrease in the number of applicants involved in high-risk cases selected for special investigation of about 9% in 2023-24 compared to 2019-20.

3.10 ***Decrease in percentage of high-risk cases selected for special investigation from applications meeting the risk rules.*** One of the sources of high-risk special investigation cases is the post-payment applications which meet one or more of the risk rules prescribed by WFAO (see para. 3.5(a)), which are reviewed regularly and considered by WFAO as effective in identifying possible fraud risks (e.g. unreported assets or income). Audit however noted that there was a decreasing trend in the percentage of high-risk cases being selected for special investigation from the pool of applications meeting the risk rules (Note 25).

3.11 With WFA Scheme being implemented for a longer period of time, returning applicants have in general accumulated a greater number of re-applications. According to WFAO, there was a need for the Operation Teams to refer previous applications of the applicants concerned to SI Section as suspected unreported items recently discovered might also affect previous applications (see para. 3.8), and the number of special investigation cases arising from internal referrals would increase

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**Note 25:** *The percentage of high-risk cases being selected for special investigation from the pool of applications meeting the risk rules decreased by over 50% from 2018-19 to 2021-22, and remained approximately the same thereafter, except for 2023-24 which saw a very slight increase.*

over time (Note 26). In this connection, while the target percentage for selecting high-risk cases for special investigation had been met (see para. 3.6), given the same amount of resources, the number of high-risk cases that were randomly selected for special investigation based on WFAO's prescribed risk rules (which were mainly current year applications) had decreased. This may pose a risk of some high-risk and current year fraud cases being undetected. In Audit's view, WFSFAA needs to review the selection of cases for special investigations and take follow-up actions as appropriate.

### *Need to improve management information for reviewing risk rules*

3.12 As at 9 December 2024 (see Note 28 to para. 3.17), of the cases with special investigation commenced during the period from the launch of WFA Scheme in 2018-19 to 2024-25 (up to September 2024), 84% of the cases had been completed and 16% were on-going. An analysis of the results of the completed cases showed that:

- (a) 59% of the cases were without under-reported items;
- (b) among the 41% of the cases with under-reported items:
  - (i) 22% of the cases involved under-reported items which did not affect the amount of allowance disbursed;
  - (ii) 18% of the cases involved recovery of overpaid allowance, and the total amount involved was \$20.1 million; and
  - (iii) 1% of the cases were suspected to involve fraud and were referred to HKPF for investigation (Note 27). These involved a total of \$1.4 million of overpaid allowance; and

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**Note 26:** *For example, for special investigation cases arising from internal referrals, the average number of cases per applicant had increased from 1.8 in 2019-20 to 5.2 in 2024-25 (up to September 2024).*

**Note 27:** *For convicted cases, the applicants concerned were sentenced to imprisonment for 2 to 4 months (suspended for 3 years).*

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- (c) the percentage of special investigation cases with under-reported items ranged from 24% in 2018-19 to 52% in 2023-24.

3.13 Upon completion of an investigation, the officer of SI Section will record the investigation results in WFAMS. For cases involving overpaid allowance, checkboxes are available in WFAMS for inputting the over-payment reasons (e.g. unreported assets, unreported income from work and ineligible child status for Child Allowance). Audit noted that there was no additional breakdown tier of the types of under-reported items (e.g. for unreported assets, whether they were related to unreported bank accounts, cash values of insurance policies or properties). According to WFAO, no analysis or breakdown was conducted or generated as these statistics were not needed from the case handling or operational point of view.

3.14 ***Review of risk rules.*** According to WFAO's guidelines, the risk rules for identifying applications with possible fraud risks should be reviewed on a half-yearly basis (see para. 3.10) and are updated when necessary. The last revision was made in May 2022. According to WFAO, in the latest review meeting held in October 2024, the effectiveness of risk rule cases was deliberated and no revision of risk rules was considered necessary until more data could be accumulated over time for effective analysis and assessment. However, Audit noted that there was no documentation showing that statistics/analyses on special investigation results had been reviewed during the meeting.

3.15 ***Decreasing detection rate of under-reported items from randomly selected cases meeting the risk rules.*** Audit's analysis revealed that the percentage of special investigation cases randomly selected from applications meeting the risk rules and subsequently detected with under-reported items had been on a decreasing trend since 2021-22, decreasing from 25% to 16% in 2022-23 and further to 14% in 2023-24.

3.16 As the risk rules may be defined or revised for detecting applications with particular types of under-reported items (e.g. bank account balances as one type of unreported assets), to facilitate the evaluation of the effectiveness of the risk rules, WFSFAA needs to conduct further analyses on special investigation results (e.g. compile additional breakdown of the types of under-reported items and conduct analyses of ineligible claim periods for applicants concerned), and make use of such information in reviewing the risk rules. Upon reviewing the results, WFSFAA also



needs to formulate measures as appropriate (e.g. providing more staff training) to improve WFAO's risk management and application vetting process (see para. 3.2(c)).

### *Need to shorten processing time of special investigation cases*

3.17 No overall timeframe has been laid down in the internal guidelines on processing special investigation cases, i.e. from the date of case commencement (as recorded in WFAMS) to the date of completion of the investigation. For special investigation cases commenced during the period from the launch of WFA Scheme in 2018-19 to 2024-25 (up to September 2024), the longest processing time of special investigation cases completed as at 9 December 2024 (Note 28) was 1,301 days (i.e. 3.6 years), averaging 210 days (see Table 11). As for the on-going special investigation cases, the longest time elapsed from case commencement and up to September 2024 was 1,221 days (i.e. 3.3 years), averaging 231 days (see Table 12 for the elapsed time of on-going cases).

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**Note 28:** *The calculation of the processing time was based on the list of special investigation cases completed as at 9 December 2024.*

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**Table 11**

**Processing time of completed special investigation cases  
(2018-19 to 2024-25 (up to September 2024))**

Year of commencement	Processing time (days)	
	Longest	Average
2018-19	685	143
2019-20	1,177	185
2020-21	1,301	204
2021-22	1,050	246
2022-23	913	269
2023-24	596	196
2024-25 (up to September 2024)	243	90
Overall	1,301	210

*Source: Audit analysis of WFSFAA records*

*Remarks: Processing time represents the time elapsed from the case commencement date to the completion date as recorded in WFAMS.*

**Table 12**

**Elapsed time of on-going special investigation cases  
(As at 30 September 2024)**

Elapsed time since case commencement	Percentage of cases
360 days or less	79.4%
361 to 720 days	18.3%
721 to 1,080 days	2.1%
1,081 to 1,440 days	0.2%
Total	100%

*Source: Audit analysis of WFSFAA records*

3.18 According to WFAO, special investigation cases usually involved obtaining necessary information from multiple third parties/private-sector organisations, in particular financial institutions. As their cooperation with WFAO was voluntary, the turnaround time was always beyond WFAO's control and could be relatively long. Some complicated cases spanned for years due to the intricate process in verifying the validity and accuracy of information.

3.19 Audit examined 50 special investigation cases (comprising 30 completed cases and 20 on-going cases) conducted in the period from 2021-22 to 2024-25 (up to September 2024) and noted that:

- (a) apart from the lead time for third parties to provide information (e.g. replies from banks on bank search) as mentioned by WFAO, in some cases, much time had been spent on collecting information of applicants/household members for verification/clarification (e.g. updating mailing address for tracking an applicant who was out of reach in the midst of investigation and obtaining specimen signatures of all household members for conducting information search); and
- (b) in 7 (35%) of the 20 on-going cases examined (with elapsed time ranging from 567 to 1,221 days and averaging 960 days), there were long time lags between the follow-up actions taken with applicants and/or the corresponding organisations regarding the information search. For example:
  - (i) in 2 cases which involved the same applicant, upon receiving the relevant correspondences from a bank (i.e. requesting signature specimen that matched the bank record), there was no documentation showing that WFAO had contacted the applicant to submit a signature specimen until 622 days (i.e. 1.7 years) later. Upon enquiry, WFAO informed Audit in March 2025 that the case officer had contacted the applicant multiple times requesting the correct signature specimen or alternative documents during the period, although the conversations were not documented. In this connection, Audit also noted that there were no guidelines requiring officers to document contacts (including verbal contacts) with the applicants/household members during special investigation; and

## **Follow-up on processed applications**

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- (ii) in another case (with an elapsed time of 567 days since commencement), since issuing correspondences to insurance companies in November 2023 and up to September 2024 (i.e. 10 months), there was no evidence showing that WFAO had followed up on the case (e.g. contacting the applicant/organisation concerned).

3.20 Audit noted that no internal timeframe had been set on the processing of special investigation cases, and WFAMS did not issue alerts (e.g. reminding case officers to take actions within a specified timeframe after the last follow-up action). There was also no management information on the processing time on special investigation cases. Upon enquiry, WFAO informed Audit in February 2025 that, instead of only relying on WFAMS-generated reports, cases with prolonged processing time or other complications warranting special attention of senior management would be brought up on a case-by-case basis by relevant officers having regard to the unique nature if necessary.

3.21 Special investigation may result in recovery of overpaid allowance that have a financial impact on public money. Besides, the processing time of special investigation cases may prolong the WFA applications process (i.e. for applicants whose previous applications are under special investigation — see para. 2.16(a)). In Audit's view, there is a need for WFSFAA to explore measures to shorten the processing time of special investigation cases as appropriate.

### ***Room for improvement in issuing notifications and consent forms***

3.22 According to WFAO's guidelines, when an application is selected for special investigation:

- (a) for performing information search (e.g. bank search) to verify/collect information about household members, WFAO needs to seek prescribed consent. To facilitate other organisations (e.g. other B/Ds and banks) that the household members have consented to the release of their personal data, WFAO will adopt a consistent and prudent approach by asking each household member to sign a consent form on verification of personal

information for conducting various types of information search (Note 29); and

- (b) upon completion of special investigation and for cases involving overpaid allowance, WFAO will issue a Notification of Special Investigation Result to the applying household to inform them of the investigation results and the relevant recovery amounts.

3.23 Audit also noted the following practices adopted by WFAO staff when conducting special investigation:

- (a) issuing a Notification on Assessment and Verification to the applying household to inform the applicant/household members that the application is under investigation, to solicit their cooperation in the course of the investigation and to remind them of the consequences of concealment of information or failure to provide information/clarification as required by WFAO;
- (b) endorsement of approving officer is sought prior to the issuance of the Notification on Assessment and Verification and consent forms for conducting information search; and
- (c) the forms for seeking consent from both the applicants and household members, together with a form requiring them to provide signature specimen with bank accounts (if applicable) are attached to the Notification on Assessment and Verification.

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**Note 29:** *According to WFAO, while applicants are generally deemed to have provided their consent for WFAO to obtain information of themselves and their household members by signing the Declaration by Applicant on the application forms, some organisations (in particular banks and insurance companies) have specifically requested for prescribed consent (e.g. with the signature fully matching the specimen of the bank account) before the organisations are willing to consider the information search. Therefore, where necessary, WFAO has to adopt a consistent and prudent approach by asking each household member to sign a consent form on verification of personal information for conducting various types of information search. Households which fail to sign and return the consent forms will be required to refund in full the paid allowance.*

## Follow-up on processed applications

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3.24 Audit examination of the 50 special investigation cases (see para. 3.19) noted that:

- (a) ***Notifications/consent forms not sent.*** In 2 (4%) cases, WFAO did not issue the Notification on Assessment and Verification and consent forms to the applicants and household members. In 1 of these cases, information search on household members' mandatory provident fund accounts was conducted without their prescribed consent (Note 30) (see para. 3.22(a));
- (b) ***Time lag between commencement of investigation and issue of notifications/consent forms.*** According to WFAO, information search provides important evidence in special investigation. Since seeking consent from applicants/household members is essential in most cases for conducting the search, issuing the consent forms in a timely manner would help speed up the investigation process. Among the 48 cases with notifications/consent forms issued, the time lag between the commencement of investigation (as recorded in WFAMS) and issuance of notifications/consent forms varied significantly, ranging from 0 to 683 days (averaging 55 days). In 6 (13%) cases, the time lags were over 3 months;
- (c) ***Endorsement from approving officer not sought prior to issuance of notifications/consent forms.*** In 14 (29%) of the 48 cases, the notifications/consent forms were issued before obtaining the endorsement of the approving officers; and
- (d) ***Inconsistent practice in issuing notification of results.*** Of the 30 completed cases, 18 cases involved overpaid allowance and 12 cases did not. Audit noted that in 3 (25%) of the 12 cases where special investigation did not reveal any over-payment, the notification of results had not been issued to the applicants.

3.25 Upon enquiry, WFAO informed Audit in January and March 2025 that:

- (a) for the 2 cases mentioned in paragraph 3.24(a), the signed declarations by the applicants already sufficed and replaced the consent forms for

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**Note 30:** *In the other case, WFAO conducted information search on the applicant only as there was no other adult household member.*

information search. In the case in which information search on the mandatory provident fund accounts of the applicant's household members was conducted, copies of the signed application form were provided to the mandatory provident fund trustee and the results were obtained successfully (i.e. no prescribed consent or specimen signatures were required); and

- (b) the necessity and timing of issuing the notification/consent forms depended on the specific circumstances of each case under investigation. The presumption that the notification/consent forms must invariably be issued at the earliest stage of the investigation might not align with the specific requirements of such cases.

3.26 While noting WFAO's explanations, Audit considers that WFSFAA needs to review the guidelines on issuing consent forms for conducting information search (e.g. specifying circumstances under which prescribed consent is needed). WFSFAA also needs to take measures to ensure that a consistent approach is adopted by its staff in conducting special investigation and follow-up actions are taken in a timely manner.

### Audit recommendations

3.27 **Audit has *recommended* that the Head, WFSFAA should:**

- (a) **review the selection of cases for special investigations and take follow-up actions as appropriate;**
- (b) **conduct further analyses on special investigation results (e.g. further breakdown of the types of under-reported items and ineligible claim periods for applicants concerned), and make use of such information in reviewing the risk rules;**
- (c) **upon reviewing the special investigation results, formulate measures as appropriate (e.g. providing more staff training) to improve WFAO's risk management and application vetting process;**
- (d) **explore measures to shorten the processing time of special investigation cases as appropriate;**

## **Follow-up on processed applications**

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- (e) **review and monitor the practice of issuing Notification on Assessment and Verification and the consent forms to applicants and household members in WFAO's guidelines, including setting a reference timeframe for issuing the relevant documents, and consider adding an alert function in WFAMS to help ensure compliance with the timeframe;**
- (f) **take measures to ensure that prior endorsement by approving officers are obtained before issuing the Notification on Assessment and Verification and consent forms; and**
- (g) **formalise the practice of issuing Notification of Special Investigation Result upon completion of investigation in WFAO's guidelines and adding an alert function in WFAMS to help ensure compliance.**

## **Response from the Government**

3.28 The Head, WFSFAA agrees with the audit recommendations. He has said that WFSFAA will:

- (a) whilst the present special investigation mechanism has been effective in revealing cases with over-payment and other irregularities, continue to review its strategy in selecting cases for special investigation taking into account such factors as risks, resource implications and cost-effectiveness;
- (b) conduct analysis on the types of under-reported items as revealed in special investigations, and review the risk rules with the benefit of such analysis to further improve the mechanism;
- (c) enhance staff training and sharing on the findings and experience from special investigations so as to improve the overall vetting quality and risk management;
- (d) continue to explore ways to streamline the process of special investigation as appropriate;



- (e) consider setting a reference timeframe and adding an alert function in WFAMS to ensure consistency in issuing Notification on Assessment and Verification and consent forms;
- (f) review the practice of issuing Notification on Assessment and Verification and consent forms, and ensure compliance with the requirement in the Operational Manual; and
- (g) formalise the issuance of Notification of Special Investigation Result in the Operational Manual, to be supported by an alert function in WFAMS to ensure compliance.

## **Review and appeal on processed applications**

3.29 According to the Guidance Notes for Applications, an applicant for WFA who is not satisfied with the application results may apply in writing to WFAO for a review within 4 weeks from the issue of the Notification of Application Result. If the applicant is not satisfied with the review results, he/she may apply in writing to WFAO for an appeal within 6 weeks from the issue of the Notification of Review Result. An applicant may lodge one review and one appeal against each application. In the period from 2018-19 to 2024-25 (up to September 2024), WFAO processed 839 review cases and 2 appeal cases, and the results are shown in Table 13.

## Follow-up on processed applications

**Table 13**

**Number of review and appeal cases processed by WFAO  
(2018-19 to 2024-25 (up to September 2024))**

Year of application	Number of review/appeal cases (Note 1)			
	Approved (Note 2)	Withdrawn	Rejected	Total
2018-19	94	1	2	97
2019-20	97	—	2	99
2020-21	156	2 (1)	5	163 (1)
2021-22	121	2	3	126
2022-23	183	2	1	186
2023-24	115	3	2	120
2024-25 (up to September 2024)	42 (1)	5	1	48 (1)
Total	808 (1)	15 (1)	16	839 (2)

*Source:* WFSFAA records

*Note 1:* The number of appeal cases is shown in brackets (i.e. for the 2 appeal cases, 1 was approved in 2024-25 (up to September 2024) and the other was withdrawn by the applicant in 2020-21).

*Note 2:* According to WFAO, the approved cases involved an additional disbursement of WFA of about \$2.5 million on circumstances such as provision of new information by applicants that justified the grant of more allowance.

*Remarks:* According to WFAO, all yearly figures shown in the table pertain to the year of application.

### ***Need to issue notifications for review/appeal cases within stipulated timeframes***

3.30 According to the Operational Manual, the timeframes for issuing notifications to applicants for review/appeal cases include:

- (a) issuing Acknowledgement of Receipt of Application for Review/Appeal within 10 days from the receipt of applications; and

- (b) issuing Notification of Review/Appeal Result within 6 weeks from the receipt of applications and all documentary proof required by WFAO for processing the cases.

3.31 Audit examined 30 review/appeal cases (comprising 20 approved cases, 7 withdrawn cases and 3 rejected cases) (Note 31) processed in the period from 2022-23 to 2024-25 (up to September 2024) and noted delays in issuing both types of notifications, as follows:

- (a) delays in issuing Acknowledgements of Receipt of Application for Review/Appeal were found in 6 (20%) cases, ranging from 1 to 20 days (averaging 8 days); and
- (b) delays in issuing Notifications of Review/Appeal Result were found in 2 (7%) cases, ranging from 1 to 21 days (averaging 11 days) (Note 32).

3.32 Upon enquiry, WFAO informed Audit in March 2025 that given there were limits to the number of review/appeal that an applicant could submit, it had been the office's practice to issue the acknowledgement of receipt of applications upon establishing the review/appeal requests with applicants. In other words, the acknowledgement would be issued upon WFAO's acceptance of the review/appeal request. In some cases, time had been taken to clarify information/documents with the applicants after the receipt of applications for review/appeal.

3.33 In Audit's view, WFSFAA needs to enhance the Operational Manual by specifying more clearly the timeframe for issuing the Acknowledgement of Receipt of Application for Review/Appeal, and take measures to ensure that review and appeal cases are handled in a timely manner.

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**Note 31:** *The cases selected for examination included 29 review cases and 1 appeal case.*

**Note 32:** *According to WFAO, the case which took 21 days longer than the internal timeframe to issue the Notification of Review Result was mainly due to receipt of information/declarations from the applicant for his next round of WFA application which aroused suspicion on the authenticity of certain declarations he made for the review. To ensure consistency in decision-making, WFAO had to handle the review with the new application together and eventually concluded them on the same day.*

### ***Need to maintain proper documentation on processing withdrawal of review/appeal cases***

3.34 According to the Operational Manual, an applicant may request for withdrawal of his/her application for review/appeal. Having ascertained that the application involves neither suspicious circumstances that warrant in-depth investigation nor restitution of overpaid allowance, the Assistant Manager/Manager should issue a Notification of Withdrawal of Application for Review/Appeal to the applicant. If, in reviewing the application, WFAO identifies a need for the applicant to retribute any overpaid allowance, the Vetting Supervisor, Assistant Manager and Manager should continue following up on the case based on the documents submitted by the applicant, despite the applicant's request for the withdrawal of the application for review/appeal.

3.35 Audit examination of the 30 review/appeal cases (see para. 3.31) revealed areas for improvement in handling withdrawn/rejected cases, as follows:

- (a) ***Withdrawal request made by applicant not documented.*** Applicants can make withdrawal requests by various means (e.g. by telephone or in writing). It is WFAO's practice to record contacts with applicants in casefiles and/or in WFAMS (see para. 2.11(a)). However, in 1 case, there was no documentation on the withdrawal request made by the applicant;
- (b) ***Assessment of case not documented.*** Before issuing a Notification of Withdrawal of Application for Review/Appeal to an applicant, an assessment should be made that the case does not warrant in-depth investigation or does not involve restitution of overpaid allowance (see para. 3.34). However, in all the 7 withdrawn cases examined, there was no documentation showing that such assessment had been performed; and
- (c) ***Applicant's request not processed as intended.*** In 1 of the 3 rejected cases examined, despite that the applicant made a withdrawal request through a telephone call (which was documented in the casefile), the case officer continued to process the review case (e.g. issuing letters to the applicant to request for supplementary information). Upon enquiry, WFAO informed Audit in March 2025 that the officer had misunderstood that the applicant would submit a withdrawal request in writing. Without receiving the written request, the staff continued to handle the review case.

3.36 In Audit's view, WFSFAA needs to take measures to ensure that proper documentation is maintained for processing review and appeal cases and in handling withdrawal requests, such as stipulating requirements in the Operational Manual to record contacts with applicants and the assessment made on withdrawal requests.

## **Audit recommendations**

3.37 Audit has *recommended* that the Head, WFSFAA should:

- (a) **enhance the Operational Manual by specifying more clearly the timeframe for issuing the Acknowledgement of Receipt of Application for Review/Appeal, and take measures to ensure that review and appeal cases are handled in a timely manner, including complying with the timeframes of issuing acknowledgements/notifications as stipulated in the Operational Manual; and**
- (b) **take measures to ensure that proper documentation is maintained for processing review and appeal cases and in handling withdrawal requests, such as stipulating requirements in the Operational Manual to record contacts with applicants and the assessment made on withdrawal requests.**

## **Response from the Government**

3.38 The Head, WFSFAA agrees with the audit recommendations. He has said that WFSFAA will:

- (a) specify more clearly in the Operational Manual the timeframes for issuing the Acknowledgement of Receipt of Application for Review/Appeal, and remind staff to take timely and appropriate actions with regard to review and appeal cases; and
- (b) enhance WFAMS to ensure that proper documentation is maintained for processing review and appeal cases, contacts with applicants and assessment made on withdrawal requests lodged by applicants.

### Recovery of overpaid allowance

#### *Need to expedite and monitor recovery of overpaid allowance*

3.39 Review/appeal cases, special investigation cases and internal reviews may reveal discrepancies and result in differences in WFA amounts that the applying households should be entitled. For a case involving overpaid allowance, WFAO will recover the amount by either offsetting it with the subsequent re-application submitted by the same applicant, or issuing a general demand note to the applicant under other circumstances (e.g. the overpaid amount cannot be fully offset by the subsequently approved allowance, or no re-application is submitted by the same applicant).

3.40 According to the Operational Manual, for recovery of overpaid allowance by way of issuing general demand notes, if applicants do not settle the amounts on or before the due dates, WFAO will reach out to the applicants to understand their situation and remind them to settle the payment as soon as possible. Under the circumstance that the amounts are still outstanding for a specified timeframe, reminder letter(s) will be issued to request the applicants for immediate payment. Cases with payments still outstanding after a specified timeframe will be handed over to SI Section and referred to the Department of Justice (DoJ) for recovery actions.

3.41 According to WFAO, for the period from 2018-19 to 2024-25 (up to September 2024), about \$43 million of overpaid allowance had been recovered. As at 11 December 2024, there were 465 on-going recovery cases involving about \$5.5 million. Audit noted that 227 (49%) cases had been outstanding for over one year (hereinafter referred to as long outstanding cases), involving about \$3 million. Table 14 shows an ageing analysis of the long outstanding cases.

**Table 14**

**Ageing analysis of long outstanding recovery cases  
(As at 11 December 2024)**

<b>Outstanding period</b>	<b>Number of cases</b>	<b>Amount involved (\$)</b>
More than 1 and up to 2 years	143	2,024,350
More than 2 and up to 3 years	45	521,050
More than 3 and up to 4 years	25	314,000
More than 4 and up to 5 years	8	111,200
More than 5 years	6	73,200
<b>Total</b>	<b>227</b>	<b>3,043,800</b>

*Source: WFSFAA records*

3.42 Upon enquiry, WFAO informed Audit in February 2025 that for the 227 long outstanding cases:

- (a) 47 (21%) cases involving over-payment of about \$0.6 million had been recovered as at 22 January 2025;
- (b) 114 (50%) cases had been referred to DoJ for recovery actions (Note 33);
- (c) 25 (11%) cases were either related to applicants who entered bankruptcy and WFAO had been liaising with the relevant parties for possible recovery actions, or under WFAO's monthly instalment arrangements (offered to applicants with financial difficulties); and
- (d) the remaining 41 (18%) cases involving 7 applicants were under consideration by SI Section having regard to the peculiar situations of individual cases.

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**Note 33:** *According to WFAO, among the 114 cases, 12 (11%) cases concerning 4 applicants had been referred to DoJ for more than 3 years and up to 5 years. According to DoJ, these cases were undergoing recovery actions.*

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3.43 Regarding the 41 cases that were under consideration by SI Section, Audit examination of 24 cases (involving 5 applicants) found that 81 reminder letters to the applicants were issued beyond the timeframes stipulated in the Operational Manual (see para. 3.40), ranging from 16 to 154 days (averaging 60 days). Upon enquiry, WFAO informed Audit in March 2025 that reminder letters would be issued having regard to the actual situation of the over-payment cases. The timing of issuing the reminder letters in the above cases were having regard to the actual and latest situation of the applicants that WFAO was aware of.

## **Audit recommendations**

3.44 Audit has *recommended* that the Head, WFSFAA should take measures to expedite the recovery of overpaid allowance, including continuing to:

- (a) expedite follow-up actions on cases under SI Section's considerations;
- (b) monitor the progress of cases that the applicants concerned entered bankruptcy and were under WFAO's monthly instalment arrangements; and
- (c) take measures to ensure that reminder letters to request for repayment of overpaid allowance are issued in accordance with the timeframes stipulated in the Operational Manual having regard to the latest situation of applicants.

## **Response from the Government**

3.45 The Head, WFSFAA agrees with the audit recommendations. He has said that WFSFAA will continue to:

- (a) closely monitor the recovery actions on cases under SI Section and ensure that follow-up actions are taken in a timely manner;
- (b) monitor the progress of cases involving applicants in bankruptcy by periodically bringing up such cases for review. With regard to applicants under monthly instalment arrangements, WFSFAA will issue general



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demand notes and reminder letters as appropriate in accordance with the Operational Manual; and

- (c) monitor on-going over-payment cases on a monthly basis, and will document the underlying considerations where reminder letters are not issued according to the timeframes stipulated in the Operational Manual.

## **PART 4: OTHER RELATED ISSUES**

4.1 This PART examines other issues relating to WFA Scheme, focusing on the following areas:

- (a) performance management and reporting (paras. 4.2 to 4.7);
- (b) publicity and facilitation measures (paras. 4.8 to 4.21); and
- (c) way forward (paras. 4.22 to 4.26).

### **Performance management and reporting**

#### ***Need to set and publicise performance measures for WFA Scheme***

4.2 The Government has issued guidelines to B/Ds in relation to the performance management, including:

- (a) according to Civil Service Bureau Circular No. 7/2009 “Performance Pledges in the Civil Service” (issued in September 2009 and last updated in December 2024), performance pledges inform the public of the standards of service that they can expect from the Government and what they can do if the services they receive fall short of such standards. Performance pledges, their updates and achievements should be publicised and disseminated to customers and the public at large; and
- (b) according to the Financial Services and the Treasury Bureau’s guidelines provided to B/Ds on performance targets/indicators to be included in Controlling Officer’s Reports (CORs), for individual programmes, Controlling Officers should focus on targets measured preferably in terms of intended outcome, and should apply the most relevant performance indicators that measure economy, efficiency and cost-effectiveness of the resources deployed. Controlling Officers should review their performance against these targets throughout the financial year and be ready to account for deviations.

4.3 Audit noted that for WFA Scheme, WFSFAA had not publicised any performance pledges or targets/indicators. For example, timeframes had not been set on the overall processing time of WFA applications (see para. 2.12(b)) and special investigation cases (see para. 3.17). For review/appeal cases, while an internal timeframe for issuing notification of results within 6 weeks from the receipt of applications and all documentary proof required by WFAO for processing the cases had been laid down in the Operational Manual (see para. 3.30(b)), this was not published as a performance pledge/target. In this connection, Audit also noted that:

- (a) WFSFAA administered various student financial assistance schemes and WFA Scheme. For the former, it published a number of performance targets and indicators in the CORs and on website for the various schemes. For example, for the Tertiary Student Finance Scheme — Publicly-funded Programmes which was also a means-tested scheme, it had set a target processing time for applications at 60 days, and a target processing time for application for review at 70 days, both subject to the receipt of complete information by the applicants; and
- (b) for CSSA Scheme administered by SWD, which was also a means-tested scheme, SWD published a number of performance targets and indicators in the CORs and on website, including the average time for processing a new case by field units (i.e. 28 working days in 2023-24 (actual)).

4.4 According to WFSFAA:

- (a) WFAO has set internal performance targets/indicators for monitoring the processing time of applications (e.g. submission of recommendations for supervisors' approval within 20 working days upon receipt of applications, receipt of complete information, or the applicants' deadlines for reply for providing information — see para. 2.11(b)). For the purpose of ensuring that the key procedures in processing applications are attended by staff within reasonable time, WFAMS includes built-in alerts to Vetting Officers/Vetting Supervisors and weekly progress reports highlighting cases with applicable targets falling due for review by Assistant Managers of the Vetting Teams (see paras. 2.12(a) and 2.17(b)). The reports are also available for management's monitoring; and
- (b) as the circumstances of each application vary, the applicable checking processes are different and the processing time can vary greatly. Against

this backdrop, WFSFAA has not published any generalised performance pledge about the processing time of WFA applications. The principle has always been to approve applications only when satisfactory proof is available to establish the eligibility of applicants for WFA.

4.5 While noting WFSFAA's control mechanism on the processing time of WFA applications, to enhance accountability and transparency and as a good practice, WFSFAA needs to take measures to improve the performance management and reporting for WFA Scheme, including setting performance targets/indicators in the CORs and/or on website and publicising the achievements thereon.

### **Audit recommendation**

4.6 **Audit has *recommended* that the Head, WFSFAA should take measures to improve the performance management and reporting for WFA Scheme, including setting performance targets/indicators in the CORs and/or on website and publicising the achievements thereon.**

### **Response from the Government**

4.7 The Head, WFSFAA agrees with the audit recommendation. He has said that WFSFAA will consider setting a performance pledge and/or target/indicator for WFA Scheme by drawing reference from similar schemes.

### **Publicity and facilitation measures**

#### ***Need to review provision of outreaching activities***

4.8 WFAO promotes WFA Scheme through various publicity channels, including outreaching activities and advertising (e.g. advertisements in public transport) (see para. 1.11). According to WFAO, its promotional efforts focus in particular on the potential target audience, and the main goals are to catch the attention of low-income working households and to assist eligible households to navigate the application process to prove their eligibility.

4.9 Apart from setting up enquiry counters (Note 34) to answer public enquires about WFA Scheme and offer assistance in filling out application forms, WFAO also organises the following outreaching activities for promoting the Scheme and facilitating the public to apply for WFA:

- (a) **Information booths.** WFAO sets up information booths at various locations (e.g. public housing estates and job fairs) to promote the Scheme, answer public enquiries and offer assistance in filling out application forms (see Photograph 2 for an example). An information booth is generally manned by two staff with service hours ranging from 45 minutes to 8 hours (Note 35);

**Photograph 2**

**Example of information booth**



*Source: WFSFAA records*

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**Note 34:** *The enquiry counters are located at WFAO's office in Kwun Tong and the customer service centre of the Hong Kong Housing Authority in Lok Fu.*

**Note 35:** *According to WFAO, the service hours of information booths varied depending on availability of venues and nature of events. For example, the service hours of information booths set up at job fairs were about 7 hours and those at schools were about 1 hour.*

- (b) **Briefing sessions.** Briefing sessions are held to introduce the Scheme and to explain the eligibility criteria. For example, front-line social workers of Integrated Family Service Centres (operated by SWD or NGOs) and other NGOs, who may assist and encourage low-income families to apply for WFA in their day-to-day contact with their service users, have been invited to attend to the briefing sessions to learn about the Scheme from time to time. Target audience also includes potential WFA applicants such as users of Community Living Rooms, service users of Support Service Centres for Ethnic Minorities (EM) and parents of students; and
- (c) **Form-filling sessions.** According to WFAO, form-filling sessions are provided upon request from individual NGOs at their venues for WFAO staff to assist applicants contacted by the NGOs in filling out application forms. Having regard to the varying nature of different applicants' difficulties in completing application forms in connection with their education background, language preference, age or disability, etc., the sessions aim to offer step-by-step and more personalised guidance to individual applicants in need. The service hours range from 45 minutes to 4.5 hours (Note 36).

4.10 For the period from 2018-19 to 2024-25 (up to September 2024), WFAO conducted a total of 718 outreaching activities. Audit examined the number and attendance of these activities and noted that:

- (a) after the resumption of normalcy from the COVID-19 epidemic, the total number of outreaching activities in 2023-24 was still 55% lower than that in 2018-19 (see Table 15) (Note 37); and

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**Note 36:** *According to WFAO, the service hours varied depending on the arrangements with NGOs.*

**Note 37:** *According to WFAO, in 2018-19, the Scheme's inception year, it deployed additional resources to introduce and promote the newly revamped scheme. The subsequent decrease in the number of activities organised in the period from 2020-21 to 2022-23 was due to the social distancing measures during the COVID-19 epidemic. After the resumption of normalcy, WFAO diversified its promotional efforts through different channels (e.g. advertisements in public transport and on second pouch boxes of the Hong Kong Post, roadside banners, video broadcasts, collaboration with different B/Ds and NGOs), and had correspondingly reduced the number of the three types of face-to-face promotional activities mentioned in paragraph 4.9.*

Table 15

**Number of outreaching activities  
(2018-19 to 2024-25 (up to September 2024))**

<b>Year</b>	<b>Information booth</b>	<b>Briefing session</b>	<b>Form-filling session</b>	<b>Total</b>
2018-19	185	67	37	289
2019-20	60	10	18	88
2020-21	—	2	15	17
2021-22	10	10	33	53
2022-23	36	12	26	74
2023-24	86	19	24	129
2024-25 (up to September 2024)	44	13	11	68
<b>Total</b>	<b>421</b>	<b>133</b>	<b>164</b>	<b>718</b>

*Source:* WFSFAA records

- (b) in terms of number of attendance, from 2018-19 to 2023-24 (see Table 16):
- (i) the total number of attendance decreased by 83 % from about 57,000 in 2018-19 to about 10,000 in 2023-24;
  - (ii) the average number of attendance decreased by 64 % for information booths and by 34 % for briefing sessions; and
  - (iii) the average number of attendance for form-filling sessions organised by NGOs was low, ranging from 5 to 15.

Table 16

**Number of attendance in outreaching activities  
(2018-19 to 2024-25 (up to September 2024))**

Year	Information booth	Briefing session	Form-filling session	Total
<i>Total number of attendance</i>				
2018-19	54,687	2,158	304	57,149
2019-20	10,328	281	89	10,698
2020-21	—	43	228	271
2021-22	3,420	135	357	3,912
2022-23	6,014	222	289	6,525
2023-24	9,320	405	243	9,968
2024-25 (up to September 2024)	4,536	226	119	4,881
Total	88,305	3,470	1,629	93,404
<i>Average number of attendance</i>				
2018-19	296	32	8	198
2019-20	172	28	5	122
2020-21	—	22	15	16
2021-22	342	14	11	74
2022-23	167	19	11	88
2023-24	108	21	10	77
2024-25 (up to September 2024)	103	17	11	72
Overall	210	26	10	130

*Source:* Audit analysis of WFSFAA records

*Remarks:* According to WFAO, fewer activities were organised under the social distancing measures during the COVID-19 epidemic (e.g. no information booth was set up in 2020-21) which resulted in the decrease in number of attendance in the period from 2020-21 to 2022-23 (see Note 37 to para. 4.10(a)).



4.11 *Need to review provision of form-filling sessions.* Audit examination noted that for form-filling sessions:

- (a) the number of attendance in the period from 2018-19 to 2024-25 (up to September 2024) ranged from 0 to 61 (Note 38). Of the 164 sessions conducted, 46 (28%) sessions were attended by 5 persons or fewer; and
- (b) with regard to the districts where the form-filling sessions were offered:
  - (i) in 2018-19 (i.e. the year of launch of WFA Scheme), form-filling sessions were provided in 5 districts (i.e. Central and Western, Kowloon City, Kwun Tong, Sham Shui Po and Yau Tsim Mong);
  - (ii) since 2019-20, except for 2 sessions in Kwun Tong and 1 session in Sha Tin, all the other sessions had been provided in Sham Shui Po; and
  - (iii) apart from Sham Shui Po (where sessions had been provided for participants not limited to the said district), Kwun Tong and Yuen Long were among the top three districts in terms of successful applicants' residential districts since the launch of the Scheme. However, Yuen Long had not been covered in all years and no sessions had been conducted in Kwun Tong since 2020-21.

4.12 *Need to review provision of information booths.* Audit analysis of the information booths set up from 2018-19 to 2024-25 (up to September 2024) revealed that:

- (a) in 2018-19, information booths were set up at schools or mosques for reaching potential target audience. Although the numbers of attendance of some of these events were quite high (up to about 500 for each event), no information booth had been set up at these types of venues since 2019-20; and

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**Note 38:** *According to WFAO, it was invited to provide a walk-in form-filling session organised by an NGO in 2019 in which no participant showed up.*

## Other related issues

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- (b) no information booth had been set up in the Central and Western District since 2020-21. In this connection, Audit analysis revealed that the Central and Western District was among the top three districts where the workplaces of low-income working population were located (Note 39) and such population were the potential target audience of WFAO's promotion activities.

4.13 *Need to keep under review service hours of information booths.* Audit noted that for the form-filling sessions which were usually provided upon request from NGOs (see para. 4.9(c)), most of the sessions were provided after office hours (i.e. after 6:00 p.m.), indicating that there was demand for form-filling service after office hours. However, for the 421 information booths set up in the period from 2018-19 to 2024-25 (up to September 2024), only 24 (6%) booths were open at weekends or after office hours on weekdays.

4.14 In Audit's view, with a view to facilitating the public to apply for WFA, WFSFAA needs to review the provision of outreaching activities, including:

- (a) keeping under review the arrangement of outreaching activities including the types of venues and geographical locations taking into account various factors (e.g. the locations of workplaces of potential target audience) and taking follow-up actions as appropriate;
- (b) enhancing collaboration with NGOs in organising form-filling sessions, including continuing to engage more NGOs in different districts to participate as appropriate; and
- (c) keeping under review the service hours of information booths and taking follow-up actions as appropriate with a view to assisting more potential applicants.

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**Note 39:** *The top three districts included Central and Western, Yau Tsim Mong and Kwun Tong. The analysis was based on the statistical information in the 2021 Population Census published by the Census and Statistics Department and certain assumptions including: (a) income level of target potential applicants (e.g. working population with monthly income closest to the income limit for singleton household eligible for WFA); and (b) the major industries which these working population were engaged in (e.g. real estate, professional and business services) were largely consistent with those of applicants granted with WFA.*

***Need to ascertain reasons for higher rejection rates and provide more assistance to EM applicants***

4.15 According to WFAO, various efforts had been made to facilitate EM applicants' easy understanding of WFA Scheme, including translating guidelines of the Scheme into 8 languages, disseminating relevant information through television, radio, Facebook page etc., and organising briefings and visits for EM groups.

4.16 Audit examination found that from 2018-19 to 2024-25 (up to September 2024), the rejection rates for EM applicants over the years (average: 10.2%) were consistently higher than the overall rejection rates (average: 5.6%) (see Table 17).

**Table 17**

**Rejection rate of applications  
(2018-19 to 2024-25 (up to September 2024))**

Year of application	Overall			EM applicants		
	Number of applications		Rejection rate (c) = (b) ÷ (a) × 100%	Number of applications		Rejection rate (f) = (e) ÷ (d) × 100%
	Received (a)	Rejected (b)		Received (d)	Rejected (e)	
2018-19	92,883	4,051	4.4%	2,406	201	8.4%
2019-20	109,011	5,314	4.9%	2,640	189	7.2%
2020-21	135,229	8,754	6.5%	3,434	405	11.8%
2021-22	134,942	6,869	5.1%	3,269	292	8.9%
2022-23	128,127	7,243	5.7%	3,100	306	9.9%
2023-24	115,589	7,413	6.4%	2,958	356	12.0%
2024-25 (up to September 2024)	58,816	3,662	6.2%	1,593	233	14.6%
Overall	774,597	43,306	5.6%	19,400	1,982	10.2%

Source: Audit analysis of WFSFAA records

Remarks: According to WFAO, all yearly figures shown in the table pertain to the year of application.

## Other related issues

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4.17 Audit considers that WFSFAA needs to ascertain the reasons for the higher rejection rates of EM WFA applicants and provide appropriate assistance to them accordingly (e.g. engaging relevant NGOs to provide assistance).

### ***Need to conduct satisfaction survey for evaluating effectiveness of publicity and facilitation measures***

4.18 Satisfaction survey is a useful tool to collect feedback and to identify areas for improvement. Audit noted that WFAO did not conduct survey to collect feedback from users regarding its publicity and facilitation measures such as form-filling sessions.

4.19 The number of WFA applications decreased from the peak of 135,229 in 2020-21 to 115,589 in 2023-24 (see Table 2 in para. 1.6). With the increase in the rates of allowances by 15% with effect from the claim month of April 2024 and with a view to encouraging more eligible households to apply for WFA and further promoting e-submission of applications (see para. 2.9), WFSFAA needs to strengthen the publicity efforts and facilitation measures for WFA Scheme, including reviewing the effectiveness by conducting satisfaction survey to collect feedback from users as appropriate.

## **Audit recommendations**

4.20 Audit has *recommended* that the Head, WFSFAA should:

- (a) review the provision of outreaching activities, including:
  - (i) keeping under review the arrangement of outreaching activities including the types of venues and geographical locations taking into account various factors (e.g. the locations of workplaces of potential target audience) and taking follow-up actions as appropriate;
  - (ii) enhancing collaboration with NGOs in organising form-filling sessions, including continuing to engage more NGOs in different districts to participate as appropriate; and

- (iii) **keeping under review the service hours of information booths and taking follow-up actions as appropriate (e.g. setting up information booths at weekends and after office hours) with a view to assisting more potential applicants;**
- (b) **ascertain the reasons for the higher rejection rates of EM WFA applicants and provide appropriate assistance to them accordingly (e.g. engaging relevant NGOs to provide assistance); and**
- (c) **strengthen the publicity efforts and facilitation measures for WFA Scheme, including reviewing the effectiveness by conducting satisfaction survey to collect feedback from users as appropriate.**

## **Response from the Government**

4.21 The Head, WFSFAA agrees with the audit recommendations. He has said that:

- (a) to promote WFA Scheme and render assistance to the target audience, WFSFAA has all along been keeping under review the different types of outreaching activities. With the experience gained over years, WFSFAA has diversified the means of promotion to include out-of-home advertisements, online materials, information booths and enquiry counters, etc. WFSFAA will continue to strategically allocate resources taking into account the patronage of different activities and their timing, location and venue, and continue to explore collaboration opportunities with NGOs with a view to expanding the reach of the promotional activities;
- (b) WFSFAA will explore collaboration opportunities with relevant NGOs to tap their insights on further assistance for EM applicants; and
- (c) whilst various publicity efforts and facilitation measures have been taken, WFSFAA will look into the feasibility of conducting service surveys having regard to the nature of different outreaching activities.

## Way forward

### *Need to keep under review WFA Scheme*

4.22 Since the launch of WFA Scheme and up to December 2024, the number of active WFA households ranged from about 42,000 to 62,000. As of December 2024, there were about 50,000 active WFA households, involving about 170,000 persons. Audit noted that the number of WFA applications had been on a decreasing trend since the peak in 2020-21 (see Table 2 in para. 1.6). According to the Government:

- (a) the number of WFA applications and active households might be affected by multiple factors, including the prevailing economic situation and labour market conditions, as well as eligible applicants' individual circumstances and keenness to apply for WFA (Note 40); and
- (b) upon the launch of WFA Scheme, it has constantly kept the Scheme under review. Enhancements have been made aiming at improving the effectiveness of the Scheme and better supporting low-income working families. These enhancements included an increase in allowance rates by 16.7% to 40% with effect from the claim month of July 2020, and a further increase in allowance rates by 15% across the board with effect from the claim month of April 2024 (see para. 1.5).

4.23 In this audit review, Audit has identified room for improvement in the administration of WFA Scheme, for example:

- (a) ***Processing of applications.*** There was scope for expediting the processing of some applications (see para. 2.15) and some inconsistent practices were noted in the vetting process (see para. 2.20);
- (b) ***Follow-up on processed applications.*** The proportion of high-risk current year applications with special investigation conducted and also the

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**Note 40:** *According to the Government, it had continuously evaluated the estimated number of WFA households for budgeting purposes, and the corresponding financial provisions required for implementing WFA Scheme had been reflected in WFSFAA's annual estimates (see Note 10 to para. 1.7).*

percentage of high-risk cases selected for special investigation from applications meeting the risk rules had been on a decreasing trend (see paras. 3.8 and 3.10), and there was scope for shortening the processing time of some special investigation cases (see para. 3.21); and

- (c) ***Other related issues.*** WFSFAA had not publicised any performance pledges or targets/indicators (see para. 4.3), and some districts were not covered in WFAO's outreaching activities (see paras. 4.11(b) and 4.12(b)).

4.24 Having regard to the developments of WFA Scheme, WFSFAA needs to, in collaboration with the Labour and Welfare Bureau, take into account the audit observations and recommendations in this Audit Report, keep under review the operation of WFA Scheme with a view to enhancing the Scheme as appropriate.

## **Audit recommendation**

4.25 Audit has *recommended* that the Head, WFSFAA should, in collaboration with the Secretary for Labour and Welfare, take into account the audit observations and recommendations in this Audit Report, keep under review the operation of WFA Scheme with a view to enhancing the Scheme as appropriate.

## **Response from the Government**

4.26 The Secretary for Labour and Welfare and the Head, WFSFAA agree with the audit recommendation.

**Working Family Allowance Scheme:  
Income and asset limits  
(for claim months from April 2024 to March 2025)**

Number of household members	Monthly household income upper limits			Household asset limits (\$)
	Full-rate (\$)	3/4-rate (\$)	Half-rate (\$)	
1 person	11,000	13,200	15,400	286,000
2 persons	15,900	19,000	22,200	387,000
3 persons	19,800	23,800	27,700	505,000
4 persons	25,000	30,000	35,000	590,000
5 persons	25,000	30,000	35,000	655,000
6 persons	27,600	33,100	38,600	709,000
7 persons				757,000
8 persons				792,000
9 persons				877,000
10 persons or more				945,000

*Source: Working Family and Student Financial Assistance Agency records*



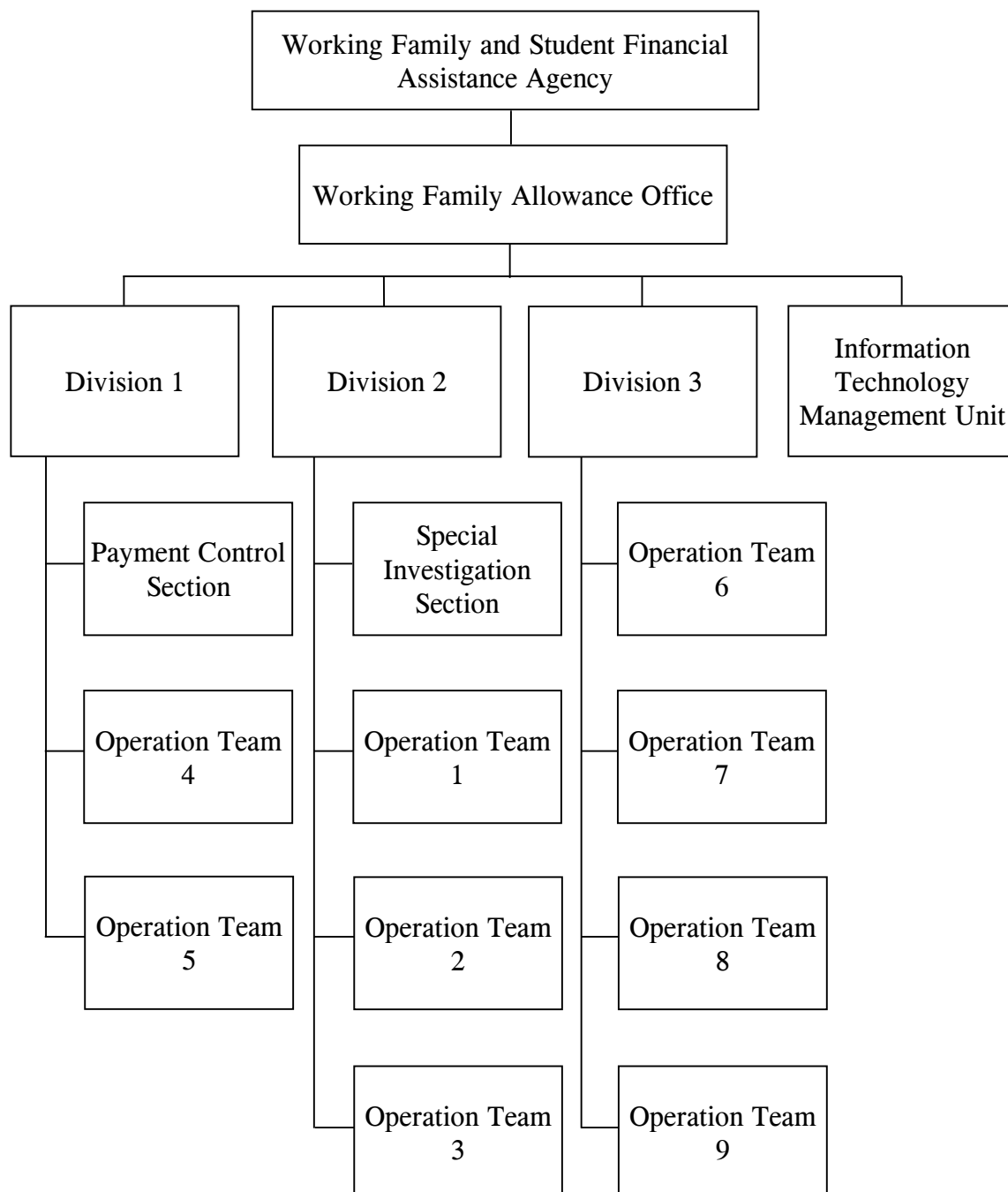
**Appendix B**  
(Note 2 to Table 2  
in para. 1.6 refers)

**Working Family Allowance Scheme:  
Rates of allowances  
(since claim month of April 2018)**

Type of allowances	Full-rate (\$)	3/4-rate (\$)	Half-rate (\$)
<b>For claim months from April 2018 to June 2020</b>			
<i>Monthly allowance for each household</i>			
Basic Allowance	800	600	400
Medium Allowance	1,000	750	500
Higher Allowance	1,200	900	600
<i>Monthly allowance for each eligible child</i>			
Child Allowance	1,000	750	500
<b>For claim months from July 2020 to March 2024</b>			
<i>Monthly allowance for each household</i>			
Basic Allowance	1,000	750	500
Medium Allowance	1,200	900	600
Higher Allowance	1,400	1,050	700
<i>Monthly allowance for each eligible child</i>			
Child Allowance	1,400	1,050	700
<b>With effect from claim month of April 2024</b>			
<i>Monthly allowance for each household</i>			
Basic Allowance	1,150	863	575
Medium Allowance	1,380	1,035	690
Higher Allowance	1,610	1,208	805
<i>Monthly allowance for each eligible child</i>			
Child Allowance	1,610	1,208	805

Source: Working Family and Student Financial Assistance Agency records

**Working Family and Student Financial Assistance Agency:  
Organisation chart (extract)  
(31 December 2024)**



*Source:* WFSFAA records

*Remarks:* Only the divisions/unit/sections/teams related to the implementation of WFA Scheme are shown.

**Acronyms and abbreviations**

Audit	Audit Commission
B/Ds	Government bureaux/departments
CORs	Controlling Officer's Reports
CSSA	Comprehensive Social Security Assistance
DoJ	Department of Justice
EM	Ethnic minorities
HKPF	Hong Kong Police Force
LIFA	Low-income Working Family Allowance
MMDHIEA	Median Monthly Domestic Household Income of economically active
NGOs	Non-governmental organisations
QA	Quality assurance
SI Section	Special Investigation Section
SWD	Social Welfare Department
WFA	Working Family Allowance
WFAMS	Working Family Allowance Management System
WFAO	Working Family Allowance Office
WFSFAA	Working Family and Student Financial Assistance Agency