

CHAPTER 1

Health Bureau

Health and Medical Research Fund

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Hong Kong
31 March 2026**

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. 86 of the Director of Audit contains 8 Chapters which are available on our website (<https://www.aud.gov.hk>).



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HEALTH AND MEDICAL RESEARCH FUND

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HEALTH AND MEDICAL RESEARCH FUND

Executive Summary

1. In December 2011, the Health and Medical Research Fund (HMRF) was established with a commitment of \$1,415 million. Injections were made in 2016 and 2021 to sustain its operation and enhance its funding scope, increasing the total approved commitment to \$4,223 million. HMRF aims to build research capacity in Hong Kong and to encourage, facilitate and support local health and medical research, and to support evidence-based health promotion projects in Hong Kong. As at 31 August 2025, commitments for the three types of HMRF-funded projects totalled \$3,536 million, comprising: (a) \$2,281 million for investigator-initiated projects, which supports research studies and health promotion projects from individual applicants employed by administering institutions (e.g. locally based tertiary institutions and medical schools); (b) \$1,149 million for commissioned research programmes, which supports specific programmes commissioned to build research capacity, support policy formulation and address specific issues, etc.; and (c) \$106 million for the Research Fellowship Scheme, which supports researchers or professionals in their early to mid-career to enhance their skills in public health and health services research.

2. HMRF is governed by the Research Council (RC), which provides strategic steer and oversees the administration of HMRF. RC is supported by technical arms, namely the Grant Review Board (GRB), the Assessment Panel (AP), the Research Fellowship Assessment Panel (RFAP) and the Referee Panel (RP). The Research and Data Analytics Office of the Health Bureau (HHB) is responsible for overseeing HMRF and serves as the secretariat (i.e. Research Fund Secretariat (RFS)) to HMRF. As of September 2025, the strength of RFS was 34. The Audit Commission (Audit) has recently conducted a review to examine HHB's management of HMRF.

Funding application processing

3. Applicants are invited to submit applications under the annual Open Calls (for investigator-initiated projects and the Research Fellowship Scheme) and special invitations (for commissioned research programmes) (para. 1.7).

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4. ***Room for improvement in inviting applications for commissioned research programmes.*** According to HMRF's Standard Operating Procedures (SOP), the proposed institution for submission of proposal is identified by RFS based on the expertise required and subject to RC's endorsement. If only one institution is proposed, objectively evidenced and defensible justifications must be provided in the RC paper for endorsement. Audit examined the relevant records of commissioned research programmes from the 2021 to 2025 application years and found that only one institution was invited for 5 (83%) of 6 programmes (with reasons such as good track records and relevant experience). However, there was no documentation showing that any analysis of the qualifications of other institutions had been provided to RC for reference (paras. 2.3 and 2.4).

5. ***Low application numbers in certain sources or study areas under Research Fellowship Scheme.*** RC has set quotas for the number of awards to be granted to applicants from the tertiary institutions funded by the University Grants Committee and the two designated teaching hospitals for each application year. According to the application guidelines, subject to the quality of the applications, at least 4 awards will be granted to projects addressing the preventable or modifiable risk factors for non-communicable diseases (e.g. tobacco use and harmful use of alcohol) (with 1 award in each of the 4 risk factors). Audit examined the relevant records of the Research Fellowship Scheme for the 2021 to 2024 application years and found that: (a) applications from the two designated teaching hospitals were on the low side and fell short of the quotas by 1 to 3 applications in each of those application years; and (b) the percentage of applications that involved the 4 risk factors as their proposed study areas decreased from 33% in the 2021 application year to 17% in the 2024 application year. For the 2022 and 2023 application years, no applications were received for 2 and 1 of the 4 risk factors respectively (paras. 2.6 and 2.7).

6. ***Need to reduce early rejection rates for applications under Research Fellowship Scheme.*** Applications are screened by RFS, assessed by the assessment bodies (e.g. RFAP for research fellowship applications) and subsequently endorsed by RC. Audit examined applications that were not eligible for assessment and therefore rejected (hereinafter referred to as early rejection) of investigator-initiated projects and the Research Fellowship Scheme for the 2021 to 2024 application years and noted that the early rejection rates for the Research Fellowship Scheme increased from 4% in the 2021 application year to 26% in the 2024 application year. Audit analysis noted that some early-rejection reasons under the Research Fellowship Scheme for the 2022 to 2024 application years might be related to applicants'

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unfamiliarity with the application and submission requirements (e.g. exceeding prescribed word limits and not meeting eligibility criteria) (paras. 1.8, 2.2, 2.10 and 2.11).

7. ***Room for improvement in assigning assessors to review applications for investigator-initiated projects.*** According to HHB, for investigator-initiated projects, two assessors are assigned to review an application at each tier of the two-tier peer-review process. The assessors in the first-tier peer review are requested to indicate acceptance before reviewing the assigned applications. According to SOP, each assessor for investigator-initiated projects shall normally review not more than 10 applications in each application year. Audit examination of the assessor assignment and review records for investigator-initiated projects from the 2022 to 2024 application years found that: (a) of the 6,759 review requests sent to assessors in the first-tier peer review, 1,655 (24%) were declined by assessors and 1,268 (19%) received no response. While assessors were requested to provide the reasons (e.g. “too busy” or “technical fee is not attractive”) for declining the review requests, no reasons were provided in some cases and there was no documentation indicating that management information was maintained on the decline reasons; and (b) of the 1,240 and 374 assessors in the first-tier and second-tier peer reviews, 14 (1%) and 31 (8%) respectively reviewed more than 10 applications (ranging from 11 to 25 applications) (paras. 2.13 to 2.16).

8. ***Scope for improving evaluation and documentation of applicants’ interview performance under Research Fellowship Scheme.*** Research fellowship applications are assessed via a written assessment and an interview. According to HHB, the performance of applicants at the interviews would be taken into account for assessing the application. Audit examined the assessment and endorsement records of applications under the Research Fellowship Scheme from the 2022 to 2024 application years and noted that there were: (a) no marking scheme or set of assessment criteria for evaluating the applicants’ performance at the interviews; or (b) no documentation of the interview performance of successful or unsuccessful applicants, or of the basis on which RFAP formed its funding recommendations (e.g. the weighting between the assessment and the interview) (paras. 1.8, 2.20 and 2.21).

9. ***Room for improvement in timeliness of issuing approval letters.*** After application endorsement, RFS issues funding decision letters to successful applicants. After clearance of all required items (e.g. responses to assessors’ comments),

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approval letters are issued and funding agreements are signed with the parties concerned. Audit examined the relevant records of investigator-initiated projects and research fellowship projects from the 2022 to 2024 application years and noted that: (a) the time elapsed between the issue dates of funding decision letters and the approval letters ranged from 86 to 567 days (averaging 207 days) for 357 approved projects, with the time elapsed for 28 (8%) projects thereof exceeding 300 days; and (b) of the 15 projects from the 2023 and 2024 application years, with elapsed time exceeding 300 days, considerable time was taken by RFS to follow up on the required actions. For example, for 12 of the 15 projects requiring applicants' clarifications, RFS had not sought clarifications until 50 to 111 days (averaging 87 days) after receiving the applicants' first submissions of responses to assessors' comments (paras. 1.9, 2.27, 2.28 and 2.30).

10. ***Room for improvement in timeliness of signing funding agreements.*** According to HHB, the funded projects should not commence unless a duly signed funding agreement is in effect. Audit examined the relevant records of 360 approved projects from the 2022 to 2024 application years and noted that of 351 projects with funding agreements signed: (a) the time elapsed between the issue dates of approval letters and agreement dates ranged from 23 to 154 days (averaging 55 days); and (b) for 68 (19%) projects, the funding agreements were signed after the project commencement dates stated in the funding agreements, ranging from 1 to 196 days (averaging 36 days) (paras. 2.32 and 2.33).

Monitoring of funded projects

11. ***Need to enhance timeliness in submission of project deliverables.*** According to the funding agreements and application guidelines, grant holders are required to submit project deliverables (e.g. final reports and audited accounts) to RFS within the stipulated timeframes for monitoring and evaluation purposes. Audit examined the submission records of project deliverables for projects from the 2021 to 2023 application years that were due for submission as at 31 December 2025 and found that: (a) some project deliverables had not been submitted within the stipulated timeframes (e.g. 94 (61%) of 155 project deliverables for commissioned research programmes, with an average delay of 75 days). In particular, the delays exceeded one year for 7 project deliverables (comprising 5 certified financial statements and 2 audited accounts); and (b) some project deliverables had been outstanding as at 31 December 2025 (e.g. 112 (9%) of 1,272 project deliverables for investigator-initiated projects and 12 (8%) of 155 project deliverables for commissioned research programmes, with average outstanding periods of 48 and

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137 days respectively). In particular, 2 project deliverables (comprising 1 certified financial statements and 1 audited accounts) had been outstanding for over one year (paras. 3.3 and 3.4).

12. ***Room for improvement in processing grant holders' change requests for funded projects.*** According to the guidelines for grant holders, change requests are reviewed by RFS and approved by the designated approving authorities (e.g. RFS for budget virement and RFAP for change of training). Audit selected 40 projects/studies from the 2021 to 2023 application years for examination and found that of 92 change requests processed: (a) the processing time ranged from the same day to 217 days (averaging 44 days) by RFS and from 27 to 303 days (averaging 108 days) by other approving authorities; and (b) for 3 (3%) change requests, there was no documentation indicating that the designated approving authorities had approved them (paras. 3.6 and 3.7).

13. ***Room for improvement relating to site visits and project teams' presentations.*** According to SOP, RFS selects on-going projects on an annual basis for site visits (at project venues)/project teams' presentations (to HHB either on HHB premises or via video conferencing), using selection criteria such as projects with a higher grant amount which involve the purchase of expensive equipment and/or support of facilities (para. 3.8). Audit noted the following issues:

- (a) ***Need to document selection basis.*** Audit examination revealed that: (i) for the period from 2020-21 to 2024-25, all the 18 (including 2 in 2023-24 and 1 in 2024-25) projects selected by RFS were chosen for project teams' presentations and while 14 commissioned research programmes were selected, only 1 investigator-initiated project was selected, despite performance targets and indicators for this project type consistently not being met (see para. 16); and (ii) there were other on-going commissioned research programmes (not being selected from their commencement up to 2024-25) with grant amounts higher than the one selected for project team's presentation in 2024-25 and/or involving the purchase of equipment with amounts each exceeding \$100,000. However, the justifications for using only project teams' presentations and the project-selection basis were not documented (para. 3.9);

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- (b) ***Need to properly document discussions and follow-up actions arising from project teams' presentations.*** According to HHB, after the presentations, discussions were held among the project teams and attendees. However, for 5 (28%) of the 18 projects (see (a) above), there was no documentation of the discussions (e.g. attendees' comments) or of any follow-up actions. For the remaining 13 (72%) projects, the documentation of the discussions and the follow-up actions were not maintained using a standard format (para. 3.10); and

- (c) ***Need to review procedures for checking documents in support of reimbursement claims.*** According to SOP, for a project with an approved amount exceeding \$100,000, original invoices/certified true copies are not required to be submitted to RFS for supporting the reimbursement claims, but certified financial statements/audited accounts are required. RFS shall perform sample testing on accounting procedures during site visits (i.e. an additional control complementing the reliance on the certified financial statements and audited accounts). For the 2021 to 2024 application years, no original invoices/certified true copies were checked by RFS (as the approved amount of each project exceeded \$100,000) and no sample testing was performed (as all the 18 projects were selected for project teams' presentations) (paras. 3.8, 3.9 and 3.11).

14. ***Need to improve timeliness in processing reimbursement claims.*** According to SOP, interim and final reports are required to be submitted together with the certified financial statements/audited accounts (see para. 13(c)) for payment processing. Audit examination of the reimbursement claims submitted by the administering institutions in the period from 2023-24 to 2025-26 (up to September 2025) and accepted by HHB found that of the total 460 claims, the time taken for RFS to process the claims ranged from 3 to 588 days (averaging 89 days). Audit noted that, of the 8 (2%) claims with processing time exceeding 1 year, there was room for improvement in expediting the processing of some of these claims. For example, for 2 claims made by a grant holder (involving a total of 3 revisions made to address the reviewing parties' comments on an interim report submitted for payment processing), RFS took an average of 50 days after receiving the reviewing parties' comments to inform the grant holder that further revisions were required for each revision (paras. 3.11, 3.16 and 3.18).

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Governance and administrative issues

15. ***Room for improvement in handling declarations of conflicts of interests.*** According to SOP, regarding the system for reporting conflicts of interests, RC, GRB, AP and RFAP adopt a two-tier system, comprising first-tier (i.e. reporting upon appointment and on an annual basis; e.g. remunerated employments) and second-tier (i.e. reporting before reviewing the applications and discussing the matters; e.g. being a work colleague in the same department as the applicant within three years of the application review date) reporting, whereas RP adopts a one-tier system (i.e. the second-tier reporting in the two-tier system) (para. 4.3). Audit noted the following issues:

- (a) ***Need to timely inform committee members of requirement to declare conflicts of interests at first-tier reporting stage.*** According to SOP, members shall register their interests in writing with RFS using the standard form appended to SOP and circulated to members. Audit examination of the declaration forms for conflicts of interests submitted by the members of RC, GRB, AP, RFAP and RP (hereinafter collectively referred to as committees) in the 2023/24 and 2024/25 term years revealed that some committee members did not submit the declaration forms at the first-tier reporting stage (e.g. 2 (9%) of 22 RC members and 2 (20%) of 10 RFAP members upon their appointments) as they had not been included in the circulation list (paras. 4.3 and 4.4); and
- (b) ***Need to ensure proper submission of declarations of conflicts of interests by committee members.*** According to SOP, the standard form (see (a) above) states that a nil return will be assumed after the specified deadline. Audit examination of the relevant records for the 2024/25 term year noted that 12 (6%) of 186 GRB members did not submit their declarations (involving 20 declarations) upon appointment/reappointment and on an annual basis (i.e. no conflict of interest was assumed). However, the members concerned reported work-colleague relationships with applicants during meetings, which reflected underlying remunerated employments that should have been declared at the first-tier reporting stage (paras. 4.3 and 4.4).

16. ***Room for improvement in setting and reporting performance measures.*** According to HHB, RC endorsed the establishment of performance measures (comprising targets and indicators) to measure the performance of HMRF in 2015,

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and their achievement has been reported to RC annually since 2016. Audit noted that: (a) in the period from 2020-21 to 2024-25, some performance measures (e.g. submitting final reports within 3 or 6 months from project completion dates) for investigator-initiated projects had not been met for 4 to 5 consecutive years; (b) there was no documentation indicating that RC had endorsed the establishment of performance measures for commissioned research programmes and the Research Fellowship Scheme, or that their achievement had been reported to RC; and (c) there was a need to develop more quantitative indicators in outcome evaluation (e.g. impact factor of publications) and HHB planned to conduct a review, which is expected to be completed by 2027, on the current set of indicators (paras. 4.14 to 4.16 and 4.19).

17. ***Room for improvement in conducting evaluation of HMRF.*** According to SOP, responses/feedback on research impact are collected via outcome evaluation surveys from grant holders for HMRF-funded projects that have reached at least 24 and 48 months after the project end date (i.e. 2-year and 4-year outcome evaluation respectively), and via dissemination surveys from end-users within 6 months after the dissemination of the final reports to them. Audit examination of the results of the 4-year outcome evaluation surveys for the period from 2023 to 2025 and the dissemination surveys conducted in February 2025 revealed that:

- (a) regarding outcome evaluation surveys, fewer than 30% of the respondents indicated that the research findings were used in policy/decision making, were applied in changing end-users' behaviour/practice, or contributed to other research for 3 consecutive years; and
- (b) regarding dissemination surveys: (i) 36% and 18% of the respondents indicated that the research findings had been discussed at their meetings/committees, and had been adopted/had influenced the clinical guidelines/health policies under their purview respectively; and (ii) only 11 (37%) of 30 surveys were collected, and in particular, the response rates of 5 of 7 end-users were below 50% (paras. 4.20, 4.22, 4.24 and 4.25).

18. ***Way forward.*** According to HHB's report on HMRF's research translation strategy issued in September 2025, it was essential for the Government and all stakeholders to be clear of the impact HMRF-funded projects had generated, since it was the extent of the research impact that could justify the use of public resources to sustain HMRF. However, the evaluation results for certain aspects were on the low side (see para. 17), and there was a need to develop more outcome-based indicators

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to measure the impact of HMRF-funded projects (see para. 16(c)). Given that the existing fund balance will soon be insufficient to support new projects (i.e. as at 31 July 2025, the funding available for new projects amounted to \$182 million, but the estimated annual commitment for new projects was around \$275 million), and that HHB would have to make available sufficient resources to maintain the HMRF's operation, there is a need for HHB to take into account the impact of HMRF-funded projects, the funding priorities for HMRF, and the audit observations and recommendations in this Audit Report when formulating strategies to guide the way forward for HMRF (paras. 4.30 to 4.33).

Audit recommendations

19. **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 Secretary for Health should:**

Funding application processing

- (a) **strengthen efforts to propose more institutions for RC's consideration for commissioned research programmes as far as practicable, and provide more comprehensive information to explain the rationale if only one institution is considered suitable (para. 2.8(a));**
- (b) **ascertain the reasons for the low number of applications from the two designated teaching hospitals and those addressing preventable or modifiable risk factors for non-communicable diseases under the Research Fellowship Scheme, and take follow-up actions as appropriate (para. 2.8(b));**
- (c) **take measures to reduce the early rejection rates for applications under the Research Fellowship Scheme (para. 2.25(a));**
- (d) **regarding assigning assessors to review applications for investigator-initiated projects:**
 - (i) **regularly compile management information on the reasons for assessors' declines and non-responses to the review requests in**

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the first-tier peer review and take follow-up actions as appropriate (para. 2.25(c)); and

- (ii) follow the suggested number of applications stated in SOP and document the justifications for deviations from the suggested number (para. 2.25(d));
- (e) establish assessment criteria for evaluating applicants' performance at the interviews and document the justifications for the funding decisions under the Research Fellowship Scheme (para. 2.25(f));
- (f) ascertain the reasons for the long time taken to issue approval letters after the funding decision letters have been issued and have the funding agreements signed after the issuance of the approval letters, and take follow-up actions as appropriate to expedite the process (para. 2.36(a) and (c));
- (g) take measures to ensure that projects only commence when the duly signed funding agreements are in effect (para. 2.36(d));

Monitoring of funded projects

- (h) strengthen measures to enhance compliance with the timeframes stipulated in the funding agreements for submitting project deliverables (e.g. by adjusting upward, as appropriate, the percentages of approved grants to be withheld) (para. 3.13(a));
- (i) specify timeframes for processing grant holders' change requests in the guidelines and take measures to ensure that change requests are approved by the designated approving authorities (para. 3.13(b) and (c));
- (j) regarding site visits/project teams' presentations, maintain proper records documenting the basis for selecting projects for site visits and/or project teams' presentations, the discussions and follow-up actions arising from project teams' presentations; and review the procedures for checking original invoices and the submission of certified financial statements/audited accounts in support of

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reimbursement claims, and take follow-up actions as appropriate (para. 3.13(d)(i), (iii) and (iv));

- (k) monitor the processing time for reimbursement claims, in particular cases with longer processing time with a view to formulating measures to expedite the process as far as practicable (para. 3.19);

Governance and administrative issues

- (l) take measures to ensure that HHB staff timely informs committee members of the requirement to declare conflicts of interests at the first-tier reporting stage, and that members submit their declarations of conflicts of interests properly and in accordance with SOP (para. 4.7(a) and (b));
- (m) strengthen measures to enhance achievement of performance measures for investigator-initiated projects, and review the adequacy of performance measures set for commissioned research programmes and the Research Fellowship Scheme (para. 4.28(a) and (b));
- (n) take measures to ensure that the review of performance measures on research outcome/impact is completed on schedule and that additional outcome-based performance measures are introduced in a timely manner (para. 4.28(c));
- (o) keep the results of outcome evaluation surveys and dissemination surveys under review and formulate strategies to address the issues, and strengthen efforts to improve the response rates of dissemination surveys (para. 4.28(d) and (e)); and
- (p) take into account the impact of HMRF-funded projects, the funding priorities for HMRF, and the audit observations and recommendations in this Audit Report when formulating strategies to guide the way forward for HMRF (para. 4.34).

Response from the Government

20. The Secretary for Health 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 As announced in the 2011-2012 Budget Speech, the Health and Medical Research Fund (HMRF) would be set up by consolidating the former Health and Health Services Research Fund (Note 1) and the former Research Fund for the Control of Infectious Diseases (Note 2), with a broadened scope for funding health and medical research in Hong Kong. In December 2011, HMRF was established with a commitment of \$1,415 million approved by the Finance Committee of the Legislative Council. In May 2016, the Finance Committee approved to increase the commitment by \$1,500 million to \$2,915 million to sustain HMRF's operation and expand the scope to incorporate the functions of the former Health Care and Promotion Fund (Note 3). In April 2021, the approved commitment was further increased by \$1,308 million to \$4,223 million to sustain the operation and enhance the funding scope of HMRF.

HMRF

1.3 HMRF aims to build research capacity in Hong Kong and to encourage, facilitate and support local health and medical research, and to support evidence-based

Note 1: *The Health and Health Services Research Fund was established in 2002 to fund research on public health and health services (e.g. primary care, tobacco control and health promotion).*

Note 2: *The Research Fund for the Control of Infectious Diseases was established after the outbreak of the Severe Acute Respiratory Syndrome in 2003 to encourage, facilitate and support research on the prevention, treatment and control of infectious diseases.*

Note 3: *The Health Care and Promotion Fund was established in 1995 to provide financial support for activities related to health promotion, preventive care and related research; and patients in need of treatment not available in Hong Kong, particularly in respect of rare diseases. In 2006, the scope was revised to focus primarily on health promotion activities and disease prevention.*

Introduction

health promotion projects in Hong Kong. HMRF supports health and medical research/projects in the following areas:

- (a) public health, human health and health services (e.g. primary healthcare, non-communicable diseases and Chinese medicine);
- (b) prevention, treatment and control of infectious diseases with public health implications;
- (c) advanced medical research which applies advanced technologies to facilitate the translation of knowledge generated from health and health services or infectious diseases studies into clinical practice and to inform health policy; and
- (d) health promotion that facilitates mobilisation of local resources to promote good health and prevention of illness in the community.

1.4 HMRF provides funding support for the following types of projects:

- (a) ***Investigator-initiated projects.*** It supports research studies and health promotion projects from individual applicants (i.e. researchers) employed by locally based tertiary institutions, hospitals, medical schools, non-governmental organisations or other appropriate centres, units and service providers (i.e. administering institutions) in response to the annual “Open Call for investigator-initiated projects”. Applications addressing the thematic priorities (Note 4) will be given higher priority for funding. The normal funding ceiling is \$1.5 million per project and the usual duration is 3 years. A seed grant, capped at \$0.5 million per project, may be awarded

Note 4: *The thematic priorities are determined, reviewed and updated regularly by the Health Bureau (see para. 1.6). The priority areas for the 2024 Open Call are: (a) infectious diseases; (b) non-communicable diseases; (c) primary healthcare; (d) preventive medicine; (e) digital health and advanced technology; and (f) clinical trials and implementation science.*

for larger-scale pilot studies or small-scale research with achievable objectives (Note 5);

- (b) ***Commissioned research programmes.*** It supports specific programmes commissioned to build research capacity, fill knowledge gaps, support policy formulation and address specific issues, assess needs and threats, among others, identified on the advice of the Research Council (RC) (see para. 1.5). Funding may cover research projects, facilities, infrastructure and other capacity building initiatives as appropriate. Commissioned research programmes are by special invitation only. Funding ceilings and programme durations vary, depending on specific needs set out in the individual programme proposal; and

- (c) ***Research Fellowship Scheme.*** It supports researchers or professionals, particularly healthcare professionals, in their early to mid-career to enhance their skills in public health and health services research. Tertiary institutions funded by the University Grants Committee (UGC) and two designated teaching hospitals are invited to nominate applicants to submit applications in the annual “Open Call for Research Fellowship Scheme”. Higher priority would be given to applications which address cancer and the preventable or modifiable risk factors for non-communicable diseases (e.g. tobacco use and unhealthy diet). The funding ceiling is \$1.2 million per award (comprising \$0.4 million for training outside Hong Kong and \$0.8 million for a small-scale research project) and the usual duration is 2 years.

Governance of HMRF and responsible bureau

1.5 ***Governance of HMRF.*** HMRF is governed by RC, which provides strategic steer on funding for health and medical research and health promotion projects, and oversees the administration of HMRF. As at 30 September 2025, RC is composed of a Chairperson (i.e. the Secretary for Health), 14 non-official members (who are members of the healthcare system and academic institutions) and 7 ex-officio members. Each of the members is appointed by the Secretary for Health. The

Note 5: *Examples of these studies/research include small clinical trials, feasibility studies for future clinical trials, validation of screening tools/diagnostic frameworks, epidemiological modelling of infectious or non-communicable diseases, and analysis of prospective/retrospective clinical data.*

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non-official members are appointed for a term normally of 2 years, and may serve up to three consecutive terms (i.e. up to 6 years in total). The RC meeting is held once per year. RC is supported by technical arms, namely:

- (a) ***Grant Review Board (GRB)***. GRB acts as the scientific advisors to RC and makes recommendations with regard to initial funding, assessment of the outcomes of investigator-initiated projects, etc.;
- (b) ***Assessment Panel (AP)***. AP assesses proposals for commissioned research programmes and recommends studies for funding, monitors the progress of approved studies, and assesses the outcomes of funded projects;
- (c) ***Research Fellowship Assessment Panel (RFAP)***. RFAP shortlists and makes recommendations on the suitable applications for funding under the Research Fellowship Scheme, and monitors and evaluates the performance of the research fellowship projects awarded; and
- (d) ***Referee Panel (RP)***. RP assesses applications on the basis of scientific merit, relevance to the thematic priorities and applicability to the local context, and assesses the outcomes of funded projects.

The governance structure of HMRF (as at 30 September 2025) is at Appendix A.

1.6 ***Health Bureau (HHB)***. The Research and Data Analytics Office of HHB is responsible for, among other duties, overseeing HMRF. The Research Fund Secretariat (RFS) under the Office serves as the secretariat to HMRF. As of September 2025, the establishment and strength of RFS (including the Head (Research and Data Analytics Office)) were 38 and 34 (Note 6) respectively. In 2024-25, the expenditure incurred in managing and administering HMRF amounted to

Note 6: *According to HHB, 34 staff (comprising 30 secondees from the Hospital Authority, 2 civil servants, a contract staff and an agency staff) under the Office were involved in managing and administering HMRF, of which 10 staff were also responsible for duties other than management and administration of HMRF (e.g. overseeing or providing general administration support to other units under the Office).*

\$25.8 million (Note 7), and the direct operation costs (e.g. expenditure of Health Research Symposium) amounted to \$3.8 million. An extract of HHB organisation chart (as at 30 September 2025) is at Appendix B.

Funding application processing

1.7 ***Invitation for and submission of applications.*** The annual application periods vary among the three types of projects. For investigator-initiated projects and the Research Fellowship Scheme, the application periods are from December to March of the following year and from October to January of the following year respectively. For commissioned research programmes, the application periods depend on the dates of special invitations and generally last for about one month. Applicants are invited to submit applications under the annual Open Calls and special invitations via the electronic Grant Management System (eGMS) during the application periods.

1.8 ***Vetting of applications.*** The procedures for vetting HMRF applications are as follows:

- (a) ***Screening.*** RFS performs initial screening of applications to screen out applications that are not eligible for assessment (e.g. out of scope, immature or not meeting eligibility criteria);
- (b) ***Assessment.*** Applications are assessed according to the established assessment criteria (e.g. relevance to the scope of funding and thematic priorities, scientific merit and translational potential/value) using:
 - (i) a peer review of research fellowship applications by RFAP via a written assessment and an interview; and

Note 7: *According to HHB, the amount excluded the personal emoluments of staff who were also responsible for duties other than management and administration of HMRF.*

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- (ii) two-tier peer reviews for investigator-initiated projects and commissioned research programmes (Note 8). Applications are first reviewed by RP, and then by GRB (for investigator-initiated projects) or AP (for commissioned research programmes); and
- (c) **Endorsement.** Applications recommended by the assessment bodies for funding (hereinafter referred to as fundable projects) are submitted to RC for endorsement.

1.9 **Approval of applications.** After application endorsement, RFS issues funding decision letters (i.e. results announcement) to successful applicants. After clearance of all required items (e.g. items specified in the funding decision letters such as responding to assessment bodies' comments, submitting ethics/safety/regulatory approvals (hereinafter referred to as regulatory approvals) and consents for accessing third-party data (hereinafter referred to as third-party consents)), approval letters are issued and funding agreements are signed with the parties concerned.

Monitoring of funded projects

1.10 According to HHB, various measures have been put in place to facilitate the monitoring of funded projects, as follows:

- (a) **Project deliverables.** Grant holders are required to submit project deliverables such as progress reports, interim reports, final reports and audited accounts at various stages of the projects for review by relevant reviewing parties (Note 9);

Note 8: *According to HMRF's Standard Operating Procedures (SOP), first-tier peer review for commissioned research programmes can be waived under certain circumstances (e.g. urgent programmes to be commissioned in a timely manner and highly specific local applications).*

Note 9: *According to the guidelines for grant holders and SOP, the reviewing parties differ depending on the types of projects and project deliverables. For example, the reviewing parties are: (a) RFS for audited accounts; and (b) GRB (for investigator-initiated projects), AP (for commissioned research programmes) or RFAP (for the Research Fellowship Scheme) for interim reports.*

- (b) *Site visits and project teams' presentations.* For on-going projects, RFS conducts risk-based site visits at project venues (e.g. venues of the administering institutions) to inspect project implementation-related matters (e.g. progress and compliance with funding agreements) and administrative issues (e.g. procurement, accounting and asset handling), or project teams of grant holders are invited to conduct presentations to report progress to HHB either on HHB premises or via video conferencing (hereinafter referred to as project teams' presentations); and

- (c) *Evaluation and dissemination of results.* To determine the extent to which the objectives of HMRF have been attained, grant holders are required to complete an outcome evaluation survey 2 and 4 years after completion of projects. Besides, the grant holders are required to share their experience and research findings after completion of the projects at the dissemination activities (e.g. Health Research Symposium — see Photograph 1 for an example) at the request of the Government.

Photograph 1

Health Research Symposium 2024



Source: HHB records

HMRF-funded projects

1.11 From the establishment of HMRF in 2011 to August 2025, HMRF supported:

Introduction

- (a) 2,237 investigator-initiated projects (e.g. a project studying the deep multimodal learning based management of myopia in children);
- (b) 27 commissioned research programmes (covering 296 individual studies, e.g. community based sero-epidemiological study of the coronavirus disease (COVID-19) and evaluation of the Government’s breast cancer screening pilot programme); and
- (c) 108 research fellowship projects (e.g. studies on the effect of alcohol pricing policies on public health and the impact of sugar-sweetened beverages tax).

Among them, 995 investigator-initiated projects, 9 commissioned research programmes and 77 research fellowship projects were on-going as of August 2025.

1.12 As at 31 August 2025, commitments (Note 10) and disbursements for HMRF-funded projects totalled \$3,536 million and \$2,178 million respectively (see Table 1).

Table 1

**Commitments and disbursements for HMRF-funded projects
(31 August 2025)**

Project type	Commitment (\$ million)	Disbursement (\$ million)
Investigator-initiated projects	2,281	1,332
Commissioned research programmes	1,149	814
Research Fellowship Scheme	106	32
Total	3,536	2,178

Source: HHB records

Note 10: *According to HHB, commitments comprise approved amounts (i.e. funding for projects with approval letters issued) and requested amounts (i.e. funding for fundable projects endorsed by RC, for which approval letters had not yet been issued).*

Audit review

1.13 In November 2025, the Audit Commission (Audit) commenced a review to examine HHB’s management of HMRF. The audit review has focused on the following areas:

- (a) funding application processing (PART 2);
- (b) monitoring of funded projects (PART 3); and
- (c) governance and administrative issues (PART 4).

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

General response from the Government

1.14 The Secretary for Health thanks Audit for conducting the audit review of HMRF and agrees with the audit recommendations.

Acknowledgement

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

PART 2: FUNDING APPLICATION PROCESSING

2.1 This PART examines issues relating to funding application processing, focusing on the following areas:

- (a) application invitation and submission (paras. 2.3 to 2.9);
- (b) application vetting (paras. 2.10 to 2.26); and
- (c) application approval (paras. 2.27 to 2.37).

Background

2.2 Upon receipt, the applications are screened by RFS, assessed by the assessment bodies and subsequently endorsed by RC, following which funding decision letters are issued to successful applicants. After clearance of all required items, approval letters are issued and funding agreements are signed with the parties concerned. As at 31 December 2025, for the 2021 to 2025 application years (Note 11):

- (a) 498 of 3,120 applications for investigator-initiated projects, 13 of 15 applications for commissioned research programmes and 51 of 122 applications under the Research Fellowship Scheme were approved (see Table 2); and
- (b) the approved amounts were \$528 million for investigator-initiated projects, \$271 million for commissioned research programmes and \$48 million for the Research Fellowship Scheme (see Table 3).

Note 11: *The annual application periods vary among the three types of projects, and commissioned research programmes do not have designated application periods (see para. 1.7). For simplicity, an application year is defined as the 12-month period starting from the month in which the application period commences. For example, projects under the 2024 application year refers to those opened for application: (a) from December 2024 to March 2025 for investigator-initiated projects; (b) from January to December 2024 for commissioned research programmes; and (c) from October 2024 to January 2025 for the Research Fellowship Scheme.*

Funding application processing

Table 2

**Analysis of applications for HMRF by project types
for 2021 to 2025 application years
(31 December 2025)**

Project type	Application year					Total
	2021	2022	2023	2024	2025 (Note 1)	
	No. of applications					
<i>Investigator-initiated projects</i>						
Received (a)	752	705	784	879	—	3,120
Processed (b)						
- approved	178	165	155	—	—	498
- rejected	571	536	623	674	—	2,404
- withdrawn	3	4	2	—	—	9
Under processing (Note 2) (c) = (a) – (b)	—	—	4	205	—	209
<i>Commissioned research programmes</i>						
Received (d)	10	2	1	—	2	15
Processed (e)						
- approved	9	2	1	—	1	13
- rejected	1	—	—	—	—	1
- withdrawn	—	—	—	—	—	—
Under processing (Note 2) (f) = (d) – (e)	—	—	—	—	1	1
<i>Research Fellowship Scheme</i>						
Received (g)	24	27	35	35	1	122
Processed (h)						
- approved	14	16	18	3	—	51
- rejected	10	10	17	20	—	57
- withdrawn	—	1	—	—	—	1
Under processing (Note 2) (i) = (g) – (h)	—	—	—	12	—	12

Source: Audit analysis of HHB records

Note 1: As at 31 December 2025, the 2025 Open Calls for investigator-initiated projects and the Research Fellowship Scheme remained open for applications (see para. 1.7). According to HHB, the applications would not be processed until the Open Calls were closed.

Note 2: As at 31 December 2025, all these under-processing cases were fundable projects endorsed by RC, except for 1 commissioned research programme that was still under assessment.

Table 3

**Approved amounts for HMRF-funded projects
for 2021 to 2025 application years
(31 December 2025)**

Project type	Application year					Total
	2021	2022	2023	2024	2025	
	\$ million					
Investigator-initiated projects	189	172	167	—	—	528
Commissioned research programmes	239	12	8	—	12	271
Research Fellowship Scheme	14	15	17	2	—	48

Source: *Audit analysis of HHB records*

Application invitation and submission

Room for improvement in inviting applications for commissioned research programmes

2.3 According to HMRF’s Standard Operating Procedures (SOP), the proposed institution for submission of proposal is identified by RFS based on the expertise required to conduct the commissioned research programmes and subject to RC’s endorsement. If only one institution is proposed, objectively evidenced and defensible justifications must be provided in the RC paper for endorsement.

2.4 Audit examined the relevant records of commissioned research programmes from the 2021 to 2025 application years and found that only one institution was invited for 5 (83%) of 6 commissioned research programmes. According to the RC papers, the reasons for inviting the proposed institutions include their expertise, good track records and relevant experience. However, Audit noted that, for 1 commissioned research programme, a RC member commented in March 2022 that the proposed institution was not the only institution with experience and track record on the proposed research topic. In response, RFS advised that the Government normally invited proposals from the institution with the most relevant experience based on the expertise and track record of local researchers in the relevant research study. Upon

enquiry, HHB informed Audit in February 2026 that the reasons provided in the 5 RC papers concerned indicated that the proposed institutions possessed the most relevant experience. However, Audit noted that there was no documentation showing that any analysis of the qualifications of other institutions had been provided to RC for reference.

2.5 Audit considers that HHB needs to strengthen efforts to propose more institutions for RC's consideration for commissioned research programmes as far as practicable. If only one institution is considered suitable, more comprehensive information should be provided to explain the rationale (e.g. an analysis of other institutions with relevant experience and why they were not considered suitable).

Low application numbers in certain sources or study areas under Research Fellowship Scheme

2.6 ***Need to ascertain reasons for low number of applications from two designated teaching hospitals under Research Fellowship Scheme.*** To provide more training opportunities to build up Hong Kong's research capacity to meet future needs and challenges, other than the UGC-funded tertiary institutions, two designated teaching hospitals have been invited to nominate applicants to submit applications under the Research Fellowship Scheme since the 2021 application year. RC has set quotas for the number of awards to be granted to applicants from UGC-funded tertiary institutions (hereinafter referred to as Stream A) and the two designated teaching hospitals (hereinafter referred to as Stream B) for each application year (Note 12). Audit examined the number of applications received, the number of fundable projects, and the quotas for the number of awards to be granted under the Research Fellowship Scheme for the 2021 to 2024 application years (see Table 4), and found that applications from Stream B were on the low side and fell short of the quotas by 1 to 3 applications in each of those application years. Audit considers that HHB needs to ascertain the reasons for the low number of applications from the two designated teaching hospitals under the Research Fellowship Scheme and take follow-up actions as appropriate.

Note 12: *Each UGC-funded tertiary institution and designated teaching hospital is allowed to nominate up to 8 applicants in each application year (up to 10 applicants for each of the two designated UGC-funded tertiary institutions since the 2022 application year).*

Funding application processing

Table 4

Numbers of applications received and fundable projects, and quotas for number of awards to be granted under Research Fellowship Scheme (2021 to 2024 application years)

	Application year			
	2021	2022	2023	2024
Stream A				
Quotas for no. of awards to be granted	12	16	16	16
No. of applications received	21	24	32	34
No. of fundable projects (Note 1)	13	15	18 (Note 2)	15 (Note 2)
Stream B				
Quotas for no. of awards to be granted	4	4	4	4
No. of applications received	3	3	3	1
No. of fundable projects (Note 1)	1	1	1	1 (Note 2)

Source: Audit analysis of HHB records

Note 1: According to the application guidelines, depending on the quality and budget requirements of the applications, RFAP reserves the absolute right to recommend more or fewer applications for funding under the two Streams in each application year.

Note 2: According to HHB, the figures included 12 fundable projects which had not yet been approved as at 31 December 2025 (comprising 11 from Stream A and 1 from Stream B in the 2024 application year) as it took time to clear all outstanding items before issuing approval letters (see paras. 2.27 and 2.28), and 2 fundable projects which had been rejected in the end (each of which was from Stream A in the 2023 or 2024 application years).

2.7 **Need to ascertain reasons for low number of applications for certain study areas under Research Fellowship Scheme.** According to the application guidelines, subject to the quality of the applications, at least 4 awards will be granted to projects addressing the preventable or modifiable risk factors for non-communicable diseases, namely tobacco use, harmful use of alcohol, unhealthy diet and physical inactivity (with 1 award in each of the 4 risk factors). Audit examined the application records of the Research Fellowship Scheme for the 2021 to 2024 application years and found that:

Funding application processing

- (a) the percentage of applications that involved the preventable or modifiable risk factors for non-communicable diseases as their proposed study areas decreased from 33% in the 2021 application year to 17% in the 2024 application year (see Table 5); and
- (b) for the 2022 and 2023 application years, no applications were received for 2 (i.e. tobacco use and harmful use of alcohol) and 1 (i.e. harmful use of alcohol) of the 4 risk factors respectively.

The preventable or modifiable risk factors for non-communicable diseases are priority areas for the Research Fellowship Scheme (see para. 1.4(c)). In this connection, Audit considers that HHB needs to ascertain the reasons for the low number of applications addressing these risk factors under the Scheme and take follow-up actions as appropriate (e.g. encouraging more applications addressing the risk factors).

Table 5

**Proposed study areas of applications received
under Research Fellowship Scheme
(2021 to 2024 application years)**

Proposed study area	Application year			
	2021	2022	2023	2024
	No. of applications			
Preventable or modifiable risk factors for non-communicable diseases				
Tobacco use	1 (4%)	—	2 (6%)	1 (3%)
Harmful use of alcohol	1 (4%)	—	—	1 (3%)
Unhealthy diet	3 (13%)	2 (7%)	2 (6%)	3 (9%)
Physical inactivity	5 (21%)	8 (30%)	7 (20%)	6 (17%)
Others (Note 1)	16 (67%)	18 (67%)	27 (77%)	29 (83%)
Overall (Note 2)	24 (100%)	27 (100%)	35 (100%)	35 (100%)

Source: Audit analysis of HHB records

Note 1: Examples of other proposed study areas include cancer, infectious diseases and antimicrobial resistance.

Note 2: An application may include more than one proposed study area.

Audit recommendations

- 2.8 **Audit has *recommended* that the Secretary for Health should:**
- (a) **strengthen efforts to propose more institutions for RC's consideration for commissioned research programmes as far as practicable, and provide more comprehensive information to explain the rationale (e.g. an analysis of other institutions with relevant experience and why they were not considered suitable) if only one institution is considered suitable; and**
 - (b) **ascertain the reasons for the low number of applications from the two designated teaching hospitals and those addressing preventable or modifiable risk factors for non-communicable diseases under the Research Fellowship Scheme, and take follow-up actions as appropriate (e.g. encouraging more applications addressing the risk factors).**

Response from the Government

2.9 The Secretary for Health agrees with the audit recommendations. He has said that HHB will take the following actions:

- (a) RFS will step up efforts to identify and propose suitable institutions for commissioned research programmes for RC's consideration, and provide more comprehensive information and explain the rationale if only one institution is considered suitable; and
- (b) RFS will holistically review the Research Fellowship Scheme, including the low number of applications from the teaching hospitals, its research priorities and assessment criteria, etc.

Application vetting

Need to reduce early rejection rates for applications under Research Fellowship Scheme

2.10 For investigator-initiated projects and the Research Fellowship Scheme, applicants whose applications are not eligible for assessment and therefore rejected (hereinafter referred to as early rejection) are informed of the rejection together with reasons. Audit examined the early rejection rates for investigator-initiated projects and the Research Fellowship Scheme for the 2021 to 2024 application years and noted that while the early rejection rates for investigator-initiated projects decreased from 25% in the 2021 application year to 10% in the 2024 application year, those for the Research Fellowship Scheme increased from 4% in the 2021 application year to 26% in the 2024 application year (see Table 6).

Table 6

**Early rejection rates
for investigator-initiated projects and Research Fellowship Scheme
(2021 to 2024 application years)**

	Application year				Overall
	2021	2022	2023	2024	
<i>Investigator-initiated projects</i>					
No. of applications received (a)	752	705	784	879	3,120
No. of early-rejection applications (b)	185	89	107	91	472
Early rejection rate (c) = (b) ÷ (a) × 100%	25%	13%	14%	10%	15%
<i>Research Fellowship Scheme</i>					
No. of applications received (d)	24	27	35	35	121
No. of early-rejection applications (e)	1	5	8	9	23
Early rejection rate (f) = (e) ÷ (d) × 100%	4%	19%	23%	26%	19%

Source: *Audit analysis of HHB records*

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2.11 Audit noted that:

- (a) ***Reasons for early rejection.*** Audit analysis of the reasons for early rejections for investigator-initiated projects and the Research Fellowship Scheme for the 2022 to 2024 application years (see Table 7) noted that some early-rejection reasons under the Research Fellowship Scheme might be related to applicants' unfamiliarity with the application and submission requirements (e.g. exceeding prescribed word limits, not meeting eligibility criteria, out of scope, resubmitting similar/related application not funded by HMRF (Note 13) and failing to make the required declaration (Note 14)); and

Note 13: *According to the application guidelines, for the Research Fellowship Scheme, resubmission of similar/related application that was not funded in the previous application years by HMRF is not accepted.*

Note 14: *According to the application guidelines, for the Research Fellowship Scheme, applicants are required to declare all the similar/related applications funded or recommended for support under HMRF and funded by other funding agencies, and those not funded under other funding agencies in the past three years in the application forms. Applicants not making such declaration in the application forms is one of the reasons for early rejection.*

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Table 7

**Reasons for early rejections
for investigator-initiated projects and Research Fellowship Scheme
(2022 to 2024 application years)**

Reason for early rejections (Note 2)	Investigator-initiated projects			Research Fellowship Scheme			Overall
	Application year (Note 1)						
	2022	2023	2024	2022	2023	2024	
	No. of applications						
Out of scope	57	32	32	2	2	1	126 (41%)
Immature	14	33	17	—	2	—	66 (21%)
Failing to make the required declaration	6	20	23	—	—	1	50 (16%)
Incomplete application	9	7	6	—	—	—	22 (7%)
Unclear local relevance	1	5	11	—	1	3	21 (7%)
Exceeding prescribed word limits	3	9	1	—	—	1	14 (5%)
Not meeting eligibility criteria	—	—	—	3	3	2	8 (3%)
Using wrong template	—	2	2	—	—	—	4 (1%)
Resubmitting similar/related application not funded by HMRF	—	—	—	—	—	2	2 (1%)
Overall	89	107	91	5	8	9	309 (100%)

Source: Audit analysis of HHB records

Note 1: According to HHB, applications under the Research Fellowship Scheme have been processed and monitored via eGMS since the 2022 application year. As such, documentation, including the early-rejection reasons, was not maintained in eGMS for applications submitted prior to the 2022 application year.

Note 2: An application may have more than one reason for early rejection.

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- (b) *Measures taken by HHB for investigator-initiated projects.* Audit noted that the development of the new system (i.e. eGMS II, which will replace eGMS) had included an agenda item to address the issue relating to research proposals exceeding prescribed word limits (see also para. 4.11(a)). Audit also noted that various measures had been taken to reduce the early rejection rates for investigator-initiated projects, for example, as stated in the RC papers:
- (i) to minimise early-rejection applications, for the 2024 application year, enhancements were made to the electronic application form and the application materials, and examples of previous early-rejection applications were provided in briefing sessions. In this connection, the percentage of early-rejection applications had been reduced from 14% in the 2023 application year to 10% in the 2024 application year; and
 - (ii) for the 2022 application year, funding scope under advanced medical research had been explicitly stated in the application guidelines and publicity materials, and emphasis was made with examples of fundable projects of advanced medical research. In this connection, the number of out-of-scope (comprising pre-clinical/basis research) applications relating to advanced medical research had been significantly reduced by 78% from 117 applications in the 2021 application year to 26 applications in the 2022 application year.

2.12 Drawing on its experience in reducing the early rejection rates for investigator-initiated projects (see para. 2.11(b)), Audit considers that HHB needs to take measures to reduce the early rejection rates for applications under the Research Fellowship Scheme, including providing more assistance to help applicants understand the application and submission requirements.

Room for improvement in assigning assessors to review applications for investigator-initiated projects

2.13 *Need to compile management information on reasons for assessors' declines and non-responses to review requests in first-tier peer review for investigator-initiated projects.* According to HHB, for investigator-initiated projects

and commissioned research programmes, two assessors (Note 15) are assigned to review an application at each tier of the two-tier peer-review (see para. 1.8(b)(ii)) process. The assessors are requested to indicate acceptance (for assessors in the first-tier peer review — Note 16) and declare conflicts of interests before reviewing the assigned applications. If no response is received from an assessor after the extended deadline, RFS will assign another assessor to review the application.

2.14 Audit examination of the assessor assignment records for investigator-initiated projects (Note 17) from the 2022 to 2024 application years found that of the 6,759 review requests sent to assessors in the first-tier peer review, 1,655 (24%) were declined by assessors and 1,268 (19%) received no response (see Table 8).

Note 15: *For investigator-initiated projects with a lower funding ceiling of \$0.5 million per project (see para. 1.4(a)), one assessor is assigned to review an application at each tier of the two-tier peer-review process. For commissioned research programmes, all AP members are assigned to conduct the second-tier peer review if only one application is received, otherwise two to three assessors are normally assigned.*

Note 16: *According to HHB, assessors in the second-tier peer review are not asked to indicate acceptance for reviewing the assigned applications.*

Note 17: *According to HHB, assessors for the Research Fellowship Scheme are not asked to indicate the acceptance for reviewing the assigned applications. For the 2022 to 2024 application years, there were 3 commissioned research programmes, of which 2 with their first-tier peer reviews waived (see Note 8 to para. 1.8(b)(ii)) and 1 with the 2 assessors indicated acceptance for reviewing the assigned applications.*

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Table 8

**Responses to review requests sent to assessors
in first-tier peer review for investigator-initiated projects
(2022 to 2024 application years)**

Status	Application year			Overall
	2022	2023	2024	
	No. of review requests			
Accepted	1,075 (58%)	1,190 (51%)	1,356 (52%)	3,621 (53%)
Withdrawn by RFS (Note 1)	7 (1%)	4 (1%)	11 (1%)	22 (1%)
Declined	421 (23%)	593 (26%)	641 (24%)	1,655 (24%)
No response	295 (16%)	441 (19%)	532 (20%)	1,268 (19%)
No response after acceptance (Note 2)	42 (2%)	66 (3%)	85 (3%)	193 (3%)
Total	1,840 (100%)	2,294 (100%)	2,625 (100%)	6,759 (100%)

Source: *Audit analysis of HHB records*

Note 1: *The review requests were withdrawn by RFS after assessing the conflicts of interests declared by assessors.*

Note 2: *The review requests were accepted by assessors. However, the assessors did not return the assessment forms after the extended deadlines.*

2.15 Audit noted that while assessors were requested to provide the reasons for declining the review requests, there was no documentation indicating that management information was maintained on the decline reasons. Audit examination of the relevant records of 10 declined cases from the 2024 application year noted that:

- (a) for 3 cases, the reason was “proposal is outside my area of expertise”;
- (b) for 3 cases, the reasons were “too busy” and/or “short timeframe for evaluation work”;

- (c) for 1 case, the reason was “technical fee is not attractive” (Note 18); and
- (d) for 3 cases, no reasons were provided.

In view of an increase in the non-response rate from 16% in the 2022 application year to 20% in the 2024 application year, there is merit for HHB to ascertain the reasons behind. In view of a decrease in the acceptance rate from 58% in the 2022 application year to 52% in the 2024 application year, there is merit for HHB to regularly compile management information on the reasons for assessors’ declines and non-responses to the review requests in the first-tier peer review for investigator-initiated projects and take follow-up actions as appropriate.

2.16 *Need to follow stipulated suggested number when assigning assessors to review applications for investigator-initiated projects.* According to SOP, each assessor for investigator-initiated projects shall normally review not more than 10 applications in each application year. Audit examination of the review records of assessors for investigator-initiated projects from the 2022 to 2024 application years (see Table 9) found that:

- (a) of the 1,240 and 374 assessors in the first-tier and second-tier peer reviews (who accepted the assignment and had no conflict of interest), 14 (1%) and 31 (8%) respectively reviewed more than 10 applications. Each of these assessors reviewed between 11 and 25 applications; and
- (b) from the 2022 application year to the 2024 application year, the percentage of assessors reviewing more than 10 applications in each application year increased from 1% to 2% in the first-tier peer review and from 7% to 10% in the second-tier peer review.

However, there was no documentation indicating that justification was provided for assigning assessors to review more than 10 applications.

Note 18: *As of January 2026, the technical fee for reviewing an application at the first-tier peer review was \$1,125.*

Funding application processing

Table 9

Number of applications reviewed by each assessor
for investigator-initiated projects
(2022 to 2024 application years)

No. of applications reviewed	Application year			Overall
	2022	2023	2024	
	No. of assessors			
<i>First-tier peer review</i>				
1 to 5	353 (89%)	355 (85%)	341 (80%)	1,049 (85%)
6 to 10	42 (10%)	59 (14%)	76 (18%)	177 (14%)
More than 10	2 (1%)	5 (1%)	7 (2%)	14 (1%)
Total	397 (100%)	419 (100%)	424 (100%)	1,240 (100%)
<i>Second-tier peer review</i>				
1 to 5	89 (72%)	83 (70%)	78 (59%)	250 (67%)
6 to 10	26 (21%)	26 (22%)	41 (31%)	93 (25%)
More than 10	8 (7%)	10 (8%)	13 (10%)	31 (8%)
Total	123 (100%)	119 (100%)	132 (100%)	374 (100%)

Source: Audit analysis of HHB records

Need to ensure timely submission of assessment forms by assessors

2.17 Certain timeframes for assessors' submission of assessment forms are set, for example:

- (a) *Investigator-initiated projects.* RFS has specified deadlines in the review requests sent to assessors for the first-tier peer review and stipulated in SOP that assessment forms shall be submitted at least 1 day before the dates of GRB meetings (Note 19) for the second-tier peer review; and

Note 19: *Assessors in the second-tier peer review are invited to attend GRB meetings to discuss their assessment of the applications. An overall rating from 1 (i.e. not supported) to 4 (i.e. recommended for support) is determined by consensus of the members attending the meeting for each application, and this rating forms the basis of the funding decision.*

- (b) ***Research Fellowship Scheme.*** RFS has stipulated in SOP that assessment forms shall be submitted within 4 weeks from the dates of RFS's requests (Note 20).

2.18 Audit examined the submission records of the assessment forms for the 2022 to 2024 application years and noted that:

- (a) ***Investigator-initiated projects.*** There were delays in the submission of 1,015 (28%) of 3,621 and 32 (2%) of 1,960 assessment forms by assessors in the first-tier and second-tier peer reviews respectively for investigator-initiated projects. The delays ranged from 1 to 28 days (averaging 4 days) for the first-tier peer review and were 1 day each (i.e. submitted on the dates of GRB meetings) for the second-tier peer review; and
- (b) ***Research Fellowship Scheme.*** There were delays in the submission of 117 (52%) of 225 assessment forms by assessors for the Research Fellowship Scheme. The delays ranged from 1 to 21 days (averaging 7 days).

Scope for improving evaluation and documentation of applicants' interview performance under Research Fellowship Scheme

2.19 The application guidelines for the Research Fellowship Scheme set out the assessment criteria used by assessors to shortlist applicants for interviews. Three assessors are assigned to review an application. Assessors are required to provide written specific comments on each area of those assessment criteria and give a score for each area in a standard assessment form. Applications with average scores higher than the passing mark will be shortlisted for interviews.

Note 20: *According to HHB, shorter periods of time may be given to assessors under certain circumstances (e.g. applications involving reassignment of assessors as a result of withdrawals of review requests after the preceding assessors have declared conflicts of interests).*

Funding application processing

2.20 According to HHB, the performance of applicants at the interviews would be taken into account for assessing the application. According to SOP, after the end of the interview, the Chairperson of RFAP will steer the discussion on funding recommendations by consensus among the members and make the final decision if a consensus vote could not be reached. Audit examined the assessment records of applications under the Research Fellowship Scheme from the 2022 to 2024 application years and noted that:

- (a) there were no marking scheme or set of assessment criteria for evaluating the applicants' performance at the interviews; and
- (b) while some applications were recommended and others were rejected after the interviews, the justifications for these decisions were not documented.

2.21 Audit further examination of the records relating to RC's endorsement noted that only the RFAP's comments on specific project details (such as sample size) for fundable projects, which were also provided to applicants for follow-up, were submitted for RC's endorsement. There was no documentation of the interview performance of successful or unsuccessful applicants, or of the basis on which RFAP formed its funding recommendations (e.g. the weighting between the assessment and the interview).

Need to closely monitor progress of establishing a mechanism for exchanging information on scientific misconduct cases

2.22 According to HHB, RFS shall check applicants' track records (e.g. scientific misconduct) at the vetting stage (e.g. before GRB meeting for investigator-initiated projects). According to the application guidelines, scientific misconduct (e.g. plagiarism) and non-compliance with HMRF's requirements (e.g. non-submission of final report by deadline without valid justification) may lead to serious consequences (e.g. debarment in all capacities in all funding schemes administrated by RFS) if substantiated.

2.23 Audit noted that:

- (a) while a mechanism to avoid duplication of funding is in place (i.e. collecting information annually by email from several local funding

agencies on fundable applications), the current practice for checking applicants' scientific misconduct and non-compliance relied solely on applicants' self-declarations and RFS's review of applicants' past records under HMRF; and

- (b) according to HHB, RFS had been following up with the government bureau leading the effort to explore the feasibility of establishing a mechanism for exchanging information on scientific misconduct cases among several local funding agencies. However, as of February 2026, the mechanism had not yet been put in place.

2.24 Upon enquiry, HHB informed Audit in January 2026 that RFS had taken two measures to follow up on the matter, as follows:

- (a) starting from the 2024 (for investigator-initiated projects and the Research Fellowship Scheme) and 2025 (for commissioned research programmes) application years, a clause had been added in the funding agreements that the government might, without reference to the applicants or the administering institutions disclose to any Government's bureau/department which administered funds to support health and medical related research as it thought fit, the penalty imposed on the applicants due to applicants' scientific misconduct and/or non-compliance with HMRF's requirements; and
- (b) applicants declaring that they were being debarred by HMRF or other funding agencies (local or non-local) as at the closing deadline would not be allowed to submit applications under HMRF.

To facilitate RFS's vetting of applications, Audit considers that HHB needs to closely monitor the progress of establishing a mechanism for exchanging information on scientific misconduct cases with other funding agencies.

Audit recommendations

- 2.25 **Audit has *recommended* that the Secretary for Health should:**
- (a) **take measures to reduce the early rejection rates for applications under the Research Fellowship Scheme, including providing more assistance to help applicants understand the application and submission requirements;**
 - (b) **ascertain the reasons why assessors did not respond to the review requests in first-tier peer review for investigator-initiated projects;**
 - (c) **regularly compile management information on the reasons for assessors' declines and non-responses to the review requests in the first-tier peer review for investigator-initiated projects and take follow-up actions as appropriate;**
 - (d) **follow the suggested number of applications stated in SOP when assigning assessors to review the investigator-initiated project applications and document the justifications for deviations from the suggested number;**
 - (e) **take measures to ensure that assessment forms are submitted by assessors for investigator-initiated projects and the Research Fellowship Scheme within the required timeframes;**
 - (f) **establish assessment criteria for evaluating applicants' performance at the interviews and document the justifications for the funding decisions under the Research Fellowship Scheme; and**
 - (g) **closely monitor the progress of establishing a mechanism for exchanging information on scientific misconduct cases with other funding agencies.**

Response from the Government

2.26 The Secretary for Health agrees with the audit recommendations. He has said that HHB will take the following actions:

- (a) as mentioned in paragraph 2.9(b), RFS will holistically review the Research Fellowship Scheme, including the support for applicants through briefing sessions and enhanced features in eGMS II, submission of assessment forms, assessment criteria, etc.;
- (b) for investigator-initiated projects, RFS will regularly compile data on assessors' declines/non-responses to the review requests in the first-tier peer review to inform appropriate follow-up actions, take measures to ensure timely submission of assessment forms, and follow the suggested number of applications stated in SOP when assigning assessors as far as practicable, with documentation of justifications in cases of deviation, the process of which to be supported by enhancements in eGMS II; and
- (c) RFS will closely monitor the progress of establishing the mechanism for exchanging information on scientific misconduct cases with other funding agencies.

Application approval

Room for improvement in timeliness of issuing approval letters

2.27 According to SOP and the funding decision letters, after the issuance of the funding decision letters for investigator-initiated projects and the Research Fellowship Scheme (Note 21), applicants of fundable projects are required to:

Note 21: *According to HHB, for commissioned research programmes, the items requiring clearance and their submission timeframes may differ (depending on the urgency of the programmes and AP's agreement) from those for investigator-initiated projects and the Research Fellowship Scheme.*

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- (a) respond to the assessors' comments and declare that no similar/related research work was done before the project commencement dates (Note 22) within 3 weeks; and
- (b) submit regulatory approvals and/or third-party consents within 12 weeks.

RFS will review the applicants' submissions (Note 23) and may seek further clarifications from them if needed. An approval letter will be issued after all items specified in the funding decision letter have been cleared, including responses to assessors' comments, regulatory approvals and/or third-party consents, and any other outstanding items (e.g. outstanding project deliverables from the applicant's other HMRF-funded projects).

2.28 For the 2022 to 2024 application years, there were a total of 592 fundable projects (comprising 540 and 52 for investigator-initiated projects and the Research Fellowship Scheme respectively), of which 357 (60%) were approved, 221 (37%) were under processing and 14 (3%) were withdrawn/rejected as at 31 December 2025. Audit examined the relevant records and noted the following:

- (a) **Approved projects.** Of the 357 approved projects:
 - (i) the time elapsed between the issue dates of funding decision letters and the approval letters ranged from 86 to 567 days (averaging 207 days); and

Note 22: *Prior to the 2024 application year, applicants were required, after the receipt of approval letters, to declare in the declaration forms that no approved research work had been conducted before the project commencement date stated in the funding agreement. Otherwise, they were required to provide details and explanations, adjust the funding scope and funding amount for the Government's consideration and approval. Since the 2024 application year, applicants have been required to declare, upon receipt of the funding decision letters, that no similar/related research work had been done, was on-going or was planned to be done in relation to the proposal before the proposed commencement date stated in the application form.*

Note 23: *According to HHB, for responses to assessors' comments, the assessors concerned may be invited to review the applicants' submissions if necessary.*

Funding application processing

- (ii) for 28 (8%) approved projects, the time elapsed between the issue dates of funding decision letters and the approval letters exceeded 300 days (see Table 10); and

Table 10

Time elapsed between issue dates of funding decision letters and approval letters for investigator-initiated projects and Research Fellowship Scheme (2022 to 2024 application years)

Time elapsed (Day)	Investigator-initiated projects	Research Fellowship Scheme	Overall
	No. of approved projects		
Less than or equal to 120	41 (13%)	3 (8%)	44 (12%)
121 to 180	79 (25%)	19 (51%)	98 (27%)
181 to 240	114 (36%)	5 (14%)	119 (34%)
241 to 300	65 (20%)	3 (8%)	68 (19%)
More than 300	21 (6%)	7 (19%)	28 (8%)
Total	320 (100%)	37 (100%)	357 (100%)

Source: Audit analysis of HHB records

- (b) ***Under-processing projects.*** Of the 221 under-processing projects, 4 and 217 related to the 2023 and 2024 application years respectively. For the 4 under-processing projects from the 2023 application year, the time elapsed between the issue dates of funding decision letters (i.e. 26 September 2024) and 31 December 2025 was 461 days.

2.29 Upon enquiry, HHB informed Audit in January 2026 that the time taken to issue approval letters to applicants varied and mainly depended on the following factors:

- (a) whether the applicants had any outstanding project deliverables (e.g. interim reports and audited accounts) of their other HMRF-funded projects; and

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- (b) whether the applicants had obtained necessary documents such as regulatory approvals and third-party consents, in which these approvals and consents were issued by third parties (with processing time varied) and outside the applicants' control.

2.30 Audit further examination of the relevant records of 15 projects (comprising 11 approved projects and 4 under-processing projects — Note 24) from the 2023 and 2024 application years, with elapsed time exceeding 300 days, noted that:

- (a) ***Considerable time taken by RFS to follow up on required actions.*** This involved:
 - (i) ***Long time taken to seek applicants' clarifications.*** For 12 of the 15 projects, clarifications from the applicants were required. Audit noted that RFS had not sought clarifications until 50 to 111 days (averaging 87 days) after receiving the applicants' first submissions of responses to assessors' comments; and
 - (ii) ***Considerable time taken to issue approval letters after applicants' submission of all required documents.*** For the 11 approved projects examined, RFS took 11 to 72 days (averaging 37 days) to issue approval letters after the applicants had submitted all the required documents;
- (b) ***Long time taken by applicants to obtain regulatory approvals and/or third-party consents.*** For 13 (87%) of the 15 projects, it took long time for applicants to obtain regulatory approvals and/or third-party consents. In particular, the deadlines for submitting the regulatory approvals and/or third-party consents were extended for 187 to 409 days (averaging 315 days); and
- (c) ***Delays in project commencement.*** For all the 11 approved projects examined, approval letters were issued to applicants after the initially proposed project commencement dates stated in the applications, with

Note 24: 15 projects comprised 5 approved research fellowship projects, 6 approved investigator-initiated projects and 4 under-processing investigator-initiated projects.

delays ranging from 101 to 416 days (averaging 272 days). The revised commencement dates (as stated in funding agreements) were 243 to 577 days (averaging 362 days) later than the initially proposed project commencement dates. In particular, for the 5 approved research fellowship projects, the revised training start dates were 126 to 596 days (averaging 357 days) later than the initially proposed dates.

2.31 Audit noted that, while timeframe was set for issuing funding decision letters (i.e. normally within 6 months from the application closing dates) in the application guidelines, no timeframes were set for:

- (a) seeking clarifications after responses to assessors' comments were received;
- (b) issuing approval letters after applicants had submitted all the required documents; or
- (c) issuing approval letters after the funding decision letters had been issued.

As the long time taken to issue approval letters after the submission of applications may delay the commencement of the research and training, and as shown in paragraph 2.28, the time taken not uncommonly exceeded 300 days, HHB needs to ascertain the reasons for the long time taken to issue approval letters after the funding decision letters have been issued, and take follow-up actions as appropriate (e.g. specifying timeframes in SOP and regularly compiling management information on compliance to enhance monitoring) to expedite the process. In light of the audit findings in paragraph 2.30(b) and (c) and to enhance monitoring, Audit considers that HHB needs to regularly compile management information on the time elapsed between the issue dates of funding decision letters and the receipt dates of regulatory approvals and/or third-party consents as well as between the initially proposed project commencement dates and the revised commencement dates, and take follow-up actions as appropriate.

Room for improvement in timeliness of signing funding agreements

2.32 Upon issuance of approval letters (together with a funding agreement to be signed), the following documents are required to be returned to RFS within 2 weeks:

Funding application processing

- (a) funding agreements duly signed by the applicants and the administering institutions concerned; and
- (b) declaration forms to confirm no duplication of funding sought.

The Government representative will then sign the funding agreements after the receipt of these documents. According to HHB, the funded projects should not commence unless a duly signed funding agreement is in effect.

2.33 Audit examined the relevant records of 360 approved projects (comprising 320 investigator-initiated projects, 3 commissioned research programmes and 37 research fellowship projects) from the 2022 to 2024 application years and noted that funding agreements had been signed for 351 approved projects and funding agreements had not yet been signed for 9 approved projects as at 31 December 2025. The audit findings included:

- (a) ***Long time taken to have funding agreements signed after issuance of approval letters.*** Audit noted that:
 - (i) ***Approved projects with funding agreements not yet signed.*** Of the 9 approved projects with funding agreements not yet signed, the time elapsed between the issue dates of approval letters and 31 December 2025 ranged from 12 to 180 days (averaging 59 days); and
 - (ii) ***Approved projects with funding agreements signed.*** Of the 351 approved projects with funding agreements signed, the time elapsed between the issue dates of approval letters and agreement dates (i.e. the dates when the funding agreements were duly signed by all parties concerned) ranged from 23 to 154 days (averaging 55 days).

In some cases, the required documents (i.e. funding agreements and declaration forms) were not returned within the timeframe specified in the approval letters (i.e. within 2 weeks). HHB did not maintain readily available information on the reasons for the long time taken to have the funding agreements signed after the issuance of the approval letters; and

- (b) *Funding agreements signed after project commencement dates.* For 68 (19%) of the 351 projects, the funding agreements were signed after the project commencement dates stated in the funding agreements, ranging from 1 to 196 days (averaging 36 days).

Need to ensure timely dissemination of information on approved projects on website

2.34 According to SOP, for projects with signed funding agreements, RFS will publish the details of these HMRF-funded projects on a website administered by RFS (hereinafter referred to as RFS website) to allow search for approved projects.

2.35 Audit examined the 351 approved projects from the 2022 to 2024 application years with funding agreements signed and found that:

- (a) 4 (1%) of the 351 approved projects were not published on RFS website as at 31 December 2025. The time elapsed between the agreement dates and 31 December 2025 ranged from 272 to 488 days (averaging 382 days); and
- (b) 141 (40%) of 349 (Note 25) approved projects were published on RFS website 3 to 458 days (averaging 31 days) after the agreement dates.

Audit recommendations

2.36 **Audit has recommended that the Secretary for Health should:**

- (a) **ascertain the reasons for the long time taken to issue approval letters after the funding decision letters have been issued, and take follow-up actions as appropriate (e.g. specifying timeframes in SOP and regularly compiling management information on compliance to enhance monitoring) to expedite the process;**

Note 25: *The figure excluded 2 commissioned research programmes from the 2022 application year as they were not published via eGMS and their publish dates were therefore not available.*

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- (b) regularly compile management information on the time elapsed between the issue dates of funding decision letters and the receipt dates of regulatory approvals and/or third-party consents as well as between the initially proposed project commencement dates and the revised commencement dates, and take follow-up actions as appropriate;**
- (c) ascertain the reasons for the long time taken to have the funding agreements signed after the issuance of the approval letters, and take follow-up actions as appropriate to expedite the process;**
- (d) take measures to ensure that projects only commence when the duly signed funding agreements are in effect; and**
- (e) take measures to improve the timeliness in publishing the information on approved HMRF-funded projects on RFS website.**

Response from the Government

2.37 The Secretary for Health agrees with the audit recommendations. He has said that HHB will take the following actions:

- (a) RFS will expedite the process in issuing approval letters and signing of funding agreements, critically review the process and the time elapsed mentioned in paragraph 2.36(b) and (c), and beef up SOP to improve the monitoring process;**
- (b) RFS will review the funding agreement signing process and consider how to minimise the time difference between the agreement date and the commencement date of the funded projects; and**
- (c) RFS will publish the information on approved HMRF-funded projects on RFS website on a timely basis.**

PART 3: MONITORING OF FUNDED PROJECTS

3.1 This PART examines issues relating to the monitoring of funded projects, focusing on the following areas:

- (a) project monitoring (paras. 3.2 to 3.14); and
- (b) disbursement of fund (paras. 3.15 to 3.20).

Project monitoring

3.2 Funding agreements set out the terms and conditions governing the funding award, and the rights and responsibilities of the parties to the agreements. Besides, RFS issued a set of guidelines for grant holders, which shall be followed in conjunction with the signed funding agreements. According to HHB, HMRF-funded projects are monitored through project deliverable submissions, site visits/project teams' presentations, etc. Performance measures are established for monitoring project deliverable submissions, among other aspects (see para. 4.14).

Need to enhance timeliness in submission of project deliverables

3.3 According to the funding agreements and application guidelines, grant holders are required to submit project deliverables (comprising progress reports (for investigator-initiated projects and the Research Fellowship Scheme), interim reports, training reports (for the Research Fellowship Scheme), final reports (with dissemination reports inclusive), certified financial statements and audited accounts) to RFS within the stipulated timeframes for monitoring and evaluation purposes. For example:

- (a) submitting interim report together with the certified financial statements within 2 months after the first anniversary of the commencement date (for investigator-initiated projects and the Research Fellowship Scheme), or in accordance with the timeframes stipulated in the funding agreement (for commissioned research programmes);

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- (b) submitting final report within 3 or 6 months from project completion date; and
- (c) submitting audited accounts within 6 months after project completion (for investigator-initiated projects and the Research Fellowship Scheme), or in accordance with the timeframes stipulated in the funding agreement (for commissioned research programmes).

Audit noted that HHB has put in place mechanisms to issue reminders before submission due dates and measures to address overdue project deliverables (Note 26).

3.4 Audit examined the submission records of project deliverables for projects from the 2021 to 2023 application years (Note 27) that were due for submission as at 31 December 2025 and found that of the 1,272, 155 and 155 project deliverables for investigator-initiated projects, commissioned research programmes and the Research Fellowship Scheme respectively:

Note 26: *According to the application guidelines and guidelines for grant holders (applicable to investigator-initiated projects and the Research Fellowship Scheme):*

- (a) *reimbursement claims will be put on hold for unsatisfactory progress or overdue project deliverables, or if the accumulated claim amount has been over 80% or 90% (subject to the terms and conditions in the funding agreement) of the total approved budget or the ceiling of payment as specified in the funding agreement. The remaining 10% or 20% will be paid to the grant holder when a final report and certified financial statements/audited accounts are submitted to the satisfaction of RC;*
- (b) *approval for new funding will not be granted if the grant holder has overdue project deliverable(s) for other grants administered by RFS; and*
- (c) *starting from the 2024 application year, approval for new grant may also be withdrawn if the overdue project deliverable(s) is not submitted within 6 months from the grant approval date.*

For commissioned research programmes, the funding agreements have stipulated that the last instalments will not be paid to grant holders unless the final reports and audited accounts are submitted to the satisfaction of the Government.

Note 27: *No project deliverables for projects from the 2024 and 2025 application years were due for submission as at 31 December 2025.*

- (a) ***Delays in submission of project deliverables.*** 308 (24%), 94 (61%) and 45 (29%) project deliverables for investigator-initiated projects, commissioned research programmes and the Research Fellowship Scheme respectively had not been submitted within the stipulated timeframes, with average delays of 52, 75 and 79 days respectively (see Table 11). In particular, the delays exceeded one year for 7 project deliverables, comprising:
- (i) 1 certified financial statements for an investigator-initiated project;
 - (ii) 2 certified financial statements and 2 audited accounts for commissioned research programmes; and
 - (iii) 2 certified financial statements for the Research Fellowship Scheme; and

Monitoring of funded projects

Table 11

Delays in submission of project deliverables by grant holders (2021 to 2023 application years)

Project deliverable		Investigator-initiated projects	Commissioned research programmes	Research Fellowship Scheme
Progress reports	(No.) (Day)	41 (13%) 1 to 125 (averaging 23)	N.A.	3 (7%) 1 to 110 (averaging 38)
Interim reports	(No.) (Day)	45 (15%) 1 to 173 (averaging 37)	34 (36%) 1 to 97 (averaging 20)	8 (18%) 1 to 20 (averaging 7)
Training reports	(No.) (Day)	N.A.	N.A.	5 (11%) 56 to 331 (averaging 167)
Final reports	(No.) (Day)	4 (1%) 2 to 10 (averaging 5)	3 (3%) 8 to 12 (averaging 9)	4 (9%) 3 to 126 (averaging 60)
Certified financial statements	(No.) (Day)	200 (65%) 1 to 387 (averaging 62)	31 (33%) 1 to 570 (averaging 80)	20 (44%) 4 to 468 (averaging 99)
Audited accounts	(No.) (Day)	18 (6%) 5 to 221 (averaging 60)	26 (28%) 6 to 710 (averaging 148)	5 (11%) 31 to 131 (averaging 70)
Overall	(No.) (Day)	308 (100%) 1 to 387 (averaging 52)	94 (100%) 1 to 710 (averaging 75)	45 (100%) 1 to 468 (averaging 79)

Source: *Audit analysis of HHB records*

- (b) **Outstanding submissions.** 112 (9%), 12 (8%) and 9 (6%) project deliverables for investigator-initiated projects, commissioned research programmes and the Research Fellowship Scheme respectively had been outstanding as at 31 December 2025, with average outstanding periods of 48, 137 and 126 days respectively (see Table 12). In particular, 2 project deliverables (comprising 1 certified financial statements for an

Monitoring of funded projects

investigator-initiated project and 1 audited accounts for a commissioned research programme) had been outstanding for over one year.

Table 12

**Outstanding project deliverables
for projects from 2021 to 2023 application years
(31 December 2025)**

Project deliverable		Investigator-initiated projects	Commissioned research programmes	Research Fellowship Scheme
Progress reports	(No.) (Day)	28 (25%) 2 to 31 (averaging 21)	N.A.	1 (11%) 23
Interim reports	(No.) (Day)	29 (26%) 4 to 38 (averaging 22)	1 (8%) 31	1 (11%) 135
Training reports	(No.) (Day)	N.A.	N.A.	2 (22%) 1 to 231 (averaging 116)
Final reports	(No.) (Day)	2 (2%) 17 to 38 (averaging 28)	1 (8%) 31	—
Certified financial statements	(No.) (Day)	44 (39%) 4 to 548 (averaging 71)	4 (34%) 31 to 257 (averaging 142)	2 (22%) 60 to 168 (averaging 114)
Audited accounts	(No.) (Day)	9 (8%) 31 to 245 (averaging 105)	6 (50%) 19 to 457 (averaging 169)	3 (34%) 92 to 275 (averaging 173)
Overall	(No.) (Day)	112 (100%) 2 to 548 (averaging 48)	12 (100%) 19 to 457 (averaging 137)	9 (100%) 1 to 275 (averaging 126)

Source: Audit analysis of HHB records

Monitoring of funded projects

3.5 Audit noted that HHB has taken measures to address overdue project deliverables (e.g. withholding 10%/20%, or the last instalment, of approved grants until the final report and certified financial statements/audited accounts are accepted by the Government/RC — see Note 26 to para. 3.3). However, as at 31 December 2025, the average overdue period for certified financial statements and audited accounts that had not yet been submitted exceeded 100 days for both commissioned research programmes and the Research Fellowship Scheme. For monitoring purpose, Audit considers that HHB needs to strengthen measures to enhance compliance with the timeframes stipulated in the funding agreements for submitting project deliverables (e.g. by adjusting upward, as appropriate, the percentages of approved grants to be withheld).

Room for improvement in processing grant holders' change requests for funded projects

3.6 According to the guidelines for grant holders, change requests shall be submitted in writing with justifications for prior approvals from RFS for changes such as budget virement, grant period and study protocol (e.g. sample size and study design). Change requests are reviewed by RFS and approved by the designated approving authorities (e.g. RFS for budget virement and RFAP for change of training).

3.7 Audit selected 40 projects/studies from the 2021 to 2023 application years and examined the grant holders' change requests that had been processed (involving 92 change requests — Note 28). Audit found that:

- (a) ***Long time taken to process change requests.*** The time taken to process the change requests ranged from the same day to 217 days (averaging 44 days) by RFS and from 27 to 303 days (averaging 108 days) by other approving authorities. In particular, for 1 (1%) change request, although the grant holder had submitted the change request related to the training period prior to the commencement of training, the RFAP member approved it only after the grant holder had completed the training. Audit noted that,

Note 28: *The 92 processed change requests comprised: (a) 21 relating to 20 investigator-initiated projects; (b) 65 relating to 10 studies of commissioned research programmes; and (c) 6 relating to 10 research fellowship projects. As of January 2026, no grant holders' change requests had been submitted for projects from the 2024 and 2025 application years.*

as of January 2026, no timeframe had been set for processing change requests; and

- (b) ***Change requests not approved by designated approving authorities.*** For 3 (3%) change requests, there was no documentation indicating that the designated approving authorities had approved them. In particular, 2 of the 3 change requests relating to changes in the training periods (without a change of training duration) were approved by RFS instead of RFAP. In this connection, Audit noted that the designated approving authorities for changes of training, as set out in the guidelines for grant holders (i.e. RFAP) and SOP (i.e. RFS) were inconsistent.

Room for improvement relating to site visits and project teams' presentations

3.8 According to HHB, since 2020-21 (Note 29), due to the COVID-19 epidemic, a hybrid approach (i.e. site visit and/or project team's presentation) has been adopted by HHB. According to SOP:

- (a) ***Selection criteria.*** RFS selects on-going projects on an annual basis for site visits/project teams' presentations, using selection criteria that comprise high-risk projects (e.g. those that may cause negative impact to the Government or suspected fraudulent case), projects with a higher grant amount which involve the purchase of expensive equipment and/or support of facilities, or high impact projects with policy implications to HHB;
- (b) ***Site visits.*** RFS conducts site visits at project venues. During site visits, RFS shall inquire about the project implementation, perform sample testing on various administrative procedures (e.g. taking convenient samples of the stipulated numbers of entries relating to accounting and stocktaking procedures), and make copies of documents (where applicable). RFS completes site visit reports for record and follow-up (e.g. collecting feedback from grant holders regarding deficiencies identified during site visits, and determining the follow-up actions to be taken as appropriate after receiving the feedback); and

Note 29: *Before 2020-21, RFS only conducted site visits at project venues of on-going projects.*

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- (c) *Project teams' presentations.* Project teams are invited to conduct presentations to report progress to HHB either on HHB premises or via video conferencing. The experience accumulated so far from the presentation arrangement via video conferencing was considered to be cost- and time-effective, enabling HHB and RFS in obtaining first-hand information of the research progress quickly and timely.

3.9 *Need to document selection basis.* Regarding the conduct of site visits/project teams' presentations:

- (a) Audit examination of HHB records for the period from 2020-21 (i.e. since the adoption of the hybrid approach) to 2024-25 (Note 30) found that, of the total 18 projects selected by RFS, all were chosen for project teams' presentations (see Table 13). Besides:
- (i) the number of project teams' presentations decreased from 8 in 2020-21 to 1 in 2024-25; and
 - (ii) while 14 commissioned research programmes were selected by RFS, only 1 investigator-initiated project was selected in 2022-23 and none were selected in 2023-24 and 2024-25, despite performance targets and indicators for this project type consistently not being met (see para. 4.15).

However, there was no documentation on the basis for selecting these 18 projects, including the reasons for selecting only 1 to 2 projects in 2021-22, 2023-24 and 2024-25; and

Note 30: *In 2025-26 (up to December 2025), a commissioned research programme was selected for project team's presentation.*

Table 13

**Number of project teams' presentations by project type
(2020-21 to 2024-25)**

Year	Investigator-initiated projects	Commissioned research programmes	Research Fellowship Scheme	Total
2020-21	—	8	—	8
2021-22	—	1	—	1
2022-23	1	2	3	6
2023-24	—	2	—	2
2024-25	—	1	—	1
Total	1	14	3	18

Source: Audit analysis of HHB records

- (b) while SOP stipulated that projects with a higher grant amount which involve the purchase of expensive equipment and/or support of facilities is one of the selection criteria for site visits or project teams' presentations (see para. 3.8(a)), Audit examination revealed that there were other on-going commissioned research programmes with grant amounts higher than the one selected for project team's presentation in 2024-25 and/or involving the purchase of equipment with amounts each exceeding \$100,000. For example:
- (i) a programme with grant amount exceeding \$20 million and involving purchases of equipment with total amount exceeding \$100,000 (which accounted for 1% of the approved grants); and
 - (ii) another programme with grant amount exceeding \$10 million and involving purchases of equipment with total amount exceeding \$800,000 (which accounted for 7% of the approved grants).

However, these programmes had not been selected for site visits or project teams' presentations from their commencement up to 2024-25.

Monitoring of funded projects

Upon the resumption to normalcy after the COVID-19 epidemic, only 1 to 2 projects were selected in 2023-24 and 2024-25 and all were chosen for project teams' presentations. However, the justifications for using only this approach and the project-selection basis, including the reasons why site visits were not considered appropriate and why projects with higher grant amounts were not selected, were not documented. While project teams' presentations were considered by HHB as cost- and time-effective (see para. 3.8(c)), this approach did not cover sample testing, which was one of the procedures for site visits set out in SOP (see para. 3.8(b)) to sample check original invoices/certified true copies kept at project venues. This additional control complemented the reliance on certified financial statements and audited accounts for projects with approved amounts exceeding \$100,000 (see para. 3.11). Besides, the selection basis was not clearly specified (e.g. the weighting of different selection criteria, the absolute amount or percentage of approved grants for equipment purchased that would constitute "expensive equipment", factors considered when determining high impact projects) in SOP.

3.10 *Need to properly document discussions and follow-up actions arising from project teams' presentations.* Of the 18 projects (see para. 3.9(a)), no site visit reports were compiled by RFS as they were chosen for project teams' presentation. Upon enquiry, HHB informed Audit in January 2026 that, after the presentations, discussions were held among the project teams and attendees. Comments were provided to the project teams at the meetings and the project team might be required to respond to the comments afterwards. However, for 5 (28%) of the 18 projects, there was no documentation of the discussions (e.g. attendees' comments or grant holders' feedback) or of any follow-up actions. For the remaining 13 (72%) projects, the documentation of the discussions and the follow-up actions were not maintained using a standard format. In this connection, no guidelines were laid down on the requirements for maintaining proper records on project teams' presentations in SOP.

3.11 *Need to review procedures for checking documents in support of reimbursement claims.* According to SOP, as a control measure, for a project with an approved amount exceeding \$100,000, original invoices/certified true copies are not required to be submitted to RFS for supporting the reimbursement claims, but certified financial statements/audited accounts are required to be submitted together with the interim and final reports for payment processing (Note 31). Audit noted that,

Note 31: *According to SOP, for projects with approved amounts not exceeding \$100,000, original invoices/certified true copies shall be provided to RFS for payment processing.*

for the 2021 to 2024 application years, no original invoices/certified true copies were checked by RFS (as the approved amount of each project exceeded \$100,000) and no sample testing was performed (as all the 18 projects were selected for project teams' presentations).

3.12 *Need to endorse draft revised SOP as soon as practicable.* In response to Audit's enquiry, HHB provided Audit in February 2026 with a draft revised SOP, which incorporated procedures for inviting project teams' presentations and added high-impact projects with policy implications as one of the criteria for determining whether to conduct site visits and/or project teams' presentations. However, this draft revised SOP had not been endorsed as of February 2026.

Audit recommendations

3.13 **Audit has recommended that the Secretary for Health should:**

- (a) **strengthen measures to enhance compliance with the timeframes stipulated in the funding agreements for submitting project deliverables (e.g. by adjusting upward, as appropriate, the percentages of approved grants to be withheld);**
- (b) **specify timeframes for processing grant holders' change requests in the guidelines and take measures to ensure compliance;**
- (c) **take measures to ensure that grant holders' change requests are approved by the designated approving authorities, including aligning the approving authorities stipulated in the guidelines for grant holders with those specified in SOP; and**
- (d) **regarding site visits/project teams' presentations:**
 - (i) **maintain proper records documenting the basis for selecting projects for site visits and/or project teams' presentations;**
 - (ii) **specify more clearly the basis for selecting projects for site visits and/or project teams' presentations (e.g. the weighting of different selection criteria, an absolute amount or a percentage**

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of approved grants for equipment purchased that would constitute a purchase of expensive equipment, factors considered when determining high impact projects) in SOP;

- (iii) maintain proper records documenting the discussions and follow-up actions arising from project teams' presentations and lay down the requirements for maintaining such records in SOP;**
- (iv) review the procedures for checking original invoices and the submission of certified financial statements/audited accounts in support of reimbursement claims, and take follow-up actions as appropriate; and**
- (v) endorse the draft of the revised SOP as soon as practicable.**

Response from the Government

3.14 The Secretary for Health agrees with the audit recommendations. He has said that HHB will take the following actions:

- (a) in addition to issuing reminders and warning emails to applicants and administering institutions, RFS will consider further measures to enhance compliance with the timeframes stipulated in the funding agreements for submitting project deliverables;
- (b) RFS will conduct an overall review in processing grant holders' change requests and specify the timeframes in the guidelines to ensure compliance;
- (c) the new eGMS II will enhance the current workflow in approving grant holders' change requests so as to make sure that their change requests are approved by the designated approving authorities; and
- (d) RFS will have an overall review on site visits/project team's presentation arrangements, including the selection criteria, documentation requirement, procedures for checking original invoices, etc. The proposed mechanism will be submitted to RC for endorsement as soon as practicable.

Disbursement of fund

Need to improve timeliness in processing reimbursement claims

- 3.15 According to the funding agreement and application guidelines:
- (a) for investigator-initiated projects and the Research Fellowship Scheme, the administering institutions may make claims for reimbursement covering the period between the commencement dates and end dates of the projects. The administering institution is required to submit a duly completed claim form signed by the grant holder and the administering institution together with the supporting documents (e.g. certified financial statements) to request payment by the Government. Payments will be made within 6 weeks after confirming satisfactory progress of the projects and after HHB has verified and accepted each claim submitted; and
 - (b) for commissioned research programmes, payments are made by instalments according to the pre-defined payment schedules.

3.16 Audit examination of the reimbursement claims submitted by the administering institutions in the period from 2023-24 to 2025-26 (up to September 2025) and accepted by HHB found that of the total 460 claims, the time taken for RFS to process the claims ranged from 3 to 588 days (averaging 89 days). In particular, for 8 (2%) claims, the processing time exceeded 1 year.

3.17 Upon enquiry, HHB informed Audit in January and February 2026 that the processing time of these 8 cases (which were all investigator-initiated projects) exceeded 1 year because the reimbursement claims would be processed:

- (a) when the accumulative claim amount reached \$5,000 or above. For 1 of the 8 cases, the claim amount was less than \$5,000 and was grouped together with another claim under the same project for processing; and
- (b) after confirming the satisfactory progress of the projects. The satisfactory progress of a project was determined based on the review results of its interim report or final report. The review process involved screening by RFS, peer reviews by reviewing parties (see Note 9 to para. 1.10(a)) and

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revision(s) by grant holders to address reviewing parties' comments. For 7 of the 8 cases, revisions to the interim/final reports were required to address the reviewing parties' comments and the reason the processing time exceeded 1 year was the time taken for the revised reports to be accepted.

3.18 Audit noted that the grant holders had been informed of the practice of processing reimbursement claims once the accumulative claim amount reached \$5,000 or above (see para. 3.17(a)). However, there was room for improvement in expediting some of the other 7 reimbursement claims (with time elapsed between the dates of first submission of the interim/final reports and the dates of report acceptance ranged from 392 to 569 days (averaging 476 days)), for example:

- (a) for 2 claims made by a grant holder, a total of 3 revisions were made to an interim report to address the reviewing parties' comments. However, the time taken for RFS to inform the grant holder that further revisions were required, after receiving the reviewing parties' comments, varied significantly (ranging from 9 to 87 days, averaging 50 days);
- (b) for 2 claims, delays were due to the time required to clear a backlog (including the final reports concerned) arising from the deployment of manpower to the Health Research Symposium 2024 and a staffing gap of about 6 months during the replacement of a staff member; and
- (c) for 1 claim, the delay resulted from an internal communication issue caused by a change in design of eGMS. The HHB staff misinterpreted that the claim could not be processed even though the final report had already been accepted.

Audit recommendation

3.19 **Audit has *recommended* that the Secretary for Health should monitor the processing time for reimbursement claims, in particular cases with longer processing time with a view to formulating measures to expedite the process as far as practicable.**

Response from the Government

3.20 The Secretary for Health agrees with the audit recommendation. He has said that RFS will critically review the process of reimbursement claims, in particular cases with longer processing time, and expedite the processing time as far as practicable.

PART 4: GOVERNANCE AND ADMINISTRATIVE ISSUES

4.1 This PART examines the governance and administrative issues relating to HMRF, focusing on the following areas:

- (a) governance of HMRF (paras. 4.2 to 4.8);
- (b) application of technology (paras. 4.9 to 4.13);
- (c) performance measurement and evaluation (paras. 4.14 to 4.29); and
- (d) way forward (paras. 4.30 to 4.35).

Governance of the Health and Medical Research Fund

4.2 RC is the governing body of HMRF. As at 30 September 2025, the salient features of RC (see para. 1.5), GRB, AP, RFAP and RP (hereinafter collectively referred to as committees) are as follows:

- (a) **GRB.** GRB is composed of 19 Chairpersons (Note 32), 161 non-official members and 6 ex-officio members. GRB Chairpersons are appointed by the Secretary for Health for a term normally of 2 years, and may serve for up to 10 years in total. Other GRB members are appointed by RC with no maximum length of service set;
- (b) **AP.** AP members are appointed by RC to a particular commissioned programme/study with no fixed number of members required for each

Note 32: *According to HHB, Chairpersons of GRB are also members of the Grant Review Board Executive, who are appointed to assist GRB on ad hoc basis, in considering/suggesting amendments to SOP, dealing with matters arising from funded grants, monitoring the quality of the peer review (including assignment of assessors), and advising RFS on the monitoring of project progress, etc.*

appointment (Note 33). The period of appointment normally coincide with the duration of the commissioned programme/study;

- (c) **RFAP.** RFAP is composed of a Chairperson, 3 non-official members and 6 ex-officio members. Each of them is appointed by the Secretary for Health to serve a term normally of 2 years, and non-official members may serve for up to 10 years in total; and
- (d) **RP.** RP is composed of about 5,000 members, identified through a variety of sources (e.g. recommendations from RC and GRB members). RFS assigns RP members to review the applications by matching the research areas of the grant applications and areas of expertise of the members. There is no fixed period of appointment (i.e. no appointment end date) and no maximum length of service set.

Chairpersons and members of RC, GRB, AP, RFAP comprise local experts, including members from academia and representatives from public institutions and bodies. Members of RP are non-local experts.

Room for improvement in handling declarations of conflicts of interests

4.3 According to SOP:

- (a) RC, GRB, AP and RFAP adopt a two-tier system for reporting conflicts of interests. The two-tier system comprises:
 - (i) ***First-tier reporting.*** Members shall register in writing their personal interests (direct or indirect, and pecuniary or otherwise) upon appointment and on an annual basis. Examples of registerable interests include remunerated employments, company directorships and shareholdings; and
 - (ii) ***Second-tier reporting.*** Members shall report their actual or potential conflicts of interests to RFS before reviewing the applications and discussing the matters under consideration by the

Note 33: *As at 30 September 2025, there were 8 APs, each comprising 4 to 13 members.*

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committees. Examples of registerable interests include being a research collaborator (i.e. co-grant applicant/holder) and a work colleague in the same department as the applicant within three years of the application review date, and having close personal contact with an applicant.

When a known direct pecuniary interest exists, RFS shall withhold circulation of relevant papers to the member concerned. If a member's declaration involves potential conflict of interest, the Chairperson shall decide whether the member concerned may speak and deliberate on the subject matter, remain in the meeting as an observer or leave the meeting room; and

- (b) RP adopts a one-tier system for reporting conflicts of interest, which means only the second-tier reporting (see (a)(ii) above) is applicable to RP.

Members shall register their interests in writing with RFS using the standard form appended to SOP. The standard form (which was circulated to members) states that a nil return will be assumed after the specified deadline.

4.4 Audit noted the following issues:

- (a) *Need to timely inform committee members of requirement to declare conflicts of interests at first-tier reporting stage.* Audit examination of the declaration forms for conflicts of interests submitted by the committee members in the 2023/24 and 2024/25 term years (Note 34) revealed that some committee members did not submit the declaration forms at the first-tier reporting stage. Further examination revealed that one of the reasons was that the non-government ex-officio members had not been informed of the requirement to declare conflicts of interests upon appointment or reappointment, or on an annual basis as they had not been

Note 34: *The appointment periods vary among the committees, and AP and RP do not have fixed periods of appointments. For simplicity, a term year is defined as the 12-month period starting from the month of members' appointments for RC, GRB and RFAP (i.e. from October of one year to September of the following year for RC and GRB, and from November of one year to October of the following year for RFAP) and the 12-month from October of one year to September of the following year for AP and RP.*

included in the circulation list (see para. 4.3). These committee members comprised:

- (i) **RC.** Of the 22 RC members, 2 (9%) and 1 (5%) were not informed of the declaration requirement upon their appointments in October 2023 and on an annual basis (i.e. in October 2024) respectively; and
 - (ii) **RFAP.** Of the 10 RFAP members, 2 (20%) and 1 (10%) were not informed of the declaration requirement upon their appointments in November 2023 and on an annual basis (i.e. in November 2024) respectively; and
- (b) ***Need to ensure proper submission of declarations of conflicts of interests by committee members.*** Audit examination of the relevant records for the 2024/25 term year noted that 12 (6%) of 186 GRB members did not submit their declarations (involving 20 declarations) upon appointment/reappointment and on an annual basis (i.e. a nil return was therefore assumed and no conflict of interest was identified at the first-tier reporting stage). However, the members concerned reported work-colleague relationships with applicants during meetings (i.e. conflicts of interests reported at the second-tier reporting stage), which reflected underlying remunerated employments that should have been declared at the first-tier reporting stage.

4.5 In Audit's view, HHB needs to take measures to ensure that its staff timely informs committee members of the requirement to declare conflicts of interests at the first-tier reporting stage. HHB needs to take measures to ensure that members submit their declarations of conflicts of interests properly and in accordance with SOP.

Need to take measures to encourage member with lower attendance to attend committee meetings

4.6 Audit examined members' attendance at committee meetings for the 2022/23 to 2024/25 term years and noted that the members' overall attendance rates were over 85% (see Table 14). Audit further examination of the relevant records found that the attendance rates of a non-official member of RC were 50% in each

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2-year service term (i.e. attending 3 out of 6 meetings over six years of services since his appointment in October 2019).

Table 14

**Members' overall attendance rates at committee meetings
(2022/23 to 2024/25 term years)**

	No. of members (Note 1)	Term year					
		2022/23		2023/24		2024/25	
		No. of meetings	Attendance rate	No. of meetings	Attendance rate	No. of meetings	Attendance rate
RC	22	1	86%	1	95%	1	91%
GRB	186	28 (Note 2)	97%	29 (Note 2)	100%	39 (Note 2)	100%
AP	42	—	—	1	100%	—	—
RFAP	10	1	100%	1	100%	1	100%

Source: Audit analysis of HHB records

Note 1: The number of members varied at different points in time. The figures represented the position as at 30 September 2025.

Note 2: According to HHB, GRB meetings were held to conduct the second-tier peer review to assess applications for investigator-initiated projects. In each GRB meeting, only a Chairperson and members who were assigned as assessors for applications included in that GRB meeting were required to attend. As such, the number of GRB members in each GRB meeting varied. For example, the number of GRB members attending each meeting in the 2024/25 term year ranged from 3 to 7. No meetings were held for the Grant Review Board Executive (see Note 32 to para. 4.2(a)) in the term years examined.

Remarks: According to HHB, no formal meetings were held for RP as RP members were assigned individually as assessors to review applications for investigator-initiated projects and commissioned research programmes.

Audit recommendations

- 4.7 **Audit has *recommended* that the Secretary for Health should:**
- (a) **take measures to ensure that HHB staff timely informs committee members of the requirement to declare conflicts of interests at the first-tier reporting stage;**
 - (b) **take measures to ensure that members submit their declarations of conflicts of interests properly and in accordance with SOP; and**
 - (c) **take measures to encourage the attendance of those members whose attendance at committee meetings has been on the low side.**

Response from the Government

4.8 The Secretary for Health agrees with the audit recommendations. He has said that RFS has taken measures to ensure that all committee members are advised to declare conflicts of interests promptly at the first-tier reporting stage, and submit their declarations of conflicts of interests properly, and will consider steps to encourage the attendance of those members whose attendance at committee meetings has been on the low side.

Application of technology

Need to closely monitor implementation progress of eGMS II

4.9 In 2013, eGMS was implemented to serve as a one-stop, web-based platform to support the operation of HMRF. The platform is administered by RFS and includes functions such as:

- (a) submission and assessment of applications and project deliverables of funded projects;
- (b) submission, review and process change requests and reimbursement claims of funded projects;

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- (c) submission of declarations of conflicts of interests by committee members; and
- (d) dissemination of reports and conduct of outcome evaluation for completed projects.

As at 31 January 2026, there were about 28,000 eGMS user accounts for local/non-local users.

4.10 To further enhance the efficiency of eGMS in meeting the operational needs, HHB secured funding in August 2024 for the development of eGMS II with a project cost of \$17.3 million. The project commenced in December 2024 and is tentatively scheduled for launch in late 2026.

4.11 As of December 2025, eGMS had been in operation for over 10 years. There were some limitations of eGMS, as follows:

- (a) according to HHB, the software applications in eGMS were outdated, and the associated maintenance costs were high. Limitations in configurability and data format hindered operational efficiency. The development of eGMS II had included an agenda item to address the issue relating to research proposals exceeding the prescribed word limits, which was one of the reasons for early rejection of applications. Besides, eGMS II supports the electronic signing of funding agreements, which is expected to be introduced in 2027; and
- (b) Audit examination revealed that while members of GRB, AP, RFAP and RP could use eGMS to submit conflict-of-interest declaration forms for second-tier reporting, they could not do so for first-tier reporting, and RC members could not use the system for either tier.

Audit recommendation

4.12 **Audit has recommended that the Secretary for Health should closely monitor the implementation progress of eGMS II to ensure its timely launch, and**

take into account the audit observations in paragraph 4.11 when developing the new system.

Response from the Government

4.13 The Secretary for Health agrees with the audit recommendation. He has said that RFS is closely monitoring the implementation progress of eGMS II to ensure its timely launch. The design of eGMS II will take into account the audit observations in paragraph 4.11 as appropriate.

Performance measurement and evaluation

Room for improvement in setting and reporting performance measures

4.14 According to HHB, in 2015, RC endorsed the establishment of performance measures (comprising targets and indicators) for various stages of the projects, comprising processing (i.e. applications processed within 6 months from the application closing dates), monitoring, evaluation and dissemination of results, to measure the performance of HMRF. The achievement of performance measures has been reported to RC annually since 2016.

4.15 ***Need to strengthen measures to enhance achievement of performance measures for investigator-initiated projects.*** Audit examined the achievement of performance measures for investigator-initiated projects in the period from 2020-21 to 2024-25 and found that some performance measures had not been met for 4 to 5 consecutive years (see Table 15). For example, the performance measures set for the submission of interim reports and final reports (i.e. items 1 and 2 in Table 15) had not been met for 4 consecutive years (from 2021-22 to 2024-25) and 5 consecutive years (from 2020-21 to 2024-25) respectively. In this connection, Audit noted that HHB had introduced a new measure to withdraw approval for new grants when applicants had overdue project deliverables (effective from the 2024 application year) (see Note 26 to para. 3.3). Given the persistent under-performance of some performance measures and a drop in the achievement of the performance measure for submission of final reports with an approval amount exceeding \$100,000 from 69% in 2023-24 to 59% in 2024-25, there is merit for HHB to strengthen measures to enhance the achievement of performance measures for investigator-initiated projects.

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Table 15

**Examples of performance measures for investigator-initiated projects
and their achievement
(2020-21 to 2024-25)**

Target	Indicator	Achievement				
		2020-21	2021-22	2022-23	2023-24	2024-25
<i>Project monitoring</i>						
1. Submitting interim report within 2 months after the first anniversary of the commencement date	80%	88%	44% (Note 1)	36% (Note 1)	65%	77%
2. Submitting final report: (a) within 3 months from project completion date for approval amount of \$100,000 or less	80%	55%	29% (Note 1)	47% (Note 1)	63%	79%
(b) within 6 months from project completion date for approval amount exceeding \$100,000	80%	71%	41% (Note 1)	33% (Note 1)	69%	59%
3. Settling claims within 6 weeks after satisfactory verification and acceptance by the Government	100%	79%	63%	72%	90%	100%
<i>Project evaluation</i>						
4. Completing post-completion survey for project completed for 24 months	80%	70%	87%	95%	96%	100%
<i>Dissemination of results</i>						
5. Publishing Hong Kong Medical Journal Supplement quarterly	4 issues	4 issues	2 issues	4 issues	4 issues	4 issues
6. Uploading final report onto RFS website within 1 month from project closing date	100%	95%	96%	85%	95%	98%
7. Uploading dissemination report onto RFS website within 1 month from project closing date (Note 2)	100%	100%	100%	85%	93%	98%

Source: HHB records

Table 15 (Cont'd)

Note 1: According to HHB, the achievement of less than 50% was mainly due to the impact of the COVID-19 epidemic (e.g. closure of campuses and research/laboratory facilities, difficulties in hiring research staff and work-from-home arrangements in the administering institutions).

Note 2: In 2020-21 and 2021-22, the performance targets were to upload dissemination report onto RFS website within 1 week after obtaining consent from grant holder.

Remarks: Only achievement of performance measures which did not meet the indicators were included in this Table.

4.16 *Need to review adequacy of performance measures set for commissioned research programmes and Research Fellowship Scheme.* Audit noted that, apart from performance targets for project monitoring (e.g. submitting final reports within 3 or 6 months from project completion dates) set out in funding agreements, there was no documentation indicating that RC had endorsed the establishment of performance measures for commissioned research programmes and the Research Fellowship Scheme, or that their achievement had been reported to RC. Upon enquiry, HHB informed Audit in December 2025 that:

- (a) for the Research Fellowship Scheme, the performance targets for project processing, monitoring and evaluation were the same as those set for investigator-initiated projects (e.g. completing post-completion surveys for projects completed for 24 months); and
- (b) there was a much smaller number of approved projects under commissioned research programmes and the Research Fellowship Scheme, the subject officers would bring up the abnormal cases to seniors for attention or advice.

4.17 In this connection, Audit noted that:

- (a) while performance targets for some stages of the projects under commissioned research programmes and the Research Fellowship Scheme had been set (see para. 4.16(a) and (b)), performance indicators had not been set. In the absence of performance indicators, cases requiring attention might not be readily identified for follow-up; and

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- (b) no cases relating to performance measures of commissioned research programmes and the Research Fellowship Scheme had been brought to RC, AP and RFAP for attention or advice in the period from 2020-21 to 2025-26 (up to September 2025).

4.18 In Audit's view, given the longer average delays and longer average outstanding periods for the submission of project deliverables for commissioned research programmes and the Research Fellowship Scheme than for investigator-initiated projects (see Tables 11 and 12 in para. 3.4), there is merit for HHB to review the adequacy of performance measures set for commissioned research programmes and the Research Fellowship Scheme, including setting performance indicators and adding performance measures for project stages with none set, and reviewing the reporting requirement for their achievement.

4.19 *Need to ensure that review of performance measures on research outcome/impact is completed on schedule.* According to HHB's report on HMRF's research translation strategy issued in September 2025 (see para. 4.30(b)), to strengthen impact monitoring and evaluation mechanism, it was recommended that more quantitative indicators in outcome evaluation should be adopted. The goal was for the outcome and impact to be more quantifiable, so as to facilitate continuous monitoring and trend analysis. Some examples might include impact factor of publications, number of media reports, number of citations in clinical guidelines/policy documents and number of members participating in government advisory committees or bodies. According to HHB, it planned to conduct a review on the current set of indicators to ensure that both qualitative and quantitative indicators are to be employed for a more balanced and comprehensive assessment of the research outcome/impact, and expected the review to be completed by 2027.

Room for improvement in conducting evaluation of HMRF

4.20 *Need to keep under review results of outcome evaluation surveys.* According to SOP, all HMRF-funded projects that have reached at least 24 and 48 months after the project end date are eligible for outcome evaluation (i.e. 2-year and 4-year outcome evaluation respectively). The grant holder of an eligible project is required to complete the outcome evaluation survey within 4 weeks of receiving HHB's email. The responses provided form the basis for the relevant parties to assess the outcomes or achievement of individual projects, and are used for selecting

impactful projects for presentation and receiving awards at the Health Research Symposium and for further disseminating the findings, etc.

4.21 According to HHB, the outcome evaluation survey is designed with reference to internationally recognised framework tailored for the special nature of research impact. Guided by the framework, information is collected from the grant holders across 5 domains as follows:

- (a) ***Publications, patents and other intellectual property.*** It refers to knowledge generation resulted directly from the research project, e.g. publications, patents and other intellectual property;
- (b) ***Capacity building.*** It refers to capacity building of the project team, e.g. gain of additional qualifications;
- (c) ***Policy making.*** It refers to the use of research findings in policy or decision making;
- (d) ***Changes in practice.*** It refers to the application of research findings in changing behaviour or practice of research end-users; and
- (e) ***Knowledge transfer and long-term impact.*** It refers to knowledge transfer and long-term impact of the research, e.g. dissemination of research findings by means other than publication in peer-reviewed journals.

The results of the 4-year outcome evaluation surveys (Note 35) are analysed and reported to RC annually.

4.22 Audit examination of the results of the 4-year outcome evaluation surveys for the period from 2023 to 2025 (see Table 16) revealed that of the total 432 surveys collected:

Note 35: *According to HHB, as the 4-year outcome evaluation surveys provide more information on the impact of HMRF-funded projects, only their results have been reported to RC since 2024.*

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- (a) the results varied significantly across the 5 domains, ranging from 6% (changes in practice) to 86% (knowledge transfer and long-term impact); and
- (b) of the 5 domains, the results for 2 domains (policy making and changes in practice) and an aspect under 1 domain (contribution to other research under capacity-building domain) were below 30% (i.e. fewer than 30% of the respondents indicated that the research findings were used in policy/decision making, were applied in changing end-users' behaviour/practice, or contributed to other research) for 3 consecutive years (i.e. from 2023 to 2025). In particular, the results for the policy-making domain decreased from 9% in 2023 to 7% in 2025, those for the domain of changes in practice decreased from 13% in 2023 to 6% in 2025, and those for the aspect under the capacity-building domain decreased from 23% in 2023 to 19% in 2025.

Table 16

**Results of the 4-year outcome evaluation
(2023 to 2025)**

Domain/aspect	2023	2024	2025
1. Publications, patents and other intellectual property	79%	78%	69%
2. Capacity building			
(a) gain of additional qualifications	47%	59%	53%
(b) career advancement	49%	52%	52%
(c) generating subsequent research by project team's member	41%	42%	40%
(d) contributing to further research conducted by others	23%	26%	19%
(e) collaborating/entering into partnership with other personnel/department/institution	50%	57%	44%
3. Policy making	9%	15%	7%
4. Changes in practice	13%	11%	6%
5. Knowledge transfer and long-term impact	83%	80%	86%

Source: HHB records

Remarks: According to HHB, grant holders are asked to indicate whether they agree with the statements (e.g. "Yes" or "No") in the outcome evaluation surveys. The figures represented the percentage of respondents who indicated that they agree with the statements in the surveys.

4.23 Audit considers that HHB needs to keep the results of outcome evaluation surveys under review, particularly for domains/aspects with consistently low and declining percentages, and formulate strategies to address the issues.

4.24 *Need to strengthen efforts to improve response rates of dissemination surveys and keep under review their results.* According to HHB, with a view to facilitating the promulgation of research findings of HMRF-funded projects (especially those with implications for clinical practices, health services or policy), it conducts dissemination activities that include, among others, the circulation of selected final reports of completed projects to end-users (Note 36). According to SOP, RFS is required to collect feedback on the impact of research on health policy and practice from the end-users (e.g. whether research findings are discussed at internal meetings and can influence guidelines/policies) via a dissemination survey within 6 months after the dissemination of the final reports, and report to the senior management.

4.25 Audit examined the results of the dissemination surveys conducted in February 2025 (i.e. the latest survey available as of January 2026) and found that:

- (a) *Large variation in survey results.* The results (Note 37) varied significantly across the 3 questions in the surveys, which were 36% (discussing the final reports/research findings at relevant meetings/committees within the organisation/department), 18% (adopting relevant research findings or having them influencing clinical guidelines/recommendations/health policies/other activities under the purview of the organisation/department) and 82% (circulating the final reports to a wider audience); and
- (b) *Low response rate.* Only 11 (37%) of 30 surveys (involving 11 projects and 7 end-users) were collected. In particular:

Note 36: *According to HHB, end-users may include non-governmental organisations, relevant committees, branches, teams and units of government bureaux/departments and public institutions.*

Note 37: *According to HHB, end-users are asked to indicate whether they agree with the statements (i.e. “Yes” or “No”) in the dissemination surveys. After collecting the surveys from the end-users, RFS compiles a summary to show the percentage of respondents who agree with each statement.*

Governance and administrative issues

- (i) for 5 (45%) of the 11 projects, no end-users concerned had completed the dissemination surveys; and
- (ii) for 5 (71%) of the 7 end-users, the response rates of the dissemination surveys were on the low side (i.e. below 50%), ranging from 0% to 33%.

4.26 Upon enquiry, HHB informed Audit in January 2026 that while grant holders were under contractual obligations to furnish RFS with the required information, the same did not apply to end-users. In this connection, RFS had been working with the key end-user groups to improve the process.

4.27 While noting HHB's explanation, Audit further examination revealed that, of the 5 end-users (involving 20 surveys sent) with response rates below 50%, 2 were under HHB (three surveys sent, each with a 0% response rate), 1 was under a government department (two surveys sent, with a 0% response rate), and 2 were under a statutory body (15 surveys sent, each with a 33% response rate). In Audit's view, HHB needs to keep the results of dissemination surveys under review, particularly for aspects with low percentages, and formulate strategies to address the issues. To enhance HHB's capacity to assess the impact of HMRF-funded projects, HHB also needs to strengthen efforts to improve the response rates of dissemination surveys.

Audit recommendations

4.28 **Audit has recommended that the Secretary for Health should:**

- (a) **strengthen measures to enhance achievement of performance measures for investigator-initiated projects;**
- (b) **review the adequacy of performance measures set for commissioned research programmes and the Research Fellowship Scheme, including setting performance indicators and adding performance measures for project stages with none set, and reviewing the reporting requirement for their achievement;**

- (c) **take measures to ensure that the review of performance measures on research outcome/impact is completed on schedule and that additional outcome-based performance measures are introduced in a timely manner;**
- (d) **keep the results of outcome evaluation surveys and dissemination surveys under review, particularly for domains/aspects with low, consistently low and declining percentages, and formulate strategies to address the issues; and**
- (e) **strengthen efforts to improve the response rates of dissemination surveys.**

Response from the Government

4.29 The Secretary for Health agrees with the audit recommendations. He has said that HHB will take the following actions:

- (a) to further enhance the efficiency of HMRF, RFS will review the performance measures of all types of projects;
- (b) RFS will review the indicators adopted in the annual outcome evaluation exercise according to the implementation framework set out in the HMRF's research translation strategy;
- (c) RFS will continue to monitor the results of outcome evaluation surveys and dissemination surveys to facilitate the formulation of strategies. Trend analysis of all domains under the outcome evaluation will be performed once sufficient data is collected; and
- (d) RFS recognises the need to improve the effectiveness of the dissemination survey, including its response rates, and is working with the relevant parties, i.e. the key research end-users in the public healthcare sector, to explore ways to re-design the mechanism, in the context of the consultation and follow-up on the research translation strategy.

Way forward

- 4.30 According to HHB:
- (a) with HMRF’s clear and distinct mission of enabling evidence-based health practices and policies from local research, HMRF has long been emphasising on the translation value of the research it funds, and they have been yielding fruitful results in translating research into practice (e.g. in 2024, HMRF-funded projects have filed 162 patent applications in different places); and
 - (b) with an aim to further enhance the translational impact of HMRF research, in 2024, HHB had proposed a research translation strategy (Note 38). Between December 2024 and April 2025, HHB had conducted a consultation exercise to seek stakeholders’ views on the proposed strategy. In September 2025, HHB issued the report on the strategy, which covered 4 priorities, 8 initiatives and 18 actions (Note 39).
- 4.31 According to the research translation strategy report, it was essential for the Government and all stakeholders to be clear of the impact HMRF-funded projects had generated, since it was the extent of the research impact that could justify the use of public resources to sustain HMRF. In this connection, Audit noted that:

Note 38: *According to HHB, having made reference to the definitions adopted by the World Health Organization and some overseas funding agencies, research translation in the strategy aims to improve individual and population health and generally covers: (a) the processes of synthesis, dissemination, exchange and application of research findings to inform further research, clinical practices, healthcare services, health policies; (b) the change in health behaviours; and (c) strengthening of healthcare systems.*

Note 39: *According to the research translation strategy report, guided by 4 priorities (namely shaping research translation culture, building quality partnership, promoting end-of-grant translation, and monitoring and evaluating research impact), the strategy will be implemented under 8 initiatives comprising 18 actions. 2 initiatives fall under each priority and each initiative contains 1 to 3 actions. For example, the actions “connect researchers with wider end-user groups” and “build capacity of researchers, potential end-users and reviewers” fall under the initiative “empower researchers and end-users in research co-design”, which is part of the priority “build quality partnership”.*

- (a) according to the results of the 4-year outcome evaluation surveys for 2025, 7%, 6% and 19% of the respondents indicated that the research findings were used in policy/decision making, were applied in changing end-users' behaviour/practice, and contributed to other research respectively (see paras. 4.21 and 4.22);
- (b) according to the results of the dissemination surveys, 36% and 18% of the respondents indicated that the research findings had been discussed at their meetings/committees, and had been adopted/had influenced the clinical guidelines/health policies under their purview respectively (see para. 4.25(a));
- (c) as of February 2026, while performance measures were set for measuring HMRF's performance at various stages of the projects, few of them were directly related to research outcome/impact (see paras. 4.14 and 4.19). This was not conducive to assessing the extent of the research outcome/impact of HMRF-funded projects; and
- (d) translation value and impact of HMRF-funded projects had been the prime concerns in Legislative Council Members' discussions on HMRF.

4.32 Since the establishment of HMRF in 2011, injections were made in 2016 and 2021 to sustain its operation and enhance its funding scope, increasing the total approved commitment to \$4,223 million (see para. 1.2). Audit noted that:

- (a) as at 31 July 2025, the uncommitted funding balance (i.e. funding available for new projects) amounted to \$182 million, but the estimated annual commitment for new projects was around \$275 million; and
- (b) in the RC meeting of September 2025, members raised concerns about insufficient fund to support new projects, including those in the 2025 Open Calls for investigator-initiated projects and the Research Fellowship Scheme.

According to HHB, sufficient resources will be made available to meet the funding requirements to sustain the operation of HMRF.

Governance and administrative issues

4.33 The extent of the research impact, as mentioned in paragraph 4.31, was the key factor justifying the use of public resources to sustain HMRF. However, as mentioned in paragraph 4.31(a) to (c), the evaluation results for certain aspects were on the low side, and there was a need to develop more outcome-based indicators to measure the impact of HMRF-funded projects. Given that the existing fund balance will soon be insufficient to support new projects, and that HHB would have to make available sufficient resources to maintain the HMRF's operation, there is a need for HHB to take into account the impact of HMRF-funded projects, the funding priorities for HMRF, and the audit observations and recommendations in this Audit Report when formulating strategies to guide the way forward for HMRF.

Audit recommendation

4.34 **Audit has recommended that the Secretary for Health should take into account the impact of HMRF-funded projects, the funding priorities for HMRF, and the audit observations and recommendations in this Audit Report when formulating strategies to guide the way forward for HMRF.**

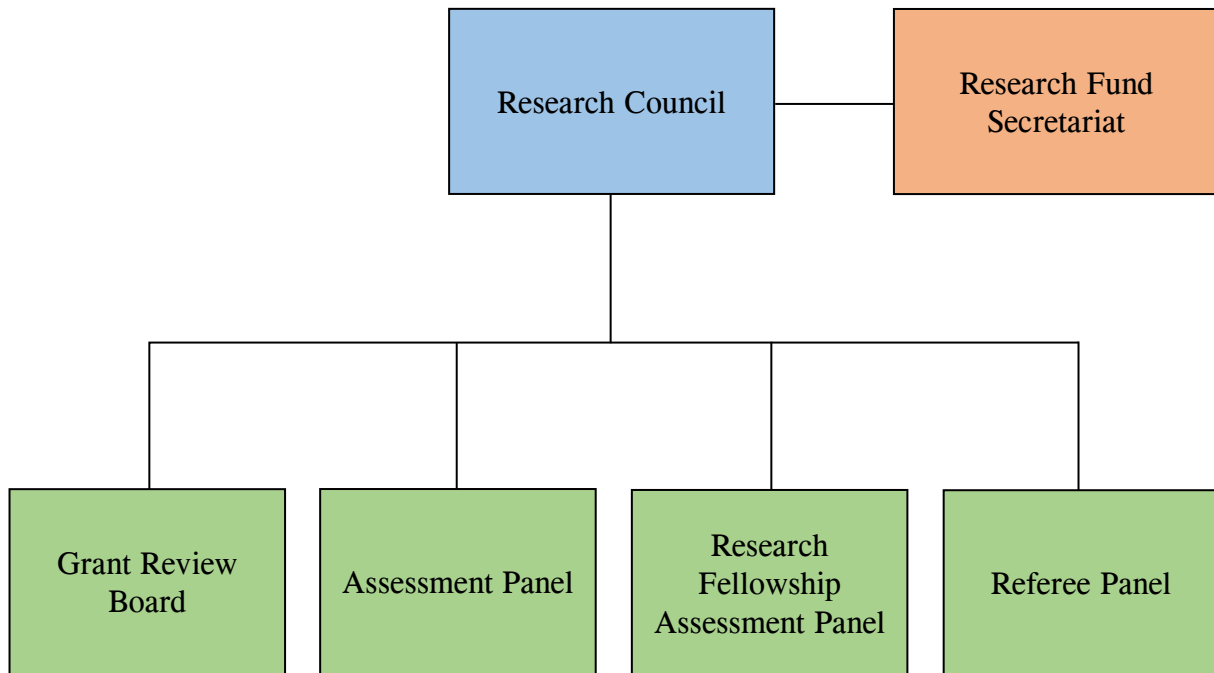
Response from the Government

4.35 The Secretary for Health agrees with the audit recommendation. He has said that:

- (a) HHB considers that being a government funding scheme that focuses exclusively on local health and medical research, HMRF has been playing a critical role in building the local research capacity which has brought about a strong foundation for Hong Kong to develop into an international health and medical innovation hub, as outlined in the Policy Address of the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China;
- (b) mindful of the mission of HMRF to enable local research to inform health policies, strengthen healthcare system, improve clinical practices, change health behaviours of people, and ultimately to better population health, HHB emphasises the importance of HMRF research being impactful, illustrated by the series of enhancements to the scheme over the years, including the HMRF's research translation strategy, endorsed by RC in September 2025; and

- (c) HHB will continue to review and enhance HMRF in light of the evolving healthcare priorities locally and the research landscape globally, to enable HMRF to better fulfil its mission, and to pay heed to the audit recommendations in improving its efficiency and effectiveness.

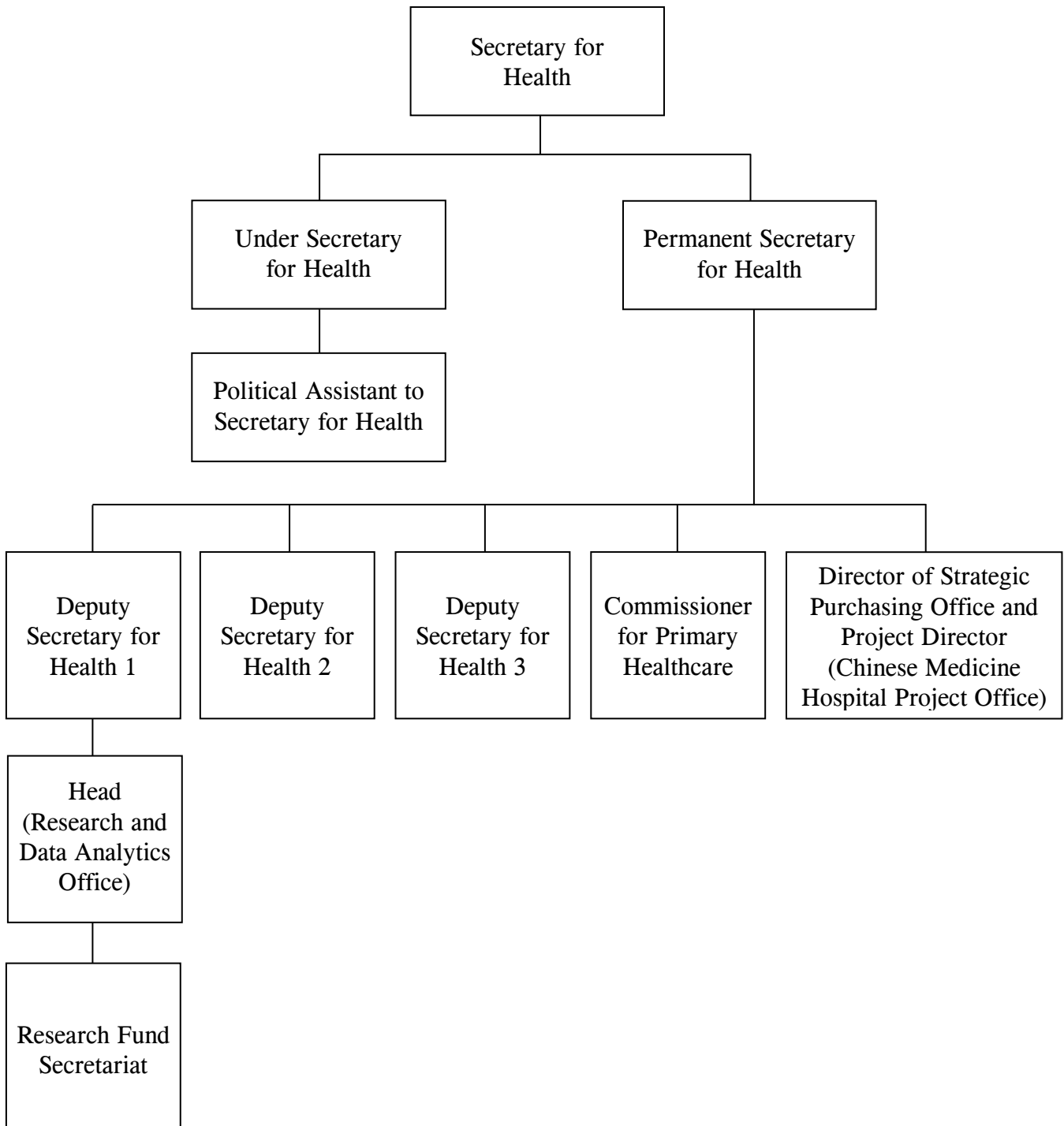
**Governance structure of the Health and Medical Research Fund
(30 September 2025)**



- Legend:
- Governing body
 - Technical arm
 - Executive arm

Source: *Health Bureau records*

**Health Bureau:
Organisation chart (extract)
(30 September 2025)**



Source: HHB records

Acronyms and abbreviations

AP	Assessment Panel
Audit	Audit Commission
eGMS	Electronic Grant Management System
GRB	Grant Review Board
HHB	Health Bureau
HMRF	Health and Medical Research Fund
RC	Research Council
RFAP	Research Fellowship Assessment Panel
RFS	Research Fund Secretariat
RP	Referee Panel
SOP	Standard Operating Procedures
UGC	University Grants Committee