

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.

