CHAPTER 5

Labour and Welfare Bureau
Health Bureau
Social Welfare Department
Department of Health
Hospital Authority

Pre-school rehabilitation services: Pre-service support and administrative issues

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PRE-SCHOOL REHABILITATION SERVICES: PRE-SERVICE SUPPORT AND ADMINISTRATIVE ISSUES

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PRE-SCHOOL REHABILITATION SERVICES: PRE-SERVICE SUPPORT AND ADMINISTRATIVE ISSUES

Executive Summary

1. The Social Welfare Department (SWD) is responsible for implementing the Government's policies on social welfare and for developing and coordinating social welfare services. It provides a network of rehabilitation services for persons with physical or intellectual disabilities, including subvented pre-school rehabilitation services (PRS). Recognising the importance of early intervention for children in need of rehabilitation services, SWD's expenditure on the provision of PRS and pre-service support increased from about $2.1 billion in 2021-22 to about $2.8 billion in 2025-26. PRS target children aged under six who have disabilities or are at risk of becoming disabled. To be eligible for PRS, children should have been assessed by qualified professionals recognised by SWD, including those from the Child Assessment Centres (CACs) of the Department of Health (DH) or the Hospital Authority (HA), or from the private sector. Depending on the severity of disability, eligible children are categorised into one of three tiers: (a) Tier 1 children (i.e. children awaiting professional assessments, or assessed to have borderline developmental problems or special needs); (b) Tier 2 children (i.e. children assessed to have mild disabilities); or (c) Tier 3 children (i.e. children assessed to have moderate to severe disabilities). In 2025-26, DH and HA incurred expenditure of about $173.6 million and about $18 million respectively for the provision of child assessment services.

2. SWD operates the Central Referral System for Rehabilitation Services (CRSRehab) for case registration and case matching for PRS. Under subvented PRS, four main service types are provided to children mainly through service units operated by non-governmental organisations (NGOs) depending on the severity of children's disability, including the On-site Pre-school Rehabilitation Services (OPRS), the Integrated Programme in Kindergarten-cum-Child Care Centre (IP), the Early Education and Training Centre (EETC) and the Special Child Care Centre (SCCC). SWD has signed Funding and Service Agreements (FSAs) with NGOs under the Lump Sum Grant (LSG) Subvention System, setting out the required performance standards of services to be provided. SWD also administers the Training Subsidy Programme

for Children on the Waiting List of Subvented Pre-school Rehabilitation Services (TSP) to enable children waiting for subvented PRS to acquire self-financing services. As at 31 March 2026, the programme had a service capacity of about 3,100 service places. The Audit Commission (Audit) has recently conducted a review to examine the provision of PRS. The findings are contained in this Audit Report and another one titled "Pre-school rehabilitation services: Service delivery" (Chapter 6 of the Director of Audit's Report No. 87).

Assessments and allocation of service placements

3. ***Need to continue to monitor default rates for child assessment services.*** DH and HA provide child assessment services to children suspected of having developmental problems through 8 CACs, comprising 7 CACs managed by DH and a CAC managed by HA. In 2025-26, approximately half of the referrals received by SWD for PRS were made by social workers from CACs. Upon receiving referrals, parents may contact CACs to register and arrange appointments for child assessment services, which include professional assessments (provided by paediatricians and/or allied health professionals) and/or follow-up services (e.g. referrals for PRS and/or further professional assessments). Audit noted that:

(a) for DH's CACs, from 2023 to 2025, in respect of children aged under 12, the default rates ranged from 11% to 13% for professional assessments and from 13% to 16% for further professional assessments;

(b) for HA's CAC, from 2023-24 to 2025-26, in respect of children aged under 6, the default rates ranged from 19% to 25% for further professional assessments conducted by paediatricians. According to HA, the figures for those delivered by allied health professionals were not available as they were integrated into the services provided to other inpatient and outpatient services in the hospital; and

(c) DH and HA did not maintain management information on the reasons for the defaulted appointments (paras. 2.2 to 2.5).

4. ***Scope to enhance monitoring of achievement of performance measures for CACs.*** DH and HA have set performance measures for child assessment services in their guidelines and DH's Controlling Officer's Report. Audit noted that:

(a) for DH, the target for completing professional assessments within 6 months was persistently under-achieved, with performance ranging from 61% to 73% from 2021 to 2025 (against the target of more than 90%). The target for arranging professional assessment appointments within 8 weeks for urgent cases was also persistently under-achieved, with performance at 92% in 2024 and 98% in 2025; and

(b) for HA, from 2021-22 to 2025-26, while the targets for arranging paediatricians' professional assessment appointments were achieved, information on the achievement of the targets for arranging appointments for professional assessments conducted by allied health professionals was not maintained (paras. 2.6, 2.7 and 2.9).

5. ***Scope for shortening waiting times for professional assessments of stable cases across CACs.*** For DH's CACs, as at 17 June 2026, the waiting times for professional assessments of stable cases varied across CACs among all professional disciplines. For example, for paediatrician, the range of waiting time across CACs was 8 to 16 months. For HA's CAC, as of October 2025, the 90th percentile waiting time for professional assessments of stable cases conducted by paediatricians was about 6 months (paras. 2.11 and 2.13).

6. ***Matters to take into account when planning for transfer of child assessment services from DH to HA.*** As announced in the 2024 Policy Address, the Health Bureau will conduct a comprehensive review on the positioning and objectives of the healthcare system. In this connection, DH will gradually transfer its specialist clinical services, including the child assessment services, to HA. According to the Government, the full transfer of DH's child assessment services to HA will take place by 31 May 2027. Audit noted the following issues:

(a) ***Need to closely monitor staffing levels and completion times for professional assessments at CACs.*** According to DH, the under-achievement of its target for completing professional assessments (see para. 4(a)) was attributable to the keen public service demand and a persistent shortage of healthcare manpower. HA had decided to engage paediatricians from all hospital clusters to contribute to such manpower after the service transfer. In light of this new arrangement, HA needs to closely monitor the staffing levels and the completion times for professional assessments at CACs after the service transfer;

(b) ***Scope for reviewing performance targets set for CACs***. For the purpose of case triage, DH arranges a nurse initial assessment and HA conducts an initial screening of the referral letter. Audit noted variations between DH and HA in the performance targets set for arranging professional assessment appointments (e.g. for urgent cases, within 8 weeks for DH's CACs and within 2 weeks for HA's CAC) and in the bases used for determining the achievement of the targets (e.g. DH calculated the timeframe from the date of triage, whereas HA calculated it from the date of booking); and

(c) ***Need to closely monitor progress of establishing new CACs.*** According to the Government and the service transfer plan agreed between DH and HA, one CAC will be established under DH and two other CACs will be established under HA, before a catchment area reassignment exercise takes place in 2028-29. DH's CAC was planned to be established by 2025 but had not yet been established as of August 2026 (paras. 2.4, 2.7 to 2.9, 2.20 and 2.21).

7. ***Room for improvement in monitoring compliance with stipulated timeframes for PRS placement allocation.*** SWD sets out timeframes for various stages of the application processing and the allocation of service placements in its guidelines. Audit selected 20 cases with PRS placements offered as at 31 March 2026 for examination and found that:

(a) SWD did not maintain information on NGOs' compliance with the stipulated timeframes for informing SWD of PRS placement vacancies and anticipated vacancies as well as service user discharges; and

(b) some stipulated timeframes for PRS placement allocation were not met. For example, in 18 of the 20 cases, the NGOs concerned failed to provide replies to SWD within the stipulated timeframe after case admission, with delays ranging from 27 to 104 working days (averaging 66 working days) (paras. 2.27 and 2.28).

8. ***Room for improvement in providing PRS waiting-time information.*** PRS waiting time is calculated from the date of application to the date of the PRS placement offer, based on the number of applicants who are offered with a placement in the financial year. The average waiting time is calculated by taking the average of the

individual waiting times of these applicants, excluding outlier cases (e.g. cases involving requests for changes of service type/centre from existing service users). Audit noted the following issues:

(a) ***Number of cases excluded not provided.*** In response to a question raised by a Member of the Legislative Council (LegCo) during the examination of the 2024-25, 2025-26 and 2026-27 estimates of expenditure for PRS, the number of children waitlisted for the services reported by SWD had excluded two types of children (i.e. children who were receiving PRS or transitional services), with explanatory notes provided. However, the number of children excluded was not provided for public information even though a comparatively large proportion of children were excluded (e.g. 139% to 148% of the numbers reported for SCCC as at 31 March of each year from 2022 to 2025). According to SWD, the reported PRS waiting-time information captured only the number of children on the waiting list who were not yet receiving any services, and therefore the two types of children were excluded. While noting SWD's explanations, Audit considers that providing the numbers of the two excluded types of children in SWD's replies to LegCo's questions could enhance the transparency of the waitlist situation and provide a clearer indication of the service demand;

(b) ***Accuracy of average waiting times could not be ascertained.*** For the average waiting times for different types of PRS for 2021-22 to 2024-25 reported in SWD's replies on PRS waiting-time information (see (a) above), the calculation records were not retained after the statistics had been compiled for reporting to LegCo. As such, the accuracy of the average waiting time figures could not be ascertained;

(c) ***Cases wrongly included in average waiting time calculation.*** Audit examination of 3 cases selected from the calculation records for 2025-26 found that the waiting times of 2 cases (e.g. an outlier case involving a change of service type from an existing service user) had been inaccurately included in the calculation; and

(d) ***Average waiting time calculation basis not provided.*** SWD's calculation of average waiting times included only applicants who were offered PRS placements, and excluded children who were still on the waiting list and outlier cases. However, this calculation basis was not provided for public information (paras. 2.29 to 2.35).

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9. ***Need to keep under review utilisation of service places.*** SWD administers TSP to enable children of low income families waiting for subvented PRS to acquire self-financing services run by Recognised Service Providers (RSPs). As of March 2026, 34 RSPs were operating 136 centres, providing 3,092 service places. Audit noted that the number of TSP beneficiaries decreased by 34% from 4,058 in 2021-22 to 2,662 in 2025-26. There was also an overall surplus in all years, with the overall average utilisation rate of service places decreased from 53% in 2021-22 to 38% in 2025-26 (paras. 1.8, 3.2, 3.3 and 3.5).

10. ***Significant variations in utilisation of service places across regions, districts and RSP centres.*** As of mid-June 2026, the utilisation rates of the service places of the three regions (i.e. Hong Kong Island, Kowloon and the New Territories) were 28%, 27% and 54% respectively. The district-level utilisation rates ranged from 15% (in Wong Tai Sin District) to 77% (in North District). In terms of RSP centres, 20 (15%) of the 136 centres recorded a utilisation rate of 100%, while 10 (7%) centres recorded a utilisation rate of 0% (para. 3.6).

11. ***Room for improvement in verifying eligibility of applicants.*** To be eligible for TSP, a child should be aged under six, on the waiting list in CRSRehab and not receiving any subvented PRS. A child waitlisted for a service place in OPRS, IP or EETCs is also subject to a means test on monthly household income. According to SWD's Operational Guidelines for TSP, SWD will select a specified proportion of applications for in-depth financial checking to ensure that applicants meet the means-test eligibility. Of the 12 applications examined by Audit for which SWD should have conducted the in-depth financial checking, Audit noted that such checking was not conducted for 6 (50%) of the selected applications for valid reasons. However, SWD guidelines did not specify requirements for handling situations where the selected applications were subsequently found not to require checking. In this regard, checking was only conducted on 6 (50%) of the chosen applications, falling short of the specified proportion (paras. 1.8, 1.9 and 3.18).

12. ***Need to ensure that service hours provided to beneficiaries by RSPs are sufficient and accurately reported.*** According to the service agreements signed by SWD with each RSP, RSPs and centres are required to regularly submit reports

(e.g. annual self-assessment reports) and quarterly reimbursement applications to SWD. Audit examined the self-assessment reports and the reimbursement records submitted by 137 RSP centres for the period from October 2024 to September 2025 and noted that:

(a) 3 (2%) RSP centres reported in their self-assessment reports that they had not provided sufficient hours of individual assessment/family support services (i.e. 6 hours per year) for some cases. The reimbursement records for the same period, however, showed that a total of 92 (67%) RSP centres recorded deductions of subsidy due to insufficient service hours. In this respect, the self-assessment reports submitted by the remaining 89 (65%) RSP centres did not accurately reflect the actual level of service provided; and

(b) there was no documentary evidence showing that SWD had taken follow-up actions (e.g. clarify with the RSP centres concerned about the discrepancies), and the RSP centres concerned were not requested to provide explanations or formulate follow-up plans for the shortfall in service hours (paras. 3.21 to 3.24).

13. ***Need to ensure timely submission of reports and reimbursement claims by RSPs.*** Audit noted instances of late submissions of reports and reimbursement claims submitted by RSPs. For example:

(a) there were delays in the submission of annual financial returns for 2024-25 for 6 (18%) of the 34 RSPs. The delays averaged 67 days and ranged from 10 to 174 days; and

(b) for the quarterly reimbursement applications for the period from April 2024 to March 2025, one RSP submitted its claims late for 3 out of the 4 quarters, with delays averaging 34 days (ranging from 21 to 51 days) (paras. 3.29 and 3.32).

Administrative issues

14. ***Need to review cost allocation across various services used for reporting expenditure on PRS to LegCo.*** In response to questions raised by some LegCo

Members during the examination of the estimates of expenditure, SWD reported to LegCo the expenditure figures for individual services under PRS (i.e. OPRS, IP, EETC and SCCC) for the period from 2022-23 to 2025-26. According to SWD, the total financial provision for PRS comprised two major components, namely, the SWD cost and the subvention to NGOs. Audit noted room for improvement in the reporting of both components, as follows:

(a) the SWD cost for IP mainly comprised personal emoluments of indirect supporting SWD staff of different grades, but did not include the direct SWD staff cost involved in providing the Central Psychological Support Service (CPSS) and the Central Para-medical Support Service (CPMS) for IP;

(b) for EETCs, the total subvention to NGOs included subvention for enhancing speech therapy services of both EETCs and the District-based Speech Therapy Teams under IP; and

(c) SWD did not maintain information on the proportion of the time spent by the relevant SWD staff of CPSS and CPMS across various programmes within SWD, nor on the apportionment of the speech therapy subvention between EETCs and IP (paras. 4.2 and 4.3).

15. ***Room for improvement in compliance with rules and fee-charging principles.*** According to the LSG Subvention Manual, apart from the recognised fees, NGOs may impose additional fees and charges, provided that they comply with the rules and fee-charging principles. Audit visited three service units for each type of PRS from July to September 2026 and noted room for improvement in compliance with the rules and fee-charging principles, including the following:

(a) ***Need to take measures to ensure that additional fees are not charged for generic services.*** A recognised fee of $148 per annum was charged for EETC services. While the purpose of charging additional fees and charges is to meet the individual or special needs of service users instead of providing generic services or basic facilities, an EETC visited charged a monthly fee, comprising the recognised fee plus an additional fee to support the delivery of EETC services. Also, the EETC charged activity fees for centre-based group trainings, and should be regarded as a generic EETC service, for which service users should not be charged additional fees;

(b) ***Need to ensure compliance with requirements on disclosure of fees and charges information.*** The LSG Subvention Manual stipulates requirements on the disclosure of fees and charges information (e.g. a clearly defined schedule of fees and charges, and the fee waiver policy). Audit noted that for two EETCs visited, the defined schedule of the fees and charges and/or the fee waiver policy were not provided at the EETCs or on the NGOs' websites;

(c) ***Non-compliances with fee-charging requirements stipulated in Child Care Services Regulations (Cap. 243A).*** All child care centres (including SCCCs) must be registered under the Child Care Services Ordinance (Cap. 243) and shall comply with the requirements such as those stipulated in the Ordinance and its subsidiary legislation. Audit visited three SCCCs and noted that, at one SCCC, a service user receiving full-day Occasional Child Care Service for Children with Disabilities was charged fees for two subsidised meals consumed during service hours according to the SCCC, resulting in the recognised full-day fee being exceeded. However, there was no documentation showing that the SCCC had sought SWD's approval for charging the meal fees, as required under the Child Care Services Regulations; and

(d) ***Need to monitor compliance with rules and fee-charging principles.*** Audit found that the checking of NGOs' compliance with the rules and fee-charging principles stipulated in the LSG Subvention Manual was not covered in SWD's quality assurance mechanism. Specifically, both the returns for reporting results of self-assessments by NGOs and the performance assessment visit checklist did not cover the rules and fee-charging principles relating to additional fees and charges (paras. 4.11 to 4.17).

16. ***Need to review the types of additional fees and charges requiring prior approval and fee level for EETC services.*** According to the LSG Subvention Manual, regarding the additional fees and charges:

(a) prior approval must be obtained from SWD if an NGO plans to introduce new fees and charges on value-added services governed by FSA for which subvention is provided. Audit noted that, as of August 2026, while one of the EETCs visited introduced additional fees (e.g. activity fees for certain activities organised on a need basis — see para. 15(a)), as these fees were

not relating to value-added services governed by FSA, no prior approvals had been obtained from SWD; and

(b) the level of recognised fees is subject to review by SWD from time to time. While the fees for SCCC have been waived since September 2017, the recognised fee for EETC services has remained unchanged since its last review in 2018. Audit considers that there is merit in SWD reviewing the fee level for EETC services (paras. 4.20 and 4.21).

17. ***Need to ensure NGOs' timely submission of financial information.*** According to the LSG Subvention Manual, an NGO receiving subvention from SWD should submit the Audited Financial Statements of the NGO as a whole and the Annual Financial Report to SWD by 31 October each year. Audit examined the records of submission of financial information by 57 NGOs providing subvented PRS for 2022-23 to 2024-25 and found that some NGOs failed to submit the required financial information to SWD by the stipulated deadline, with delays ranging from 1 to 57 days for both the Audited Financial Statements and the Annual Financial Reports. Audit also noted that while two NGOs were late in submitting their Audited Financial Statements for three consecutive reporting years, the monitoring measures for late submission of Annual Financial Reports (e.g. displaying records of late submissions for three consecutive reporting years on SWD website) did not apply to Audited Financial Statements (paras. 4.24 to 4.28).

18. ***Need to ensure timeliness and completeness in including relevant legislation in Service Quality Standard (SQS) checklists.*** FSAs set out the required performance standards of the services to be provided, including SQSs which define the levels that service units are expected to attain in terms of management and service provision. Under the SQS on legal obligations, an NGO is required to ensure that the service unit and its staff comply with all relevant legal obligations and legislation governing their operations and service delivery. One of the assessment indicators specifies that the service unit should maintain a checklist of all legislation governing its operations and service delivery, which should make reference to SWD's checklist of relevant legislation (SWD's checklist) (i.e. serving as the basic requirement for assessing compliance with this SQS). Audit noted that:

(a) for SWD's checklist (last updated in August 2026), there were time lags between the effective dates of certain ordinances or their amendment ordinances and their incorporation into the checklist; and

(b) for the checklists maintained by the service units visited, as of August 2026, while all service units reported compliance with the SQS in their self-assessments for 2025-26, some of the laws and ordinances on SWD's checklist as of January 2026 had been omitted from their checklists. Specifically, 5 (33%) out of the 15 service units had not incorporated all of the laws and ordinances on SWD's checklist (paras. 4.29, 4.31 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 Director of Social Welfare should:**

Assessments and allocation of service placements

(a) **maintain information on NGOs' compliance with the timeframes stipulated in SWD guidelines for informing SWD of PRS placement vacancies and anticipated vacancies, as well as service user discharges, and take measures to ensure compliance with the timeframes stipulated in SWD guidelines (para. 2.37(a) and (b));**

(b) **review the presentation of PRS waiting-time information and take follow-up action as appropriate; maintain the calculation records for the average waiting time figures for PRS and take measures to ensure that cases that shall not be included in the average waiting time calculation are excluded (para. 2.37(d) and (e));**

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(c) **continue to monitor the utilisation of service places under TSP and formulate measures to optimise their use (para. 3.11(a));**

(d) **when allocating service places to RSPs in future, enhance the use of actual and projected utilisation patterns of individual regions, districts and RSP centres in making allocation decisions, and critically review the service capacity of TSP and make adjustments as appropriate (para. 3.11(b) and (c));**

(e) **take measures to ensure that in-depth financial checking is conducted for TSP applications in accordance with the criteria and proportion specified in the guidelines, including stipulating requirements for handling situations where applications selected based on sequence numbers are subsequently found, for valid reasons, not to require checking (para. 3.19(b));**

(f) **take measures to ensure that RSPs meet the service delivery requirements as stipulated in the service agreements (para. 3.35(a));**

(g) **take measures to ensure the accuracy of the self-assessment reports submitted by RSPs, and take appropriate follow-up actions in cases where irregularities were noted when examining different records submitted by RSPs (para. 3.35(b));**

(h) **explore further measures to ensure the timely submission of reports and reimbursement claims by RSPs (para. 3.35(d));**

Administrative issues

(i) **review, and revise as appropriate, the cost allocation across various services, including the classification and the related proportions, used for reporting expenditure on PRS to LegCo (para. 4.9(a));**

(j) **regarding fees and charges imposed under PRS, strengthen the monitoring of service units' compliance with the relevant requirements, including taking measures to ensure that the additional fees are not charged for generic services, and that the relevant requirements on the disclosure of fees and charges information are complied with (para. 4.22(a));**

(k) **consider requiring NGOs to provide information on their websites about the additional fees and charges for their respective EETCs (para. 4.22(b));**

(l) **step up measures to ensure that SCCCs seek SWD's approval, where appropriate, before charging any fees other than the inclusive monthly fees (para. 4.22(c));**

(m) **cover compliance with the rules and fee-charging principles in the quality assurance mechanism for PRS under LSG, and take follow-up actions in accordance with the LSG Subvention Manual as appropriate (para. 4.22(d));**

(n) **strengthen controls on the fees and charges arrangements for EETC services, including reviewing the types of additional fees and charges imposed by NGOs that require prior approval, and taking follow-up actions as appropriate (para. 4.22(e));**

(o) **consider conducting a review of the fee level for EETC services (para. 4.22(f));**

(p) **step up measures to ensure NGOs' timely submission of financial information for PRS for monitoring purposes (para. 4.34(a));**

(q) **regularly review and ensure that all relevant legislation is incorporated into SWD's checklist for the SQS on legal obligations in a timely manner (para. 4.34(c)); and**

(r) **take measures to ensure that NGOs and service units regularly review their checklists on legislation so that all relevant laws and ordinances are incorporated for compliance with the SQS on legal obligations, and that their self-assessments accurately reflect the actual attainment of the SQS (para. 4.34(d)).**

20. **Audit has *recommended* that the Director of Health should:**

(a) **explore appropriate measures to achieve the targets for completing professional assessments and for arranging professional assessment appointments for urgent cases (para. 2.15(a)); and**

(b) **continue to closely monitor the waiting times for professional assessments of stable cases across CACs and the waiting times for all professional disciplines (para. 2.15(b)).**

21. **Audit has *recommended* that the Chief Executive, Hospital Authority should:**

(a) **regarding the services delivered by allied health professionals at HA's CAC, maintain the appointment and attendance statistics, as well as information on the achievement of the targets for arranging professional assessment appointments (para. 2.16(a)); and**

(b) **closely monitor the staffing levels and the completion times for professional assessments at CACs after the transfer of child assessment services from DH to HA, and take follow-up actions as appropriate (para. 2.23(a)).**

22. **Audit has *recommended* that the Director of Health and the Chief Executive, Hospital Authority should:**

(a) **continue to monitor the default rates for child assessment services and take appropriate measures to improve attendance at appointments (para. 2.17);**

(b) **review the performance targets set by DH and HA for arranging professional assessment appointments, including the bases for determining the achievement of those targets, in order to determine appropriate performance targets for child assessment services (para. 2.24(a));**

(c) **closely monitor the progress of establishing new CACs to ensure their timely launch (para. 2.24(b)); and**

(d) **take into account the audit observations and recommendations in this Audit Report when planning the service transfer from DH to HA (para. 2.24(d)).**

Response from the Government and the Hospital Authority

23. The Director of Social Welfare, the Director of Health and the Chief Executive, Hospital Authority agree with the audit recommendations.

PART 1: INTRODUCTION

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

Background

1.2 The Social Welfare Department (SWD) is responsible for implementing the Government's policies on social welfare and for developing and coordinating social welfare services. It provides a network of rehabilitation services for persons with physical or intellectual disabilities, including subvented pre-school rehabilitation services (PRS) delivered mainly through various service units operated by non-governmental organisations (NGOs). Recognising the importance of early intervention for children in need of rehabilitation services, SWD's expenditure on the provision of PRS and pre-service support increased in recent years from about $2.1 billion in 2021-22 to about $2.8 billion in 2025-26. PRS target children aged under six who have disabilities or are at risk of becoming disabled. The objectives of PRS are:

(a) to provide early intervention to enhance the children's physical, psychological and social development;

(b) to improve the children's opportunities for attending ordinary schools and participating in daily activities; and

(c) to help families meet the children's special needs.

Child assessment services

1.3 According to SWD, to be eligible for PRS, children should have been assessed by qualified professionals recognised by SWD (Note 1), including those from the Child Assessment Centres (CACs) of the Department of Health (DH) or the

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Note 1: *According to SWD, the qualified professionals comprise paediatricians, clinical/educational psychologists or other qualified professionals recognised by SWD.*

Hospital Authority (HA), or from the private sector. Services are also available to children awaiting professional assessments in order to enable early intervention. Eligible children are categorised into one of three tiers depending on the severity of disability:

(a) ***Tier 1 children.*** Children awaiting professional assessments, or assessed to have borderline developmental problems or special needs;

(b) ***Tier 2 children.*** Children assessed to have mild disabilities; or

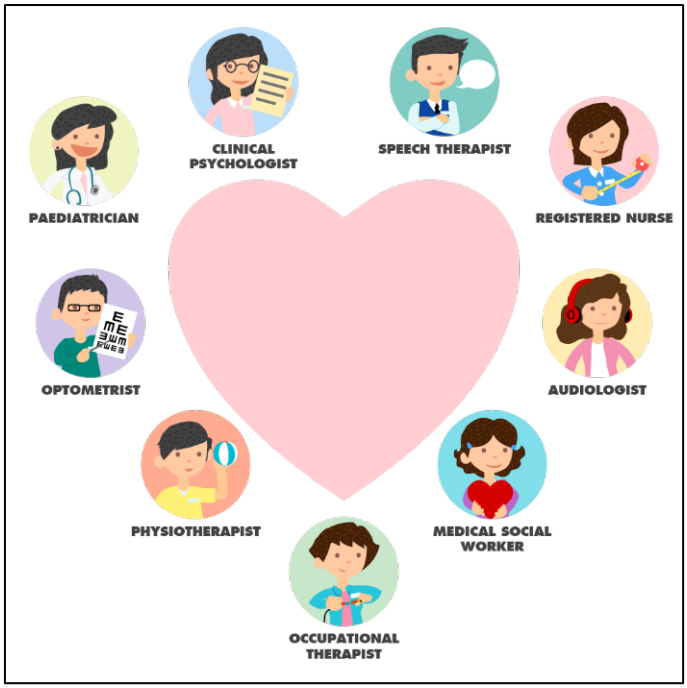
(c) ***Tier 3 children.*** Children assessed to have moderate to severe disabilities.

1.4 DH and HA provide professional assessments and follow-up services (e.g. referrals for PRS) to children (under the age of 12 for DH's CACs and 18 for HA's CAC) who are suspected of having developmental problems (Note 2). These services are delivered through their CACs. Each CAC's multidisciplinary team (see Figure 1) mainly comprises paediatricians, registered nurses and allied health professionals (e.g. speech therapists and clinical psychologists).

Note 2: *According to DH, common childhood developmental problems include acquired cognitive impairment, anxiety disorders, attention deficit/hyperactivity disorder, autism spectrum disorder, cerebral palsy, developmental coordination or language disorder, dyslexia, intellectual disability, and hearing or visual impairment.*

Figure 1

CACs' multidisciplinary team



Source: *DH records*

1.5 In 2025-26, for the provision of child assessment services, DH incurred expenditure of about $173.6 million and HA incurred expenditure of about $18 million (Note 3). In 2025, DH conducted professional assessments for 16,184 children aged under 12 (Note 4). In 2025-26, HA's paediatricians conducted professional assessments for 1,242 children aged under 6 (Note 5).

Note 3: *According to DH and HA, the expenditure covers the provision of child assessment services for children aged under 6 (i.e. the target group of PRS) as well as those aged 6 and above. A separate breakdown of expenditure for children aged under 6 was not maintained. According to HA, in addition to professional assessments, its CAC also provides interventions for children with developmental, behavioural and neurological conditions. A separate breakdown of expenditure for professional assessment services was not maintained.*

Note 4: *According to DH, it did not maintain annual figures on the number of children assessed by age.*

Note 5: *According to HA, the number of children assessed by allied health professionals specifically for child assessment services was not available.*

Application and allocation of PRS placements

1.6 The application and allocation of PRS placements involve the following processes:

(a) ***Application.*** For a Tier 1 child (see para. 1.3(a)), his/her parents may directly approach teachers, social workers or On-site Pre-school Rehabilitation Services (OPRS — see para. 1.7(a)) teams of the participating kindergartens (KGs) or kindergarten-cum-child care centres (KG-cum-CCCs) to apply for Tier 1 Support Services under OPRS. For a Tier 2 or Tier 3 child (see para. 1.3(b) and (c)), an application for PRS should be submitted through a social worker (i.e. referrer — Note 6) by completing a registration form to SWD;

(b) ***Case registration in Central Referral System for Rehabilitation Services (CRSRehab).*** Upon receiving a duly completed registration form, SWD will place the case on the waiting list in CRSRehab (Note 7) based on the service type(s) (see para. 1.7) (Note 8) recommended in the assessment report (Note 9). The applicant may indicate their preferred region/district/centre, and rank these preferences on the registration form; and

(c) ***Case matching and placement allocation.*** When a vacancy or an anticipated vacancy is identified in a service unit, the NGO concerned is

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Note 6: *According to SWD, referrals may be made by social workers from medical social services units, integrated family service centres, family and child protective services units, adoption unit, social work service unit for KGs and KG-cum-CCCs or other designated service units.*

Note 7: *Established in 1987, CRSRehab is operated by SWD to process applications for PRS and other rehabilitation services (e.g. elderly persons with visual impairment).*

Note 8: *According to SWD, in case where recommendations are made for more than one service type, the applicant concerned is only allowed to apply and be waitlisted for one service, except for transitional service placements (see Note 35 to para. 2.30). The applicant's chosen service should therefore be indicated on the registration form.*

Note 9: *According to SWD, it accepts assessment reports issued within six months by qualified professionals recognised by SWD for the purpose of waitlisting for PRS.*

required to notify SWD. SWD will then conduct case matching using CRSRehab, based on the application date and region/district/centre preference. After CRSRehab selects an applicant for admission, SWD will review the case matching results and inform the referrer of the placement offer. The referrer should follow up with the applicant's parent(s)/guardian(s) and inform SWD of the decision. Upon acceptance, the referrer will notify the NGO concerned to proceed with the intake and admission process.

Delivery of PRS

1.7 Under subvented PRS, four main service types are provided mainly through service units operated by NGOs, as follows:

(a) ***OPRS.*** Under OPRS, Tier 1 Support Services are provided to Tier 1 children (see para. 1.3(a)) and Tier 2 Services are provided to Tier 2 children (see para. 1.3(b)) aged under six who are attending KGs or KG-cum-CCCs (Note 10). An inter-disciplinary service team (comprising professionals such as registered social workers, physiotherapists, occupational therapists, speech therapists, clinical/educational psychologists and special child care workers) mainly provides on-site rehabilitation training and support services to children under a school-based approach, as well as professional support to teachers, child care workers and parents;

(b) ***Integrated Programme in Kindergarten-cum-Child Care Centre (IP).*** IP provides training and care to Tier 2 children aged 2 to 6 in KG-cum-CCCs to help them integrate into mainstream curriculum and daily social life. A designated child care worker (i.e. IP teacher) in a

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Note 10: *KG education is provided for children generally aged 3 to 6 and regulated by the Education Bureau under the Education Ordinance (Cap. 279). Child care services, on the other hand, are provided for children generally aged 0 to below 3 and are regulated by SWD under the Child Care Services Ordinance (Cap. 243). To provide one-stop services to operators choosing to operate both a KG and a child care centre in the same premises (i.e. KG-cum-CCC), the Education Bureau has set up the Joint Office for Kindergartens and Child Care Centres (staffed by officers of the Education Bureau and officers seconded from SWD) to regulate KG-cum-CCCs under the above Ordinances. The Education Bureau's work relating to KGs and KG-cum-CCCs is not covered in this audit review.*

KG-cum-CCC provides intensive school-based training to children under a teacher-to-student ratio of 1:6. SWD also provides various consultation and support services to IP through its Central Psychological Support Service (CPSS — Note 11) and Central Para-medical Support Service (CPMS — Note 12), as well as the District-based Speech Therapy Teams (DSTTs) operated by NGOs;

(c) ***Early Education and Training Centre (EETC).*** EETC provides early intervention and training programmes to Tier 2 and Tier 3 (see para. 1.3(c)) children aged 0 to 2, as well as Tier 2 children aged 2 to 6, with particular attention on the caring and training role to be played by the parents/carers. Some EETCs also provide Occasional Child Care Service for Children with Disabilities (OCCS for CD), which offers a safe venue for temporary care to enable parents/carers to attend to personal or urgent matters; and

(d) ***Special Child Care Centre (SCCC).*** SCCC provides full-day centre-based intensive training and care to Tier 3 children aged 2 to 6. According to SWD, Residential Special Child Care Centre (RSCCC) is an extension of SCCC that provides additional care and training services (e.g. residential and meal services) to service users with special needs (Note 13). While some SCCCs offer only SCCC or RSCCC service places, others, in addition to SCCC service places, also offer EETC service places and/or RSCCC service places. In this Audit Report, these centres are collectively referred to as SCCCs unless otherwise specified. Some SCCCs also provide OCCS for CD similar to that of EETCs (see (c) above).

Note 11: *Clinical psychologists under CPSS of SWD are responsible for providing psychological consultation and support services to the children, their parents/carers and IP teachers.*

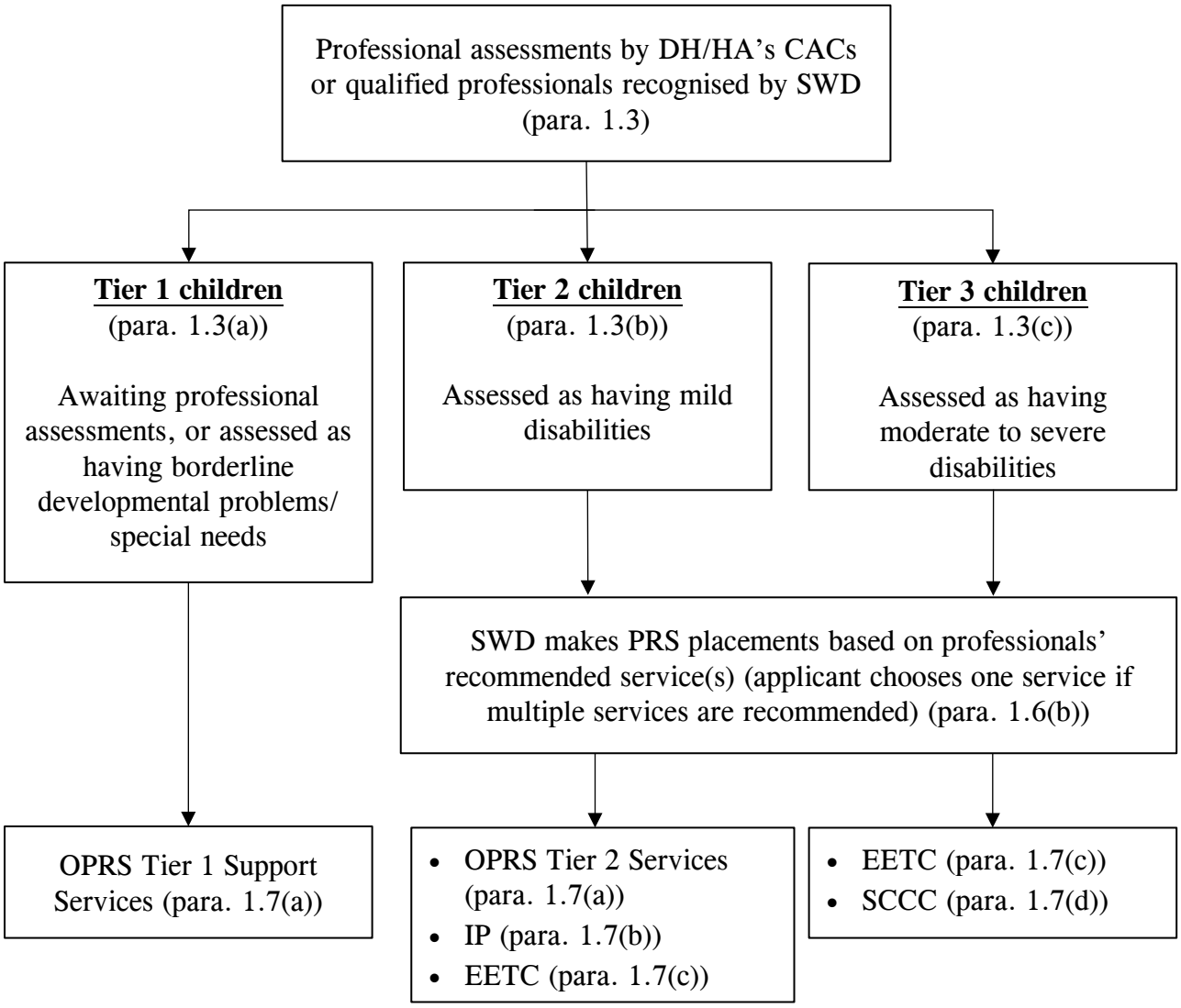
Note 12: *Occupational therapists and physiotherapists under CPMS of SWD are responsible for providing assessments and training to the children, as well as professional advice to their parents/carers and IP teachers.*

Note 13: *According to SWD, RSCCC targets children whose disabilities are so severe or complex that they require intensive and continuous care and therapy, and children with disabilities who are homeless, abandoned, living in adverse home or family environments, and without alternative placement.*

Figure 2 shows the types of PRS provided to children with different levels of disability as determined through professional assessments.

Figure 2

Key workflow for assessment and placement into PRS (31 March 2026)



Source: Audit Commission's analysis of SWD records

Training Subsidy Programme for Children on the Waiting List of Subvented Pre-school Rehabilitation Services (TSP)

1.8 SWD administers TSP to enable children waiting for subvented PRS to acquire self-financing services run by Recognised Service Providers (RSPs). To be eligible for TSP, a child should be aged under six, on the waiting list in CRSRehab and not receiving any subvented PRS. There are two levels of training subsidy. As of September 2026, the maximum amounts of subsidy were as follows:

(a) Normal Level Subsidy (NLS), with a maximum subsidy of $3,549 per month, for a child waitlisted for a service place in OPRS, IP or EETCs; and

(b) Higher Level Subsidy (HLS), with a maximum subsidy of $6,904 per month, for a child waitlisted for a service place in SCCCs.

1.9 According to SWD, applicants for NLS are subject to a means test under which their monthly household income must not exceed 75% of the Median Monthly Domestic Household Income based on the General Household Survey published by the Census and Statistics Department at the time of application. The training subsidy will be released directly to RSPs after SWD has verified the required documents.

Support for transition to primary schools

1.10 According to SWD, to strengthen the transition support between KGs and primary schools for pre-school children with special needs upon reaching the age of six, a collaborative mechanism has been put in place among SWD, DH, HA and the Education Bureau to ensure that recipient primary schools are informed of the children's special needs. Under the mechanism, and upon obtaining parental consent, DH/HA will send the children's assessment information, while NGOs'/RSPs' service units (subvented/subsidised by SWD) will provide progress reports to the recipient primary schools (via the Education Bureau), enabling the schools to arrange appropriate support for the children and facilitate their integration into primary school lives.

Key statistics and expenditure of PRS

1.11 According to SWD, it incurred a total expenditure of about $2.8 billion on the provision of PRS and pre-service support in 2025-26. Table 1 shows the key statistics and expenditure for PRS and pre-service support.

Table 1

Key statistics and expenditure for PRS and pre-service support

Service type	Number (as at 31 March 2026)				2025-26 revised estimates ($ million)
	NGOs/RSPs involved (Note 1)	Service units	Service places	Service users	
OPRS	21	85 service teams (for 876 KGs/ KG-cum-CCCs)	10,124	10,050 (Note 2)	1,289.6
IP	46	213 KG-cum-CCCs	1,974	1,864	167.6
EETC	17	62 centres	4,677	4,559	416.1
SCCC	16	52 centres (including 6 RSCCCs)	2,670	2,556	756.0 (Note 3)
TSP	34	136 centres	3,092	2,662 (Note 4)	128.1
				Total	2,757.4

Source: *SWD records*

Note 1: *Some NGOs may receive subvention from SWD under two or more service types of PRS. As at 31 March 2026, a total of 67 NGOs/RSPs provided subvented PRS and/or services under TSP.*

Note 2: *The figure refers to the number of service users receiving OPRS Tier 2 Services as at 31 March 2026. In addition, according to SWD, 10,300 service users received OPRS Tier 1 Support Services in 2025-26, and NGOs are required to provide such services as and when necessary.*

Note 3: *The figure shown includes $4.8 million incurred for OCCS for CD (see para. 1.7(c) and (d)). According to SWD, the majority of OCCS for CD is provided by SCCCs and a breakdown of expenditure for OCCS for CD provided in SCCCs and EETCs is not readily available.*

Note 4: *The figure refers to the number of TSP beneficiaries in 2025-26.*

Monitoring delivery of PRS and TSP

1.12 ***Monitoring of subvented PRS under Lump Sum Grant (LSG) Subvention System.*** For subvented PRS provided by service units operated by NGOs, SWD has signed Funding and Service Agreements (FSAs) with the NGOs under the LSG Subvention System (Note 14), setting out the required performance standards of services to be provided (Note 15). SWD monitors and evaluates the quality of subvented services through an established monitoring mechanism, including requiring self-assessment and regular reporting by NGOs, conducting performance assessment visits, and taking follow-up actions on non-compliance and under-performance.

1.13 ***Monitoring of services provided by RSPs under TSP.*** SWD has signed service agreements with the RSPs concerned under TSP setting out, among other things, the scope of service, performance monitoring mechanism and administrative arrangements (e.g. payment of subsidy). Similar to NGOs governed by FSAs, RSPs are required to submit regular reports (e.g. monthly service records) to SWD, conduct annual self-assessment, and are subject to regular review visits by SWD.

Responsible departments and organisation

1.14 According to SWD, four branches of SWD are primarily involved in the provision of PRS, as follows:

(a) the Rehabilitation and Medical Social Services Branch is responsible for the planning, development and implementation of PRS (e.g. inviting service proposals from NGOs, formulating performance standards and monitoring the operation of CPMS), and administering TSP and CRSRehab. As at 31 March 2026, a strength of 45 civil servants in the Branch was involved

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Note 14: *Since 2001, SWD has implemented the LSG Subvention System under which recurrent subvention is allocated on an NGO basis with grants in a lump sum for operating subvented welfare services governed by the respective FSAs.*

Note 15: *For example, there are 16 Service Quality Standards defining the level that service units are expected to attain in terms of management and service provision.*

in the provision of PRS (Note 16) (against an establishment of 58 civil servants);

(b) the Subventions Branch is responsible for the monitoring and evaluation of the service quality provided by NGOs (including subvented PRS) (e.g. examining reports submitted by NGOs and conducting performance assessment visits). According to SWD, as the Branch is involved in the monitoring of NGOs straddling different service programmes, it does not maintain a breakdown of staff establishment and strength solely for PRS;

(c) the Clinical Psychological Service Branch is responsible for the provision of CPSS for IP and other PRS units. As at 31 March 2026, it had an establishment and strength of 8 civil servants for the provision of PRS; and

(d) the Child Care Centres Advisory Inspectorate under the Licensing and Regulation Branch is responsible for the registration and regulation of SCCCs under the Child Care Services Ordinance (Cap. 243). As at 31 March 2026, it had an establishment and strength of 7 civil servants (supported by 2 post-retirement service contract staff) for the registration and monitoring of all child care centres (including SCCCs).

An extract of the organisation chart of SWD (as at 31 March 2026) is at Appendix A.

1.15 The Child Assessment Service (headed by a Consultant Paediatrician) under the Specialised Services Branch of DH is responsible for providing child assessment services. As at 31 March 2026, it had a strength of 132 civil servants (against an establishment of 190 civil servants). For HA, as at 31 March 2026, a strength of about 23 staff were involved in providing the child assessment services (Note 17).

Note 16: *According to SWD, the 45 staff involved in the provision of PRS comprised 13 staff responsible for the planning, development and implementation of PRS, 12 staff responsible for administering TSP and CRSRehab, as well as 20 staff of CPMS providing direct services to both PRS and adult rehabilitation services.*

Note 17: *According to HA, the CAC is located in the Duchess of Kent Children's Hospital at Sandy Bay, and there is no separate staff establishment for its child assessment services in the Hospital. Child assessment service is an integral part of the services provided by the Department of Paediatrics and Adolescent Medicine of the Queen Mary Hospital, and the Chief of Service of the Department oversees HA's child assessment services.*

Audit review

1.16 In May 2026, the Audit Commission (Audit) commenced a review to examine the provision of PRS. The findings of this audit review are contained in two separate Audit Reports, as follows:

(a) "Pre-school rehabilitation services: Pre-service support and administrative issues" (the subject matter of this Audit Report); and

(b) "Pre-school rehabilitation services: Service delivery" (Chapter 6 of the Director of Audit's Report No. 87).

1.17 This Audit Report focuses on the following areas:

(a) assessments and allocation of service placements (PART 2);

(b) TSP (PART 3); and

(c) administrative issues (PART 4).

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

General response from the Government and the Hospital Authority

1.18 The Secretary for Labour and Welfare and the Director of Social Welfare agree with all the audit recommendations relevant to SWD in this Audit Report.

1.19 The Director of Health agrees with and accepts in full all the audit recommendations directed to DH. He has said that DH is committed to implementing the audit recommendations and will ensure that the necessary follow-up actions are taken accordingly, which include, but not limited to, those mentioned in paragraphs 2.18 and 2.25.

1.20 The Chief Executive, Hospital Authority agrees with and accepts in full all the audit recommendations.

Acknowledgement

1.21 Audit would like to acknowledge with gratitude the full cooperation of the staff of SWD, DH and HA during the course of the audit review.

PART 2: ASSESSMENTS AND ALLOCATION OF SERVICE PLACEMENTS

2.1 This PART examines issues relating to assessments, and the allocation and monitoring of service placements, focusing on the following areas:

(a) child assessment services (paras. 2.3 to 2.19);

(b) transfer of child assessment services from DH to HA (paras. 2.20 to 2.26); and

(c) allocation and monitoring of service placements (paras. 2.27 to 2.38).

Background

2.2 According to SWD, to be eligible for PRS, children should have been assessed by qualified professionals recognised by SWD as having borderline developmental problems or special needs, or mild, moderate to severe disabilities/significant impairment, or awaiting professional assessments. In 2025-26, approximately half of the referrals received for PRS were made by social workers from DH's and HA's CACs (Note 18).

Child assessment services

2.3 ***CACs.*** DH and HA provide child assessment services to children aged under 12 and 18, respectively, who are suspected of having developmental problems (e.g. autism spectrum disorder and hearing impairment) through 8 CACs, comprising 7 CACs managed by DH and a CAC managed by HA.

Note 18: *According to SWD, in 2025-26, other referrals were made by social workers from HA's public hospitals and clinics (4%), and by social workers from SWD's service/subvented units (44%).*

2.4 ***Service scope.*** Upon receiving referrals (e.g. from registered doctors, clinical/educational psychologists or DH's Maternal and Child Health Centres) (Note 19), parents may contact CACs to register for child assessment services, which mainly include the following:

(a) ***Initial assessments/screening and triage.*** Initial assessments or screening are conducted as follows:

(i) ***DH.*** For DH's CACs, a first appointment for nurse initial assessment is arranged upon registration for child assessment services. During this appointment, the nurse collects information about the child and assesses his/her developmental status. The information gathered will then be analysed and appointment(s) will be scheduled for the child to undergo professional assessment(s) by the appropriate professional discipline(s), according to the child's needs. Under the triage system, children with urgent and more serious conditions are accorded higher priority for professional assessments; and

(ii) ***HA.*** For HA's CAC, a paediatrician conducts an initial screening of the referral letter for the purpose of case triage. Following this screening, appointment(s) for professional assessment(s) are arranged;

(b) ***Professional assessments.*** The multidisciplinary team (see para. 1.4) conducts appropriate assessments, makes professional diagnoses and formulates follow-up plans and rehabilitation programmes for children according to their developmental problems; and

(c) ***Follow-up services.*** Based on the assessment results, referrals (e.g. for PRS) are made, and/or other follow-up services (e.g. further professional

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Note 19: *According to DH and HA, an original copy of referral letter issued within 6 and 3 months, respectively, is required for the registration for the child assessment services.*

assessments and/or interim support/rehabilitation services — Note 20) are arranged for children, as needed.

For children aged under 6 (i.e. the target group of PRS), in 2025, DH received 6,991 referrals for child assessment services, whereas in 2025-26, HA received 1,343 referrals for such services. These referrals were mainly made by DH's Maternal and Child Health Centre, accounting for 78% and 72% of the referrals received by DH and HA respectively.

Need to continue to monitor default rates for child assessment services

2.5 According to DH and HA, paediatricians and/or allied health professionals provide professional assessments and further professional assessments during the appointments at CACs. Audit examined the default rates for child assessment services at CACs of DH and HA over the past three years, and the details are shown in Table 2. Audit noted that DH and HA did not maintain management information on the reasons for the defaulted appointments, including for services with relatively high default rates:

(a) ***DH.*** For DH's CACs, from 2023 to 2025 (Note 21), in respect of children aged under 12 (Note 22), the default rates ranged from 11% to 13% for professional assessments and from 13% to 16% for further professional assessments. Upon enquiry, DH informed Audit in September 2026 that:

(i) it had been sending messages via short message service to its clients four days before the appointments, reminding them to attend the appointments on time and to inform DH as soon as possible if they

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Note 20: *According to DH, following the initial and professional assessments, interim support services (e.g. individual and group training, parental support and nurse telephone counselling) are provided to assessed children as appropriate. According to HA, following the professional assessments, appropriate rehabilitation services (e.g. interventions for children with developmental, behavioural and neurological conditions) are provided to assessed children as appropriate.*

Note 21: *According to DH, for 2026 (up to June), the default rates were 12% for professional assessments and 13% for further professional assessments.*

Note 22: *According to DH, the appointment and attendance figures for children aged under 6 were not separately maintained.*

could not attend, otherwise they might need to rebook their appointments with a new referral letter;

(ii) if the clients notified DH before the appointments that they could not attend because of sickness or other reasons, DH would normally arrange another appointment for them within three months. If the clients notified DH at least one day before the appointments, DH staff would try to call other clients who had expressed willingness to take up ad-hoc appointments to fill the timeslot in order to maximise the utilisation of DH's staff timeslots; and

(iii) if the clients defaulted the appointments without prior notice, DH would issue a letter to inform them that no further appointment would be offered unless they approached DH again; and

(b) ***HA.*** For HA's CAC, from 2023-24 to 2025-26:

(i) appointment and attendance figures for services delivered by allied health professionals were not available. Upon enquiry, HA informed Audit in October 2026 that these figures were integrated into the services provided to other inpatient and outpatient services in the Duchess of Kent Children's Hospital at Sandy Bay (Note 23), but the majority of the services for patients aged under 6 was under CAC; and

(ii) in respect of children aged under 6, for services delivered by paediatricians, while the default rates ranged from 6% to 8% for professional assessments, the rates ranged from 19% to 25% for further professional assessments.

Note 23: *According to HA, regarding the services delivered by allied health professionals in the Duchess of Kent Children's Hospital at Sandy Bay, the annual new case attendances for patients aged under 6 were 4,493 in 2023-24, 4,607 in 2024-25 and 4,842 in 2025-26.*

Table 2

Default rates for child assessment services at CACs
(January 2023 to March 2026)

	DH (for children aged under 12)			HA (for children aged under 6) (Note)		
	2023	**2024**	**2025**	**2023-24**	**2024-25**	**2025-26**
Professional assessments						
Number of appointments made (a)	19,673	19,329	16,910	1,435	1,473	1,343
Number of defaulted appointments (b)	2,651	2,222	1,980	111	88	101
Default rate (c)=(b)÷(a)×100%	13%	11%	12%	8%	6%	8%
Further professional assessments						
Number of appointments made (d)	13,183	13,032	14,760	2,177	2,149	2,178
Number of defaulted appointments (e)	2,159	1,873	1,946	550	413	406
Default rate (f)=(e)÷(d)×100%	16%	14%	13%	25%	19%	19%

Source: *Audit analysis of DH and HA records*

Note: *According to HA, the appointment and attendance figures in the Table refer to paediatricians only as the corresponding figures for allied health professionals were not available (see para. 2.5(b)(i)).*

Remarks: *For nurse initial assessment, the arrangement was not applicable to HA's CAC (see para. 2.4(a)(ii)), and no children defaulted their appointments at DH's CACs from 2023 to 2025. Accordingly, the default rate was not shown in the Table.*

Scope to enhance monitoring of achievement of performance measures for CACs

2.6 ***DH.*** For child assessment services, DH has set the following performance measures:

(a) targets and an indicator in its Controlling Officer's Report (e.g. attendances at its CACs); and

(b) a target of arranging professional assessment appointments within 8 weeks for urgent cases (e.g. case with abnormal muscle tone) in its guidelines.

2.7 Audit examined DH's achievement of the performance measures for child assessment services from 2021 to 2025 and noted that:

(a) the target set in DH's Controlling Officer's Report for completing professional assessments within 6 months was persistently under-achieved, with performance ranging from 61% to 73% (against the target of more than 90%) (see Table 3); and

Table 3

DH's achievement of performance measures for child assessment services (2021 to 2025)

Performance measure	Target	Achievement				
		2021	**2022**	**2023**	**2024**	**2025**
Target						
1. Appointment time for new cases in CACs within 3 weeks (Note 1)	More than 90%	100%	100%	100%	100%	100%
2. Completion time for assessment of new cases in CACs within 6 months (Note 2)	More than 90%	**73%**	**61%** (Note 3)	**70%**	**68%**	**72%**
Indicator						
Attendances at CACs		35,400	28,800 (Note 3)	32,800	32,500	32,200

Source: *DH's Controlling Officer's Report*

Note 1: *According to DH guidelines, the appointment time refers to the time elapsed between the date of contact (i.e. the date on which its CAC is contacted to arrange a nurse initial assessment appointment) and the date of the nurse initial assessment.*

Note 2: *According to DH guidelines, the completion time for assessment refers to the time elapsed between the date of triage (i.e. the date of the nurse initial assessment) and the date on which professional assessment(s) conducted by the principal discipline(s) (limited to two) are completed. The principal discipline(s) are determined by the nurse during the case triage, and the required professional assessment(s) must be completed by the designated one or two principal discipline(s) before the case is considered as completed.*

Note 3: *According to DH, the figures for 2022 were considered exceptional because some parents were reluctant to bring their children to CACs for assessments during the coronavirus disease (COVID-19) epidemic and some staff providing child assessment services were deployed to assist in anti-epidemic duties during the fifth wave of COVID-19.*

(b) the target set in DH guidelines for arranging professional assessment appointments for urgent cases (see para. 2.6(b)) was persistently under-achieved, with performance at 92% in 2024 and 98% in 2025 (Note 24).

2.8 Upon enquiry, DH informed Audit in August 2026 that the under-performance against the target for completing professional assessments within 6 months (see para. 2.7(a)) was attributable to the keen public demand for child assessment services, and a persistent shortage of healthcare manpower (Note 25). The Government had implemented the following measures:

(a) with the regularisation of the "Project on Tier-1 Support Services in Kindergartens/Kindergarten-cum-Child Care Centres" by SWD in 2023, early intervention services had been provided for children awaiting assessments by CACs or for those assessed by CACs to have borderline developmental problems; and

(b) DH had also made every effort to recruit contract staff to increase manpower to cope with the service needs. As at 1 April 2026, a total of 6 part-time contract senior doctors and 11 contract staff of other grades had been recruited for the delivery of child assessment services.

While noting DH's explanations, Audit considers that, given the importance of early intervention for children with disabilities or developmental difficulties, DH needs to continue to closely monitor the staffing levels in its CACs and explore appropriate measures to achieve the targets for completing professional assessments and for arranging professional assessment appointments for urgent cases.

Note 24: *According to DH, the records of performance against the target for years prior to 2024 were not maintained, and the performance was 98% for 2026 (up to August).*

Note 25: *Based on DH records, for the period from 2021-22 to 2025-26, the manpower shortage ranged from 40% to 54% for paediatricians (e.g. in 2025-26, a staff strength of 12 against an establishment of 26), and from 13% to 31% for allied health professionals (e.g. in 2025-26, a staff strength of 45 against an establishment of 65).*

2.9 ***HA.*** According to HA guidelines, patients triaged as urgent, semi-urgent and stable shall be given professional assessment appointments within 2 weeks, within 8 weeks and at the earliest available timeslot, respectively. According to HA, the time for arranging professional assessment appointments refers to the time elapsed between the date of booking (i.e. a valid referral submission to HA) and the date of the professional assessments. Audit examined HA's achievement of the targets for child assessment services from 2021-22 to 2025-26 and noted that, while the targets for arranging paediatricians' professional assessment appointments were achieved (see Table 4), information on the achievement of the targets for arranging appointments for professional assessments conducted by allied health professionals was not maintained.

Table 4

HA's achievement of targets for arranging paediatricians' professional assessment appointments (2021-22 to 2025-26)

	Time required to arrange paediatricians' professional assessment appointments (Note)					
	Urgent case		**Semi-urgent case**		**Stable case**	
Target	Within 2 weeks		Within 8 weeks		At the earliest available timeslot	
Achievement (Week)						
Year	Median	90th percentile	Median	90th percentile	Median	90th percentile
2021-22	N.A. (no case had been triaged as urgent)		3	8	21	36
2022-23			4	7	28	37
2023-24			3	6	22	36
2024-25			3	5	18	31
2025-26			3	6	18	33

Source: *HA records*

Note: *According to HA, it uses median and 90th percentile figures as key performance indicators. The 90th percentile figure indicates that, in 90% of cases, the appointments given for paediatricians' professional assessments are earlier than the stated time.*

Scope for shortening waiting times for professional assessments of stable cases across CACs

2.10 Under the existing mechanism, for DH's CACs, parents should register with the CACs serving their residential districts to make an appointment, whereas there is no residential district constraint for HA's CAC (Note 26).

2.11 ***DH.*** Audit noted that DH had regularly monitored waiting times for professional assessments of stable cases through management information submitted to its management team meetings. The waiting time was calculated based on the time elapsed between the date of triage and the date of the latest appointment given as at the date of data collection (usually shortly before the date of the management team meeting). As at 17 June 2026, the waiting times for professional assessments of stable cases varied across CACs among all professional disciplines (see Table 5).

Table 5

Waiting times for professional assessments of stable cases across DH's CACs (17 June 2026)

Professional discipline	Range of waiting time across CACs (Month)
Paediatrician	8 to 16
Clinical psychologist	8 to 14
Occupational therapist	6 to 12
Physiotherapist	3 to 12
Speech therapist	3 to 7
Optometrist	0 to 15
Audiologist	0 to 13

Source: *DH records*

Note 26: *According to HA, no residential district constraint is set for its CAC because it is HA's only CAC.*

2.12 Audit noted that, in the DH's management team meeting held in March 2026, it was mentioned that a paediatrician would be deployed from a CAC with the shortest waiting time to the one with the longest waiting time (Note 27). In view of this, Audit considers that DH needs to continue to closely monitor the waiting times for professional assessments of stable cases across CACs and the waiting times for all professional disciplines. DH also needs to review the effectiveness of the measures in reducing waiting times and take follow-up actions as appropriate.

2.13 ***HA.*** Audit noted that HA had regularly monitored waiting times for professional assessments of stable cases by paediatricians through management information presented at its internal committee meetings. The waiting time was calculated based on the time elapsed between the date of booking (see para. 2.9) and the date of the latest appointment given as at the date of data collection. As of October 2025, the 90th percentile waiting time for professional assessments of stable cases conducted by paediatricians was 27 weeks (i.e. about 6 months).

2.14 Upon enquiry, HA informed Audit in October 2026 that, under the existing workflow, comprehensive assessments were conducted by paediatricians and the cases would then be referred to SWD for subsequent handling, as appropriate. In most circumstances, it would not be affected by the waiting times for professional assessments conducted by allied health professionals. However, Audit noted that the number of cases requiring such assessments and their waiting times were not separately maintained. As some cases still require professional assessments by allied health professionals before being referred to SWD for handling, Audit considers that HA needs to regularly monitor the waiting times for professional assessments of stable cases conducted by allied health professionals at its CAC to enhance monitoring.

Audit recommendations

2.15 **Audit has *recommended* that the Director of Health should:**

(a) **continue to closely monitor the staffing levels in DH's CACs and explore appropriate measures to achieve the targets for completing professional**

Note 27: *According to the minutes of the management team meetings, the waiting time of the CAC with an additional paediatrician deployed to it had decreased from 17 months as of February 2026 to 16 months as of June 2026.*

assessments and for arranging professional assessment appointments for urgent cases; and

(b) **continue to closely monitor the waiting times for professional assessments of stable cases across CACs and the waiting times for all professional disciplines, and review the effectiveness of the measures in reducing waiting times and take follow-up actions as appropriate.**

2.16 **Audit has *recommended* that the Chief Executive, Hospital Authority should, regarding the services delivered by allied health professionals at HA's CAC:**

(a) **maintain the appointment and attendance statistics, as well as information on the achievement of the targets for arranging professional assessment appointments; and**

(b) **regularly monitor the waiting times for professional assessments of stable cases.**

2.17 **Audit has *recommended* that the Director of Health and the Chief Executive, Hospital Authority should continue to monitor the default rates for child assessment services, particularly for services with relatively high default rates, and take appropriate measures to improve attendance at appointments.**

Response from the Government

2.18 The Director of Health agrees with the audit recommendations in paragraphs 2.15 and 2.17. He has said that, in relation to the audit recommendation in paragraph 2.17, DH will monitor its default rates closely and take appropriate measures to maximise the utilisation of clinical time of the medical and allied health staff.

Response from the Hospital Authority

2.19 The Chief Executive, Hospital Authority agrees with the audit recommendations in paragraphs 2.16 and 2.17. She has said that:

(a) in relation to the audit recommendation in paragraph 2.16(a), upon the transfer of the service from DH to HA (see para. 2.20), HA will review and strengthen data capture and service performance monitoring, with a view to aligning these arrangements with the performance monitoring framework for other HA services. This will include enhancements to the HA's information technology system to capture and track appointment and attendance statistics;

(b) in relation to the audit recommendation in paragraph 2.16(b), HA will closely monitor the waiting times for professional assessments of stable cases by allied health professionals. These measures will provide a more robust basis for identifying potential bottlenecks and informing reviews of workflow and service efficiency; and

(c) in relation to the audit recommendation in paragraph 2.17, HA will review the default rate issue for the child assessment services in HA.

Transfer of child assessment services from the Department of Health to the Hospital Authority

2.20 As announced in the 2024 Policy Address, the Health Bureau will conduct a comprehensive review on the positioning and objectives of the healthcare system. In this connection, DH will focus on discharging its functions in respect of public health and gradually transfer its specialist clinical services, including the child assessment services, to HA. According to the Government, the full transfer of DH's child assessment services to HA will take place by 31 May 2027.

2.21 In this regard, Audit considers that DH and HA need to take the following matters into account when planning for the service transfer:

(a) ***Need to closely monitor staffing levels and completion times for professional assessments at CACs.*** As mentioned in paragraph 2.7(a), DH had recorded persistent under-achievement of its target for completing professional assessments within 6 months. According to the minutes of the DH's management team meeting held in July 2026, HA had decided to engage paediatricians from all hospital clusters to contribute to the manpower of child assessment services after the service transfer from DH to HA. As such, the manpower shortage was expected to ease. In light of this new arrangement, HA needs to closely monitor the staffing levels and the completion times for professional assessments (see Note 2 to Table 3 in para. 2.7(a)) at CACs after the service transfer, and take follow-up actions as appropriate;

(b) ***Scope for reviewing performance targets set for CACs.*** Audit noted variations in the performance targets set for arranging professional assessment appointments between DH and HA for:

(i) urgent cases (i.e. within 8 weeks for DH's CACs and within 2 weeks for HA's CAC — see paras. 2.6(b) and 2.9);

(ii) semi-urgent cases (i.e. no target was set for DH's CACs, whereas the target was within 8 weeks for HA's CAC — see paras. 2.6, 2.7 and 2.9); and

(iii) stable cases (i.e. within 6 months for DH's CACs, whereas for HA's CACs, no specific timeframe was set, provided that the timeslot given was the earliest available — see item 2 in Table 3 in para. 2.7(a) and para. 2.9).

In addition, DH and HA used different bases for determining the achievement of the targets. DH calculated the timeframe from the date of triage (see Note 2 to Table 3 in para. 2.7(a) and para. 2.11), whereas HA counted from the date of booking (see paras. 2.9 and 2.13). In light of the transfer of child assessment services from DH to HA, and to enhance transparency and accountability, there is merit in DH and HA reviewing the performance targets set for arranging professional assessment appointments, including the bases for determining achievement of those targets, in order to determine appropriate performance targets for the services;

(c) ***Need to closely monitor progress of establishing new CACs and inform parents/guardians of catchment area changes in advance.*** As of July 2026, DH had 3 CACs in Kowloon and 4 CACs in the New Territories. Under the current arrangement, children residing on the Hong Kong Island shall be waitlisted for the Ngau Tau Kok CAC. Audit noted that:

(i) according to the Government, in response to the growing demand for child assessment services, it has planned to set up the first CAC on the Hong Kong Island in order to enhance manpower support and service capacity to handle the large number of referred cases. The Government had informed the Legislative Council (LegCo) Panel on Health Services in 2023 that it planned to establish a CAC in Siu Sai Wan by 2025. However, as of August 2026, the new CAC had not yet been established. According to DH, due to the delays in site handover, the commissioning of Siu Sai Wan CAC was postponed to the end of 2026; and

(ii) according to the service transfer plan agreed between DH and HA, apart from the Central Kowloon CAC (which will be used by HA on a temporarily loan basis after the transfer, allowing existing cases to continue to be served at the same site before a catchment area reassignment exercise takes place in 2028-29), DH will transfer all the remaining 6 CACs to HA. These 6 CACs included the Siu Sai Wan CAC but excluded the Ngau Tau Kok CAC (Note 28). In addition, two new CACs, Tseung Kwan O CAC and Yau Tong CAC, will also be established under HA before the reassignment exercise.

To ensure that services are delivered as planned and that the service transfer is implemented on schedule, Audit considers that DH and HA need to closely monitor the progress of establishing new CACs to ensure their timely launch. Besides, according to the service transfer plan, public announcement will be made by 31 October 2026 on the service transfer.

Note 28: *According to the service transfer plan, once the new CAC in Siu Sai Wan is fully operational, the Ngau Tau Kok CAC will cease operation. According to DH, upon the commissioning of the Siu Sai Wan CAC, the Ngau Tau Kok CAC's cases, including children residing on the Hong Kong Island and those currently served by the Ngau Tau Kok CAC, will be transferred to the Siu Sai Wan CAC and the Kwun Tong CAC respectively.*

However, the plan has not included any arrangements for informing parents/guardians about the changes arising from the catchment area adjustments. Given the impact of these changes and to ensure a smooth transition, Audit considers that DH and HA need to formulate a plan for informing parents/guardians of these matters in advance; and

(d) ***Scope for exploring use of information technology to enhance child assessment service processes.*** Under the current practice:

(i) ***DH.*** Parents may make a first appointment either by telephone or in-person, and they shall bring along the referral letters at the first appointment for checking. After triage, they will be informed of the professional assessment appointment by telephone; and

(ii) ***HA.*** Parents may send referral letters to HA's CAC by fax, post, e-mail or in-person to register for child assessment services. After triage, they will be informed of the professional assessment appointment by telephone, mail or HA's mobile application "HA Go".

Audit noted that, for several specialties of HA's specialist out-patient clinics, the public may use "HA Go" to view waiting time information, make new case appointments, and manage appointments (i.e. cancelling and applying for appointment deferrals). Given the planned service transfer from DH to HA, Audit considers that HA needs to explore the use of information technology to enhance the child assessment service processes.

2.22 In this PART, Audit noted various issues regarding the child assessment services. In this regard, Audit considers that DH and HA need to take into account the audit observations and recommendations in this Audit Report when planning the transfer of the child assessment services from DH to HA.

Audit recommendations

2.23 **Audit has *recommended* that the Chief Executive, Hospital Authority should:**

(a) **closely monitor the staffing levels and the completion times for professional assessments at CACs after the transfer of child assessment services from DH to HA, and take follow-up actions as appropriate; and**

(b) **explore the use of information technology to enhance the child assessment service processes.**

2.24 **Audit has *recommended* that the Director of Health and the Chief Executive, Hospital Authority should, regarding child assessment services:**

(a) **review the performance targets set by DH and HA for arranging professional assessment appointments, including the bases for determining the achievement of those targets, in order to determine appropriate performance targets for the services;**

(b) **closely monitor the progress of establishing new CACs to ensure their timely launch;**

(c) **formulate a plan for informing parents/guardians of the changes arising from the catchment area adjustments in advance; and**

(d) **take into account the audit observations and recommendations in this Audit Report when planning the service transfer from DH to HA.**

Response from the Government

2.25 The Director of Health agrees with the audit recommendations in paragraph 2.24. He has said that DH will:

(a) release a public announcement jointly with HA in the fourth quarter of 2026 on the rationalisation of DH's child assessment services to HA in mid-2027. DH will also take this opportunity to inform the public of any change arising from the rationalisation;

(b) in relation to the audit recommendation in paragraph 2.23(a), continue monitoring DH's staffing level and the waiting time for the assessment closely; and

(c) in relation to the audit recommendation in paragraph 2.24(a), collaborate closely with HA to support the rationalisation of the child assessment services, including resources planning and comprehensive review of targets set for arranging professional assessments.

Response from the Hospital Authority

2.26 The Chief Executive, Hospital Authority agrees with the audit recommendations in paragraphs 2.23 and 2.24. She has said that:

(a) in relation to the audit recommendation in paragraph 2.23(a), particular attention will be paid by HA to monitoring the waiting time for new cases to receive professional assessment and the time taken to complete the assessment process;

(b) in relation to the audit recommendation in paragraph 2.23(b), HA will explore the use of "HA Go" function (e.g. appointment notification in child assessment services);

(c) in relation to the audit recommendation in paragraph 2.24(a), upon the transfer of the service from DH to HA, HA will review and strengthen data capture and service performance monitoring, with a view to aligning these arrangements with the performance monitoring framework for other HA services. This will include enhancements to the HA's information technology system to capture and track appointment and attendance statistics; and

(d) leveraging the multidisciplinary expertise available within HA, HA will also strengthen collaboration among the relevant specialties and healthcare professionals to provide comprehensive and coordinated care tailored to patients' needs. This integrated approach will facilitate appropriate follow-up and continuity of care, with a view to improving patients' clinical outcomes, service accessibility and overall care experience under the new child assessment service model.

Allocation and monitoring of service placements

Room for improvement in monitoring compliance with stipulated timeframes for PRS placement allocation

2.27 According to the Labour and Welfare Bureau, for children with special needs, the period from 0 to 6 years of age is the golden period for receiving training. According to SWD, upon receiving a duly completed registration form from a referrer, SWD will process the application and allocate service placements (see para. 1.6) (Note 29). SWD sets out timeframes for various stages of this process in its guidelines, for example:

(a) NGOs are required to inform SWD within 3 working days once a vacancy or an anticipated vacancy is identified, and within 3 working days after the discharge of the corresponding service user;

(b) upon receiving a placement offer notification, the referrer should follow up with the applicant's parent(s)/guardian(s) and inform SWD of the decision within 3 weeks; and

(c) NGOs are required to complete the intake process and admit the applicants as soon as possible for cases with allocated placements during the annual major selection exercise for vacancies in the new school year (hereinafter referred to as annual major selection exercise) (Note 30), and within 6 weeks from the date of placement offers for other cases. NGOs should provide a reply to SWD within 3 working days from the admission date (Note 31).

Note 29: *According to SWD, cases will be removed from CRSRehab's waiting list in certain circumstances (e.g. when the children are over the age of 6, or when their parents/guardians request withdrawal or decline a placement offer).*

Note 30: *According to SWD, the annual major selection exercise is typically conducted from April to September each year. To facilitate smooth processing, NGOs are given additional time for intake processing and report submission during this period.*

Note 31: *According to SWD guidelines, for cases with allocated placements during the annual major selection exercise, NGOs shall provide a reply to SWD within 3 working days after admitting the applicant in the new school year (i.e. 1 September). In other words, for cases admitted on or before 1 September in a given year, the admission date is taken as 1 September of that year.*

Assessments and allocation of service placements

2.28 Audit selected 20 cases (comprising 5 cases for each of the four main service types under PRS — see para. 1.7) with PRS placements offered as at 31 March 2026 for examination. Audit found that:

(a) SWD did not maintain information on NGOs' compliance with the stipulated timeframes for informing SWD of vacancies, anticipated vacancies and discharges;

(b) in 10 (50%) cases, the referrers failed to inform SWD of the decisions of applicants' parents/guardians within the stipulated timeframe after receiving the placement offer notifications. The delays ranged from 1.0 to 9.1 weeks (averaging 2.3 weeks); and

(c) regarding the intake and admission of applicants, and the provision of replies to SWD:

(i) in 18 cases involving allocated placements during the annual major selection exercise, 8 applicants had been admitted prior to the start of the school year (i.e. 1 September), with the time elapsed between the date of placement offers and the admission date ranged from 3.4 to 15.4 weeks (averaging 9.4 weeks). In the remaining 10 cases, the applicants were admitted on the first day of the school year (i.e. 1 September) to 30 weeks (averaging 3.2 weeks) after the start of the school year. Given that the admission time lag could be considerable (i.e. up to 30 weeks after the start of the school year), SWD needs to consider specifying the timeframe for NGOs' intake and admission of applicants for the annual major selection exercise in its guidelines;

(ii) in 1 of the remaining 2 cases, the NGO concerned failed to complete the intake and admission process within the stipulated timeframe. The delay was 3.6 weeks. Upon enquiry, SWD informed Audit in October 2026 that the case involved child abuse with health check-up issues, thus resulting in a longer admission time; and

(iii) in 18 of the 20 cases, the NGOs concerned failed to provide replies to SWD within the stipulated timeframe after case admission. The delays ranged from 27 to 104 working days (averaging 66 working days).

Room for improvement in providing PRS waiting-time information

2.29 SWD provides the following PRS waiting-time information to the public:

(a) ***Number of children waitlisted.*** This represents the total number of children on the PRS waiting list as at the end of the financial year; and

(b) ***Waiting time.*** The waiting time is calculated:

(i) based on the number of applicants who are offered with a PRS placement in the financial year; and

(ii) from the date of application to the date of the placement offer.

The average waiting time is calculated by taking the average of the individual waiting times of these applicants. However, the calculation excludes cases involving requests for changes of service type/centre from existing service users (Note 32), priority cases (Note 33) and hospitalised cases (Note 34) as these are considered outliers. Table 6 shows the waiting times for PRS from 2021-22 to 2025-26.

Note 32: *According to SWD, for cases involving requests for changes of service type/centre from existing service users, the waiting time is calculated from the date of the first application instead of the date of the change request. As such, these cases are excluded because they are outliers with lengthened waiting times.*

Note 33: *According to SWD guidelines, priority cases are granted only on an exceptional basis to applicants with strong justification(s) for urgent services (e.g. situation where a parent or guardian has health issues and is unable to continue assuming the caring role).*

Note 34: *According to SWD, hospitalised cases refer to applicants who are hospitalised at the time of the placement offer. The application becomes non-active until the applicant is discharged from the hospital (subject to a maximum non-active period of 6 months). The waiting times for these cases are lengthened due to the period of hospitalisation.*

Table 6

Waiting times for PRS
(2021-22 to 2025-26)

Service type	Average					Range (Note 1)
	2021-22	2022-23	2023-24	2024-25	2025-26	2025-26 (Note 2)
	(Month)					
OPRS	4.3	4.2	3.4	N.A. (Note 3)		N.A. (Note 3)
IP	6.3	5.3	3.6	3.7	3.7	2 days to 54.1 months
EETC	5.4	5.0	5.0	3.4	2.8	2 days to 20.7 months
SCCC (excluding RSCCC)	20.2	19.3	19.2	19.1	15.9	4 days to 34.3 months

Source: *SWD records*

Note 1: *According to SWD, cases with waiting times way above the average (e.g. 54.1 months) involved requests from existing service users for changes of service type or centre, which should have been excluded from the average waiting time calculation (see para. 2.34). In a number of cases, service users had switched service types/centres multiple times, and the first application date was used to calculate the waiting time instead of the date of the change request.*

Note 2: *The ranges of waiting time for the period from 2021-22 to 2024-25 were not available because SWD did not retain the calculation records after compiling the statistics for reporting to LegCo (see para. 2.33(a)).*

Note 3: *According to SWD, OPRS achieved "zero waiting time", and therefore the average and range of waiting time were not applicable.*

2.30 ***Number of cases excluded not provided.*** Audit noted that, in response to a question raised by a Member of LegCo during the examination of the 2024-25, 2025-26 and 2026-27 estimates of expenditure for PRS, the number of children waitlisted for the services reported by SWD had excluded children receiving transitional services under EETC or OPRS (Note 35), and existing service users who were waiting for a change of service type/centre (Note 36) (i.e. two excluded types of children), with explanatory notes provided on the exclusions. However:

(a) the number of children excluded was not provided for public information even though a comparatively large proportion of children were excluded (see Table 7); and

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Note 35: *According to SWD guidelines, transitional services are stop-gap measures offered to applicants who are waitlisted for PRS. Eligible applicants comprise:*

(a) OPRS applicants aged under 3, who may also be waitlisted for transitional EETC services;

(b) IP applicants aged under 2, who may also be waitlisted for transitional EETC services; and

(c) SCCC applicants, who may also be waitlisted for transitional EETC services and/or transitional OPRS. However, applicants must not receive transitional services under both EETC and OPRS at the same time.

Note 36: *According to SWD, these cases were excluded as the children were already receiving services (i.e. PRS or transitional services).*

Table 7

Number of children waitlisted for PRS
(as at 31 March of each year from 2022 to 2025)

Service type	Number reported in the examination of the estimates of expenditure	Number recorded in CRSRehab	Number being excluded	Percentage of number being excluded
OPRS (Note)	2,703 to 4,301	3,459 to 5,899	756 to 1,598	28% to 40%
IP	482 to 541	601 to 682	93 to 141	18% to 26%
EETC	1,038 to 1,258	1,803 to 2,143	765 to 946	62% to 82%
SCCC	1,033 to 1,191	2,473 to 2,893	1,440 to 1,716	139% to 148%

Source: *Audit analysis of SWD records*

Note: *According to SWD, as at 31 March 2025, OPRS achieved "zero waiting time", and therefore the number of children waitlisted was not applicable.*

Remarks: *The number of children waitlisted for PRS as at 31 March 2026 were not reported in the examination of the estimates of expenditure in 2026-27.*

(b) while receiving the transitional services or waiting for a change of service type/centre, the PRS applications of the children concerned remained active on the waiting list.

2.31 Upon enquiry, SWD informed Audit in October 2026 that:

(a) the information included in the replies on PRS waiting-time information (see para. 2.30) captured only the number of children on the waiting list who were not yet receiving any services. The footnote explained precisely what had been excluded (i.e. the two excluded types of children — see para. 2.30), both of which were existing service users rather than waiting for services. It was not uncommon for the severity of disability of children receiving existing services to improve, such that they no longer required a

change of the services (Note 37). Adding the two excluded types of children to the total would distort the picture by inflating the waiting list figures;

(b) SWD considered that the focus of the question to be on the number of children who were not receiving any services and were therefore "waiting", rather than on existing service users seeking a change to the services they were already receiving. The numbers of children on the waiting list of each of the four main service types under PRS in CRSRehab were available on SWD website; and

(c) although the two excluded types of children were administered under the same waitlisting system in CRSRehab, counting them in PRS applications would inflate the total number of children not receiving any services and the waiting list.

2.32 While noting SWD's explanations, Audit considers that providing the numbers of the two excluded types of children in SWD's replies to LegCo's questions regarding PRS waiting-time information could enhance the transparency of the waitlist situation and provide a clearer indication of the service demand. In Audit's view, there is merit in SWD reviewing the presentation of waiting-time information for PRS and take follow-up action as appropriate.

2.33 ***Accuracy of average waiting times could not be ascertained.*** Audit noted that the average waiting times for different types of PRS for 2021-22 to 2024-25 were reported in SWD's replies on PRS waiting-time information (see para. 2.30). Upon enquiry, SWD informed Audit in August 2026 that:

(a) for 2021-22 to 2024-25, the records relating to the calculation of average waiting times (including the list of excluded cases) were not retained after the statistics had been compiled for reporting to LegCo; and

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Note 37: *According to SWD, the numbers of children who had shown improvement, and therefore did not require a subsequent change of service, as at 31 March of each year from 2022 to 2025 were not readily available.*

(b) for 2025-26, the calculation basis was the same as that used for 2021-22 to 2024-25. Although calculation records were retained, the list of excluded cases and their exclusion reasons/associated waiting times were not retained.

In the absence of calculation records (including details of case exclusions), the accuracy of the average waiting time figures could not be ascertained.

2.34 ***Cases wrongly included in average waiting time calculation.*** Audit selected 3 cases (being the longest-waiting-time case with IP, EETC or SCCC placement offered — see Table 6 in para. 2.29(b)) from the calculation records for 2025-26 (see para. 2.33(b)). Audit examination found that the waiting times of 2 cases had been inaccurately included in the calculation. Specifically, the IP case involved a change of service type from SCCC to IP, and should be excluded from the calculation as it was an outlier (see para. 2.29(b)). The EETC case received transitional services under EETC while waiting for an SCCC placement, and should not be included in the calculation as no PRS placement had been offered.

2.35 ***Average waiting time calculation basis not provided***. SWD's calculation of average waiting times included only applicants who were offered PRS placements (see para. 2.29(b)), and excluded children who were still waitlisted (i.e. pending placement offers) (Note 38). In other words, waiting time was measured only until the placement offer was made. In addition, outlier cases were excluded from the calculation. However, this calculation basis, including the exclusions applied, was not provided for public information.

2.36 ***Presentation issues in reporting average waiting times.*** Audit noted that, in SWD's replies on PRS waiting-time information (see para. 2.30), for 2021-22 to 2024-25, the reported average waiting times for SCCC service places did not include the average waiting times for RSCCC service places, nor were these figures separately provided. Upon enquiry, SWD informed Audit in October 2026 that the numbers of

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Note 38: *According to SWD, the last application dates of cases with PRS placements offered for each centre providing PRS are published on its website, which is more helpful for parents in checking the progress of their applications. Based on the information on SWD website, the time elapsed between the last application dates and 30 June 2026 varied across centres, ranging from 0 (i.e. the last application dates shown was June 2026) to 29 months for IP, from 0 to 11 months for EETC, and from 0 to 46 months for SCCC.*

children waitlisted for RSCCC service places and the average waiting times had been separately provided in its replies to questions raised by LegCo Members during the examination of the 2024-25, 2025-26 and 2026-27 estimates of expenditure. However, Audit noted that the same inconsistency appeared across all of these replies from SWD. Specifically, the numbers of children waitlisted for RSCCC service places had been included in the reported numbers of children waitlisted for SCCC service places, whereas the average waiting times for RSCCC service places had not been included in the reported average waiting times for SCCC service places.

Audit recommendations

2.37 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **maintain information on NGOs' compliance with the timeframes stipulated in SWD guidelines for informing SWD of PRS placement vacancies and anticipated vacancies, as well as service user discharges;**

(b) **take measures to ensure compliance with the timeframes stipulated in SWD guidelines for PRS placement allocation;**

(c) **consider specifying the timeframe for NGOs' intake and admission of applicants for the annual major selection exercise in SWD guidelines;**

(d) **review the presentation of PRS waiting-time information, including the number of children waitlisted (e.g. the number of cases excluded from the figure) and the average waiting time (e.g. the basis of calculation and figures for RSCCC service places), and take follow-up action as appropriate; and**

(e) **maintain the calculation records for the average waiting time figures for PRS and take measures to ensure that cases that shall not be included in the average waiting time calculation are excluded.**

Response from the Government

2.38 The Director of Social Welfare agrees with the audit recommendations.

PART 3: TRAINING SUBSIDY PROGRAMME FOR CHILDREN ON THE WAITING LIST OF SUBVENTED PRE-SCHOOL REHABILITATION SERVICES

3.1 This PART examines issues relating to the administration of TSP by SWD, focusing on the following areas:

(a) planning of service capacity (paras. 3.4 to 3.12);

(b) processing of applications (paras. 3.13 to 3.20); and

(c) provision and monitoring of services (paras. 3.21 to 3.36).

Background

3.2 TSP was launched in December 2011 under the Community Care Fund. It was regularised in October 2014, and was administered and funded by SWD to provide training subsidy to children of low income families who are in need of rehabilitation services, enabling them to access self-financing services run by NGOs as RSPs while waiting for subvented PRS. The salient features of TSP are as follows:

(a) ***Eligibility.*** A child applicant shall meet all of the following criteria:

(i) is under the age of six and is on the waiting list for PRS in CRSRehab (Note 39);

(ii) is not receiving any subvented PRS, including any transitional services (see Note 35 to para. 2.30); and

(iii) is subject to a means test under which the monthly household income must not exceed 75% of the Median Monthly Domestic Household

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Note 39: *According to SWD, TSP has begun to stop accepting applications from children who newly apply for OPRS and IP in phases starting from October 2026 (see para. 3.8(b)).*

Income based on the General Household Survey published by the Census and Statistics Department at the time of application. The means test is not applicable to children waitlisted for service places in SCCCs in order to enhance the support for them;

(b) ***Levels of subsidy.*** There are two levels of subsidy, namely NLS (for children waitlisted for service places in OPRS, IP or EETCs) and HLS (for children waitlisted for service places in SCCCs);

(c) ***Service scope.*** It includes individual or group training/therapy services, and individual assessment and/or family support services. The services are provided by special child care workers, clinical psychologists, educational psychologists, occupational therapists, physiotherapists, speech therapists and registered social workers. Table 8 shows the subsidy and services for TSP beneficiaries as at 30 September 2026; and

Table 8

Subsidy and services for TSP beneficiaries (30 September 2026)

Item	NLS	HLS
Subsidy		
Maximum per month (Note 1)	$3,549	$6,904
Services		
Individual or group training/therapy services	4 sessions (in 3 hours) per month	6 sessions (in 6 hours) per month (Note 2)
Individual assessment/family support services	6 hours per year	

Source: *SWD records*

Note 1: *According to SWD, the maximum subsidy levels have already taken into account the rent and rates, government rent (if any), administrative costs and service fee.*

Note 2: *RSPs are required to provide HLS beneficiaries with at least 18 hours of therapeutic/training sessions delivered by occupational therapists, physiotherapists or speech therapists every six months.*

(d) ***Discharge from service.*** Children joining TSP will continue to remain on the waiting list of CRSRehab. When they are admitted to PRS placement under CRSRehab, they will no longer be eligible for subsidy under TSP. If the beneficiaries decide to decline the offer of placement under CRSRehab, they may continue to receive subsidy under TSP until the 1 September after they have attained the age of six or their admission to primary/special school, whichever is the earlier.

3.3 As of March 2026, 34 RSPs were operating 136 centres, providing 3,092 service places. Table 9 shows the number of service places, number of beneficiaries and expenditure of TSP from 2021-22 to 2025-26.

Table 9

Number of service places, number of beneficiaries and expenditure of TSP (2021-22 to 2025-26)

Year	Number				Expenditure (Note 2) ($ million)
	Service places	Beneficiaries (Note 1)			
		NLS (a)	HLS (b)	Total (c) = (a) + (b)	
2021-22	3,154	2,259	1,799	4,058	92.3
2022-23	3,166	2,158	1,782	3,940	77.1
2023-24	3,140	2,416	1,803	4,219	94.4
2024-25	3,092	1,867	1,582	3,449	118.2
2025-26	3,092	1,428	1,234	2,662	128.1

Source: *SWD records*

Note 1: *The number of beneficiaries refers to the number of children who have received services under TSP during a particular financial year. After approval, a beneficiary may continue to receive services until discharge.*

Note 2: *The 2025-26 figure represented the revised estimate of financial provision. According to SWD, the expenditure comprises subsidy reimbursements to RSPs and SWD's administration costs. As reimbursement applications are submitted within six months after each quarter and verified by SWD before payment (see para. 3.31), expenditure in a given year may not correspond directly to the number of beneficiaries in that year.*

Planning of service capacity

Need to keep under review utilisation of service places

3.4 According to SWD, NGOs were invited to join TSP as RSPs through open invitation for applications. A vetting committee of SWD assessed applications submitted by eligible NGOs and made recommendations for endorsement. There were two open invitations for joining as RSPs since 2014, which were held in 2014 and 2017. Upon endorsement for appointment, service agreements were signed with the RSPs for a term of three years. Audit noted that the majority of service agreements were further renewed in 2020 and 2023 (Note 40). The service capacity for TSP had remained stable at about 3,100 service places over the past few years (see Table 9 in para. 3.3). Audit analyses of the statistics of TSP for the period from 2021-22 to 2025-26 noted room for improvement in the capacity planning of TSP services.

3.5 As shown in Table 9 in paragraph 3.3, the number of TSP beneficiaries decreased by 34% from 4,058 in 2021-22 to 2,662 in 2025-26, and showed a downward trend over the last three years. Audit analyses of the utilisation of service places for the same period showed that, with the service capacity remained roughly the same throughout the period, there was an overall surplus in all years. The overall average utilisation rate of service places decreased from 53% in 2021-22 to 38% in 2025-26 (see Table 10). Upon enquiry, SWD informed Audit in August 2026 that while it had not conducted any formal studies on the decreasing trend in the number of applications and beneficiaries, the decline might be attributable to various factors, such as the declining birth rate, the increase in subvented PRS places and shortened waiting time.

Note 40: *As of August 2026, all the 34 RSPs were among the 37 RSPs recruited in the 2014 and/or 2017 invitation exercises.*

Table 10

Utilisation of service places under TSP
(2021-22 to 2025-26)

	2021-22	2022-23	2023-24	2024-25	2025-26
HLS					
Average number of service users (a)	882	859	862	807	603
Average service capacity (b)	1,679	1,666	1,623	1,606	1,606
Average utilisation rate (c) = (a) ÷ (b) × 100%	53%	52%	53%	50%	38%
NLS					
Average number of service users (d)	805	750	948	726	569
Average service capacity (e)	1,475	1,500	1,517	1,486	1,486
Average utilisation rate (f) = (d) ÷ (e) × 100%	55%	50%	62%	49%	38%
Overall					
Average number of service users (g)	1,687	1,609	1,810	1,533	1,172
Average service capacity (h)	3,154	3,166	3,140	3,092	3,092
Average utilisation rate (i) = (g) ÷ (h) × 100%	53%	51%	58%	50%	38%

Source: *Audit analysis of SWD records*

Remarks: *According to SWD, the number of service users and service capacity were captured at the end of each month. The average numbers were calculated by taking the average of the month-end statistics for the respective financial year.*

Significant variations in utilisation of service places across regions, districts and RSP centres

3.6 Audit's further analyses of the service place utilisation as of mid-June 2026 revealed that:

(a) the 3,092 service places comprised 466 places located on Hong Kong Island, 1,099 places located in Kowloon and 1,527 places located in the New Territories. The utilisation rates of the service places of the three regions were 28%, 27% and 54% respectively;

(b) district-level analysis revealed that utilisation rates ranged from 15% (in Wong Tai Sin District) to 77% (in North District); and

(c) in terms of RSP centres, 20 (15%) of the 136 centres recorded a utilisation rate of 100%, while 10 (7%) centres recorded a utilisation rate of 0%. Audit examination of the self-assessment reports submitted by RSP centres found that, for the period from October 2024 to September 2025, 4 (3%) RSP centres recorded no TSP cases during the period.

3.7 Upon enquiry, SWD informed Audit in August 2026 that:

(a) in considering the allocation of service places, factors taken into account included available funding, projected demand and supply in each district, the number of service places operated by RSPs under the current service agreements, and the utilisation of those places; and

(b) it had kept in view of the utilisation of service places throughout the contract term. The most recent placement adjustment exercise took place in 2023 following observations of high utilisation rates in certain districts. The adjustment was cost neutral and mainly involved transfer or conversion of places among the operating RSPs.

3.8 While noting SWD's explanations, Audit noted that:

(a) despite SWD's placement adjustment exercise in 2023 (see para. 3.7(b)), significant variations in the utilisation of TSP service places at the district

level persisted. The utilisation rates among individual RSP centres also differed significantly; and

(b) according to SWD, it conducted a repositioning review on various PRS (Note 41) in October 2025 and concluded that a new school-based model should be implemented. With the introduction of the new model, TSP would no longer be applicable to Tier 2 children who were recommended for IP or OPRS services (Note 42). TSP has begun to stop accepting applications from children who newly apply for OPRS and IP in phases starting from October 2026, and will only be provided for children awaiting EETC or SCCC services. Given that the demand for TSP will be further reduced significantly with the implementation of the new school-based model of PRS, SWD needs to critically review the service capacity of TSP and make adjustments as appropriate, taking into account the audit findings in this Audit Report.

Scope for improving uptake of TSP among eligible children

3.9 Children on the waiting list for SCCC services in CRSRehab are not subject to the means test and are therefore eligible to apply for HLS under TSP (see para. 3.2(a)(iii)). Audit analysed the uptake among these eligible children for the period from 2021-22 to 2025-26 (see Table 11) and noted that the proportion applying for HLS under TSP remained stable at around 73% to 74%. Nevertheless, given the persistently long waiting time for SCCC places (ranging from 15.9 to 20.2 months for the past 5 years — see Table 6 in para. 2.29(b)) and the surplus service places under TSP (see para. 3.5), there appears to be a mismatch of demand and supply of such services.

Note 41: *According to the "Persons with Disabilities and Rehabilitation Programme Plan" issued by the Rehabilitation Advisory Committee in June 2020, the Government should, in the long run and when the waiting time for PRS is substantially shortened, review the positioning of various PRS for further enhancing services so as to achieve the target of early intervention. According to SWD, as OPRS have achieved "zero waiting time" since 2024-25, a repositioning review was conducted in October 2025.*

Note 42: *Under the new school-based model of PRS, school-based teams will handle the referrals for Tier 2 children who are recommended for IP or OPRS services directly. As these children will no longer need to be waitlisted for PRS in CRSRehab, TSP will no longer be applicable. As at 31 March 2026, 365 (35%) of the 1,031 TSP service users were waitlisted for IP or OPRS services.*

Table 11

Uptake of TSP among children waitlisted for SCCC services (2021-22 to 2025-26)

	2021-22	2022-23	2023-24	2024-25	2025-26
Number of children on waiting list for SCCC services:					
— As at 31 March	1,168	1,191	1,161	1,033	596
— Average (Note) (a)	N.A.	1,180	1,176	1,097	815
Average number of HLS service users (b)	882	859	862	807	603
Uptake rate (c)=(b)÷(a)×100%	N.A.	73%	73%	74%	74%

Source: *Audit analysis of SWD records*

Note: *The average is calculated by taking the simple average of the number of children on waiting list for SCCC services as at 31 March of the previous year and the year under analysis.*

Remarks: *According to the eligibility criteria (see para. 3.2(a)), children applying for TSP should not be receiving subvented PRS, including transitional services. The figures represent the numbers of children on the waiting list of CRSRehab excluding those receiving transitional services under EETC or OPRS, or those awaiting a change of type/centre choice (see Notes 35 and 36 to para. 2.30).*

3.10 With a view to providing appropriate rehabilitation services to children in need as early as practicable and to further enhance the uptake of eligible children using TSP services, Audit considers that SWD needs to ascertain the reasons why some eligible children do not apply for TSP and formulate appropriate measures accordingly.

Audit recommendations

3.11 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **continue to monitor the utilisation of service places under TSP and formulate measures to optimise their use;**

(b) **when allocating service places to RSPs in future, enhance the use of actual and projected utilisation patterns of individual regions, districts and RSP centres in making allocation decisions;**

(c) **critically review the service capacity of TSP and make adjustments as appropriate, taking into account the impact of implementing the new school-based model of PRS and the audit findings in this Audit Report; and**

(d) **ascertain the reasons why some eligible children do not apply for TSP and formulate appropriate measures accordingly.**

Response from the Government

3.12 The Director of Social Welfare agrees with the audit recommendations.

Processing of applications

3.13 Applications for TSP are processed by SWD. According to SWD, the processing of application involves the following procedures:

(a) invitations are issued by SWD to parents/guardians of children on the waiting list for PRS in CRSRehab;

(b) parents/guardians of an eligible child applying for subsidy under TSP must choose up to three RSP centres, in order of priority, on the application form;

(c) families whose children are on the waiting list for OPRS, IP or EETC service places are subject to a means test (see para. 3.2(a)(iii)). When making an application, parents/guardians must provide information on their household income on the application form. Submission of income proof is required upon SWD's requests for in-depth financial checking (see para. 3.18) of the applicant's means-test eligibility; and

(d) SWD will, as far as possible, arrange an RSP centre for the child according to the stated preference of the parents/guardians, taking into consideration the actual service capacity available.

3.14 Table 12 shows the number of TSP applications processed for the period from 2021-22 to 2025-26.

Table 12

Number of TSP applications processed
(2021-22 to 2025-26)

Year	Number of applications		
	Received	Rejected	Withdrawn
2021-22	3,400	473 (14%)	582 (17%)
2022-23	3,350	566 (17%)	536 (16%)
2023-24	2,877	334 (12%)	375 (13%)
2024-25	2,024	203 (10%)	413 (20%)
2025-26	1,517	142 (9%)	281 (19%)
Overall	13,168	1,718 (13%)	2,187 (17%)

Source: *Audit analysis of SWD records*

Remarks: *According to SWD, the number of applications received was recorded based on the year of application, whereas the numbers of application rejected or withdrawn were reported according to the status of the applications as at the end of each financial year (i.e. 31 March). The applications under processing as at the end of each financial year ranged from 3% to 9% of the applications received.*

Need to ascertain reasons for rejected and withdrawn applications

3.15 Audit noted that rejected and withdrawn applications for the period from 2021-22 to 2025-26 constituted a considerable proportion of TSP applications, as follows:

(a) the overall percentage of applications rejected was 13%, ranging from 9% to 17% across the years; and

(b) the overall percentage of applications withdrawn by applicants was 17%, ranging from 13% to 20% across the years.

3.16 For applications withdrawn by applicants, SWD did not have information on the reasons, as applicants were not required to provide an explanation when withdrawing their applications. As for rejected applications, SWD informed Audit in September 2026 that the major reasons for rejection included:

(a) applicants did not meet the means-test eligibility on household income (see para. 3.2(a)(iii)), or did not submit income proof upon SWD's request for in-depth financial checking (see para. 3.18);

(b) applicants did not meet other eligibility criteria. For example, some applicants had been admitted to, or offered, subvented PRS places (see para. 3.2(a)(ii)) after submitting their applications; and

(c) applications were removed from CRSRehab due to various reasons, such as the applicants leaving Hong Kong or under prolonged hospitalisation.

3.17 Audit noted that SWD did not maintain management information on the reasons for applications being rejected or withdrawn. With a view to further facilitating applicants in applying for subsidy under TSP, SWD needs to ascertain these reasons and offer appropriate support to potential applicants.

Room for improvement in verifying eligibility of applicants

3.18 According to SWD's Operational Guidelines for TSP, SWD will select a specified proportion of applications for in-depth financial checking to ensure that applicants meet the means-test eligibility (see para. 3.2(a)(iii)). Applications are selected based on their sequence numbers, and applicants are required to submit supplementary financial documents and/or declarations as income proof before placement allocation. Audit examined 12 applications received in May and June 2026 for which SWD should have conducted in-depth financial checking based on the sequence numbers of applications and noted that:

(a) in-depth financial checking was not conducted for 6 (50%) of the selected applications. Among these applications:

  (i) 1 (8%) was withdrawn by the applicant;

  (ii) 2 (17%) were rejected for failing to meet the means-test eligibility (see para. 3.2(a)(iii)), based on the information on the application forms; and

  (iii) 3 (25%) were not subject to the means test (i.e. children waitlisted for service places in SCCCs), or the applicants' families were receiving Comprehensive Social Security Assistance (Note 43); and

(b) SWD did not select replacement cases for these 6 (50%) applications for checking. Audit noted that SWD guidelines had not specified requirements for handling situations where the selected applications were subsequently found not to require checking, such as selecting replacement cases to fulfil the specified proportion. In this regard, checking was only conducted on 6 (50%) of the chosen applications, falling short of the specified proportion.

Note 43: *According to SWD, a family receiving Comprehensive Social Security Assistance is regarded as being able to meet the means-test eligibility, and therefore no in-depth financial checking is considered necessary for the purpose of TSP application.*

Audit recommendations

3.19 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **ascertain the reasons for the rejection and withdrawal of TSP applications, and maintain the relevant management information to facilitate formulation of appropriate support measures for potential applicants; and**

(b) **take measures to ensure that in-depth financial checking is conducted for TSP applications in accordance with the criteria and proportion specified in the guidelines, including stipulating requirements for handling situations where applications selected based on sequence numbers are subsequently found, for valid reasons, not to require checking.**

Response from the Government

3.20 The Director of Social Welfare agrees with the audit recommendations.

Provision and monitoring of services

Need to ensure that service hours provided to beneficiaries by RSPs are sufficient and accurately reported

3.21 SWD signs a service agreement with each RSP for delivering training services under TSP. According to the service agreements, RSPs are required to provide beneficiaries with early intervention services to enhance their physical, psychological, cognitive and social development so as to help them develop their potential. The services to be provided include:

(a) conducting an assessment of the beneficiary prior to the commencement of service, planning an individualised training programme with specific learning goals based on the assessment recommendations, and reviewing the beneficiary's progress upon mutual agreement with the parents/guardians;

(b) providing continuous individual and/or group training, covering areas such as basic physical, intellectual, sensory motor, cognitive, communication, emotion, and social and self-care ability training;

(c) assisting parents/guardians/carers in understanding the focus of training and the beneficiary's progress, so as to encourage and support them in providing continuous training to the beneficiary at home; and

(d) continuously reviewing the beneficiary's training progress.

3.22 RSPs and centres are required to regularly submit to SWD the following information related to TSP services:

(a) monthly service records, which contain detailed information on the subsidised services provided to each beneficiary, including the duration of training/therapy services, and the individual assessment/family support services delivered (see Table 8 in para. 3.2);

(b) annual self-assessment reports, in which RSP centres evaluate their performance against requirements stipulated in the service agreements; and

(c) quarterly reimbursement applications, with detailed calculations of the subsidy amount based on the number of TSP cases by type (i.e. NLS or HLS) and any deductions thereof.

3.23 Audit examined the self-assessment reports and the reimbursement records submitted by 137 RSP centres (Note 44) for the period from October 2024 to September 2025 and noted that:

(a) 3 (2%) RSP centres reported in their self-assessment reports that they had not provided sufficient hours of individual assessment/family support services (i.e. 6 hours per year) for some cases. The reasons included that parents/guardians being unavailable to attend the service sessions. According to SWD, the RSP centres reporting insufficient service hours were required to formulate follow-up plans to the satisfaction of SWD; and

Note 44: *This included 1 RSP centre that ceased to provide TSP services from April 2025.*

(b) the reimbursement records for the same period, however, showed that a total of 92 (67%) RSP centres recorded deductions of subsidy due to insufficient service hours, amounting to about $868,000 in subsidy deductions. The insufficient hours included both individual assessment/family support services, and/or training/therapy services.

3.24 Audit noted the following issues related to insufficient service hours reported:

(a) the self-assessment reports submitted by the 89 (65%) RSP centres (i.e. 92 centres with deductions of subsidies minus the 3 centres that reported insufficient hours) did not accurately reflect the actual level of service provided. Despite the discrepancy, there was no documentary evidence showing that SWD had taken follow-up actions (e.g. clarify with the RSP centres concerned about the discrepancies); and

(b) unlike the 3 RSP centres that reported insufficient service hours, the remaining 89 RSP centres with subsidy deducted were not requested by SWD to provide explanations or formulate follow-up plans for the shortfall in service hours. This is unsatisfactory, as the beneficiaries did not receive the required level of training/therapy or support services.

3.25 In Audit's view, SWD needs to take measures to ensure that RSPs meet the service delivery requirements as stipulated in the service agreements. SWD should also take measures to ensure the accuracy of the self-assessment reports submitted by RSPs, and take appropriate follow-up actions in cases where irregularities were noted when examining different records submitted by RSPs.

Need to issue more detailed guidelines on review visits

3.26 According to SWD, it monitors the services provided under TSP through the submission of regular reports by RSPs and regular review visits. The review visits include examination of financial and service documents, observation of the training environment/facilities and training aids, and discussion with trainers as appropriate. For each visit, a centre under an RSP is selected and requested to make available relevant documents (e.g. children's training records and accounting records) for SWD's examination.

3.27 During the period from April 2025 to March 2026, SWD conducted review visits to 14 RSP centres (i.e. about 10% of the 136 RSP centres as of March 2026). However, Audit noted that SWD had not issued guidelines specifying the criteria for selecting RSPs and RSP centres (e.g. the number and frequency of review visits), nor the scope of checking (e.g. the number of children's training records and period to be covered) by SWD staff during each visit. In light of the audit findings regarding the inaccurate reporting in the self-assessment reports, SWD needs to enhance the conduct of review visits, including promulgating guidelines that specify the criteria for selecting RSPs and RSP centres (e.g. on a risk basis), as well as the scope of checking.

Need to ensure timely submission of reports by RSPs

3.28 According to the service agreements, RSPs are required to submit regular reports to SWD, including:

(a) annual self-assessment reports for each RSP centre, no later than 15 October each year;

(b) annual financial returns of the RSP (Note 45), no later than 31 October following the end of the financial year concerned; and

(c) quarterly summary of users' satisfaction survey, no later than the 20th of the month after each quarter.

3.29 Audit examination of the reports submitted by RSPs and centres noted instances of late submissions, as shown in Table 13.

Note 45: *The annual financial returns refer to:*

(a) for NGOs receiving subventions on LSG, the annual Audited Financial Statements of the NGOs as a whole, together with the Annual Financial Report that accounts for the income and expenditure of TSP separately; and

(b) for NGOs operating non-subvented welfare services, an audited income and expenditure statement of TSP.

Table 13

Delays in submission of reports by RSPs and centres

Report	Number of RSPs/centres with delays	Delay (Day)	
		Average	Range
Annual self-assessment reports (for 2024-25)	41 (30%) of 137 RSP centres (see Note 44 to para. 3.23)	7	1 to 56
Annual financial returns (for 2024-25)	6 (18%) of 34 RSPs	67	10 to 174
Summary of users' satisfaction survey (for the quarter July to September 2025)	42 (31%) of 136 RSP centres	8	1 to 25

Source: Audit analysis of SWD records

3.30 Audit noted that, starting from October 2022, an automatic reminder function had been implemented in SWD's computer system, covering all types of TSP documents required from RSPs or centres. E-mail reminders are automatically sent to the RSPs and centres before and again afterwards if the documents remain outstanding. Despite these reminders, delays in the submission of reports persisted. Audit considers that SWD needs to explore further measures to ensure the timely submission of reports by RSPs.

Room for improvement in managing reimbursement claims by RSPs

3.31 ***Need to ensure timely submission of reimbursement claims by RSPs.*** According to the service agreements, RSPs are required to submit reimbursement claim applications quarterly to SWD within six months after the end of the quarter, prepared in accordance with the monthly service records (see para. 3.22(a)) submitted.

3.32 Audit examination found that, for the quarterly reimbursement applications for the period from April 2024 to March 2025, one RSP submitted its claims late for 3 out of the 4 quarters, with delays averaging 34 days (ranging from 21 to 51 days). The total amount involved in these late submissions was about $5 million, representing 6% of all reimbursement claims received by SWD for the period. Audit considers that SWD needs to explore further measures to ensure the timely submission of reimbursement claims by RSPs.

3.33 ***Need to formalise guidelines on subsidy deduction.*** When processing reimbursement applications from RSPs, the subsidy for each beneficiary is calculated based on the maximum monthly subsidy level (i.e. $3,549 for NLS, or $6,904 for HLS as of September 2026 — see Table 8 in para. 3.2), and reduced by any applicable deductions. There were mainly three types of deductions of subsidy, namely:

(a) deduction for training sessions not delivered;

(b) deduction for insufficient provision of individual assessment/family support services and/or therapeutic sessions; and

(c) deduction for rent and rates when subvented premises were used for TSP services.

3.34 Audit noted that although SWD had explained the deduction mechanism and calculation basis to RSPs during the briefing session on TSP operational matters (held at the beginning of the service term), it had not set out the mechanism and basis in the service agreements, nor issued any guidelines to RSPs in this regard.

Audit recommendations

3.35 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **take measures to ensure that RSPs meet the service delivery requirements as stipulated in the service agreements;**

(b) **take measures to ensure the accuracy of the self-assessment reports submitted by RSPs, and take appropriate follow-up actions in cases**

where irregularities were noted when examining different records submitted by RSPs;

(c) **enhance the conduct of review visits to RSP centres, including promulgating guidelines that specify the criteria for selecting RSPs and RSP centres, as well as the scope of checking;**

(d) **explore further measures to ensure the timely submission of reports and reimbursement claims by RSPs; and**

(e) **set out the mechanism and basis for subsidy deductions in the service agreements, and issue guidelines to RSPs.**

Response from the Government

3.36 The Director of Social Welfare agrees with the audit recommendations.

PART 4: ADMINISTRATIVE ISSUES

4.1 This PART examines administrative issues related to PRS, focusing on the following areas:

(a) presentation of information (paras. 4.2 to 4.10);

(b) administration of fees and charges (paras. 4.11 to 4.23); and

(c) compliance with financial reporting requirements and Service Quality Standards (SQSs) (paras. 4.24 to 4.35).

Presentation of information

Need to review cost allocation across various services used for reporting expenditure on PRS to LegCo

4.2 Audit noted that, in response to questions raised by some LegCo Members during the examination of the estimates of expenditure, SWD reported to LegCo the expenditure figures for individual services under PRS (i.e. OPRS, IP, EETC and SCCC) for the period from 2022-23 to 2025-26. Upon enquiry, SWD informed Audit in June 2026 that the total financial provision for PRS comprised two major components, namely, the SWD cost and the subvention to NGOs. Audit noted room for improvement in the reporting of both components. The revised estimates of the 2025-26 expenditure were used as illustrative examples, and the related audit findings are as follows:

(a) ***SWD cost.*** The expenditure for IP included the SWD cost of $1.7 million. According to SWD, the cost mainly comprised personal emoluments of indirect supporting SWD staff of different grades, allocated according to the proportion of time spent by the subject officers on different subvented services. However, Audit found that the SWD cost did not include the direct staff cost involved in providing CPSS and CPMS (see para. 1.7(b))

for IP, which were delivered by 8 clinical psychologists, 13 occupational therapists and 5 physiotherapists (Note 46); and

(b) ***Subvention to NGOs.*** For EETCs, the total subvention to NGOs was $411.9 million in 2025-26, including subvention for enhancing speech therapy services of both EETCs and DSTTs under IP.

4.3 Upon enquiry, SWD informed Audit in October 2026 that:

(a) the relevant SWD staff cost of CPSS and CPMS (see para. 4.2(a)) was recorded separately rather than being allocated to IP. Apart from providing services for IP, clinical psychologists of CPSS also supported other PRS units. Similarly, occupational therapists and physiotherapists of CPMS also provided professional services across multiple programmes (e.g. providing support and training to other rehabilitation services, and offering second opinion on the purchase of rehabilitation equipment); and

(b) SWD did not maintain information on the proportion of the time spent by the relevant SWD staff of CPSS and CPMS across the various programmes, nor on the apportionment of the speech therapy subvention between EETCs and IP.

4.4 In Audit's view, SWD needs to review, and revise as appropriate, the cost allocation across various services, including the classification and the related proportions, used for reporting expenditure on PRS to LegCo to better reflect the costs incurred on the respective services.

Need to improve reporting of annual service statistics to LegCo

4.5 In response to LegCo Members' questions, SWD also reported service statistics (e.g. the number of service users, utilisation rates and the number of children waitlisted) for PRS (including OPRS (Tier 2 Services), IP, EETC and SCCC) to

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Note 46: *According to the Staff Cost Ready Reckoner compiled by the Treasury, the average annual staff costs in 2025-26 for a clinical psychologist, an occupational therapist and a physiotherapist were about $1.4 million, $1 million and $1.2 million respectively.*

LegCo. Audit found that SWD used the snapshot figures as at the financial year-end date (i.e. 31 March) to represent the service situation for the year. For example:

(a) SWD reported to LegCo in April 2026 that for OPRS (Tier 2 Services), there were 10,104 and 10,081 service users in 2023-24 and 2024-25 respectively, with corresponding utilisation rates of 99.8% and 99.6%. However, these figures were in fact the snapshot figures as at 31 March 2024 and 31 March 2025 respectively; and

(b) Audit analysis of SWD's monthly data found that, if monthly average numbers were used, the number of service users were 9,664 and 9,910 in 2023-24 and 2024-25, with corresponding average utilisation rates of 95.7% and 97.9% respectively.

4.6 In Audit's view, to enhance clarity, SWD needs to take measures to improve the reporting of annual service statistics for PRS (e.g. specifying the applicable date or period, or considering the presentation of annual figures derived from monthly averages).

Need to improve presentation of service-provision information on website

4.7 SWD disseminates information on its website regarding PRS and TSP. For each service type, SWD maintains and updates a full list of NGOs, service units, teams, and RSPs and their centres, including their addresses and contact numbers. However, Audit found that, as of August 2026:

(a) for OPRS and IP, while the contact information of each OPRS team and KG-cum-CCC operating IP was available on SWD website, information on the service capacity and the number of vacant service places in individual OPRS teams, and the number of vacant IP service places in each KG-cum-CCC was not provided;

(b) for EETCs and SCCCs, the contact information and service capacity were shown on SWD website. However, information on the number of vacant service places in individual centres was not provided; and

(c) for TSP, while the list of RSPs and centres was available on SWD website and included their contact information and service coverage, it did not provide information on the service capacity and the number of vacant service places in each RSP centre.

4.8 Upon enquiry, SWD informed Audit in October 2026 that, while the numbers of vacant service places were not provided, since September 2026, SWD has shown on its website an indicator for each service unit under IP, EETC and SCCC (Note 47) on whether vacant service places were available. In Audit's view, to further facilitate users' selection of appropriate services, there are merits for SWD to also provide information on the service capacity for OPRS and TSP, and vacancy information for TSP on its website.

Audit recommendations

4.9 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **review, and revise as appropriate, the cost allocation across various services, including the classification and the related proportions, used for reporting expenditure on PRS to LegCo;**

(b) **take measures to improve the reporting of annual service statistics for PRS (e.g. specifying the applicable date or period, or considering the presentation of annual figures derived from monthly averages); and**

(c) **provide information on the service capacity for OPRS and TSP, and vacancy information for TSP on SWD website.**

Response from the Government

4.10 The Director of Social Welfare agrees with the audit recommendations.

Note 47: *According to SWD, the vacancy information for OPRS is not applicable, as services would be arranged for concerned children once the cases are registered in CRSRehab and referred to OPRS teams.*

Administration of fees and charges

4.11 According to the LSG Subvention Manual, apart from the recognised fees, NGOs may impose additional fees and charges, provided that they comply with the rules and fee-charging principles. From July to September 2026, Audit visited three service units for each type of PRS (i.e. OPRS, IP (including DSTTs), EETC and SCCC). Among the service units visited, recognised fees were charged for EETC services (i.e. $148 per annum) and for OCCS for CD ($64 per full day, provided at EETCs or SCCCs). Audit noted issues relating to the administration of fees and charges, and the details are reported in paragraphs 4.12 to 4.21.

Room for improvement in compliance with rules and fee-charging principles

4.12 ***Need to take measures to ensure that additional fees are not charged for generic services.*** According to the LSG Subvention Manual, the purpose of charging additional fees and charges is to meet the individual or special needs of service users, instead of providing generic services or basic facilities and should not bring any adverse effect on delivery of FSA activities. Audit visited three EETCs (namely EETCs A, B and C, operated by NGOs A, B and C respectively) in July and August 2026. Audit noted that EETC C charged:

(a) a monthly fee of $60, comprising the recognised fee plus an additional fee (Note 48) to support the delivery of EETC services; and

(b) activity fees for centre-based group trainings, amounting to $54,280 in 2025-26. However, EETC C informed Audit in August 2026 that the training hours of these activities were counted towards the achievement of the Service Output Standard (OS) on "training hours delivered per child" in the statistical information submitted to SWD as required under FSA. In this regard, Audit considers that the activities should be regarded as a generic EETC service, for which service users should not be charged additional fees.

Note 48: *For example, for a child admitted to EETC C and receiving the service for one year, EETC C charged $720 (i.e. $60 × 12) in total, comprising the recognised fee of $148 plus an additional fee of $572.*

4.13 ***Need to ensure compliance with requirements on disclosure of fees and charges information.*** According to the rules and fee-charging principles set out in the LSG Subvention Manual, the requirements on the disclosure of fees and charges information stipulate that:

(a) a clearly defined schedule of fees and charges must be accessible by service users and/or their family members;

(b) information containing all fees and charges should be clearly displayed in the service units concerned, including the channels for making enquiries or complaints;

(c) NGOs should lay down and publicise the fee waiver policy including the pre-determined eligibility criteria and application procedures (if any); and

(d) fees and charges other than the recognised fee income should be separately accounted for and included in the Annual Financial Reports of NGOs.

4.14 Audit examination found that, as of August 2026, both EETCs A and C have implemented a fee waiver policy under which service users receiving allowances under the Comprehensive Social Security Assistance Scheme were charged lower monthly fees of $12 and $13 respectively. Audit noted that, while SWD provided information on the recognised fee (i.e. $148 per annum) on its website, the two EETCs/NGOs did not provide the following:

(a) for EETC A, NGO A did not provide the defined schedule of the fees and charges (i.e. recognised fee and service charge — see para. 4.19(a)) and its fee waiver policy either at EETC A or on NGO A's website;

(b) for EETC C, NGO C did not provide the pre-determined eligibility criteria for its fee waiver policy either at EETC C or on NGO C's website; and

(c) both NGOs A and C did not separately account for and include the additional fees in their Annual Financial Reports.

In Audit's view, SWD needs to take measures to ensure NGOs' compliance with the relevant requirements on the disclosure of fees and charges information. To enhance transparency, there is also merit in SWD requiring NGOs to provide information on their websites about the additional fees and charges for their respective EETCs.

4.15 ***Non-compliances with fee-charging requirements stipulated in Child Care Services Regulations (Cap. 243A)***. All child care centres (including SCCCs) must be registered under the Child Care Services Ordinance. In addition to complying with the rules and fee-charging principles and disclosure requirements set out in the LSG Subvention Manual (see paras. 4.12 and 4.13), these SCCCs shall also comply with the requirements stipulated in the Child Care Services Ordinance and its subsidiary legislation. According to the Child Care Services Regulations, no person shall charge or accept payment of any money or fee whatsoever on account of the attendance of a child at a centre other than the latest inclusive monthly fee gazetted (e.g. monthly fees for SCCC and RSCCC services — Note 49), unless it is in addition to the inclusive monthly fee in respect of a centre and is charged/accepted with the prior approval, in writing, of SWD.

4.16 As of July 2026, the recognised fee for OCCS for CD was $64 per full day (see para. 4.11). In July and August 2026, Audit visited three SCCCs that are registered under the Child Care Services Ordinance. Audit noted that, at one SCCC (Note 50), a service user receiving full-day OCCS for CD was charged $77, which was $13 higher than the recognised full-day fee. According to the SCCC, the additional $13 represented subsidised meal fees charged to the service user for two meals consumed during service hours. However, there was no documentation showing that the SCCC had sought SWD's approval for charging the meal fees, as required under the Regulations. Audit also noted that the compliance with the Regulations was one of the Essential Service Requirements stipulated in the FSA of the SCCC. According to the LSG Subvention Manual, SWD should take follow-up

Note 49: *The monthly fees for SCCC and RSCCC services have been waived since September 2017.*

Note 50: *As of March 2026, the SCCC provided two OCCS for CD places.*

actions in the event of non-compliance with the relevant requirements (Note 51). In Audit's view, SWD needs to review the case and take follow-up actions in accordance with the Manual as appropriate.

4.17 ***Need to monitor compliance with rules and fee-charging principles.*** According to SWD guidelines, under the quality assurance mechanism for PRS under LSG, NGOs are required to conduct self-assessments and submit the results regularly, and are subject to performance assessment visits by SWD (see para. 1.12). However, Audit found that the checking of NGOs' compliance with the rules and fee-charging principles stipulated in the LSG Subvention Manual (e.g. the imposition of additional fees and charges in excess of the recognised fees and their relevant disclosures) was not covered in SWD's quality assurance mechanism. Specifically, both the returns for reporting results of self-assessments and the performance assessment visit checklist did not cover the rules and fee-charging principles relating to additional fees and charges.

4.18 Upon enquiry, SWD informed Audit in September 2026 that the monitoring of compliance of the additional fees and charges with the rules and fee-charging principles was primarily governed by NGOs' internal control mechanism. Should any irregularity or non-compliance in relation to rules and fee-charging principles be identified by SWD (e.g. from complaints), it would carry out investigations and take appropriate follow-up actions (see Note 51 to para. 4.16). In light of the audit findings on service units' non-compliance with the rules and fee-charging principles, Audit considers that SWD needs to strengthen the monitoring of their compliance with the relevant requirements.

Need to strengthen controls on fee-charging arrangements

4.19 ***Need to specify charging basis for recognised fee in LSG Subvention Manual.*** According to the LSG Subvention Manual, the recognised fee for EETC services is $148 per annum. According to SWD, this recognised fee should be

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Note 51: *According to the LSG Subvention Manual, in the event of non-compliance with the relevant requirements, SWD will require the NGO concerned to formulate an action plan for implementing rectification and improvement measures within a specified timeframe. Depending on the nature, gravity and impact of the non-compliance, additional measures (e.g. issuing warning letters and setting a surveillance period on the service unit concerned) may be taken.*

charged as a single annual lump sum. Audit noted variances in the charging basis for the recognised fee among the three EETCs visited, as follows:

(a) EETC A charged a monthly fee of $55, comprising the recognised fee together with a service charge imposed as an additional fee for the use of certain special equipment and facilities;

(b) EETC B charged only the recognised fee. For service users admitted in September each year (i.e. the start of a service year), the full annual fee of $148 was charged. For service users admitted in other months, the recognised fee was charged on a time-apportioned basis; and

(c) EETC C charged a monthly fee of $60, comprising the recognised fee plus an additional fee (see para. 4.12).

In light of the inconsistent charging bases adopted by EETCs, Audit considers that SWD needs to set out clear guidelines in the Manual on this matter.

4.20 ***Need to review the types of additional fees and charges requiring prior approval.*** According to the LSG Subvention Manual, prior approval must be obtained from SWD if an NGO plans to introduce new fees and charges on value-added services governed by FSA for which subvention is provided (Note 52). For additional fees and charges imposed by NGOs on service users, other than those relating to value-added items, SWD did not specify any approval requirements. Audit noted that, as of August 2026, additional fees were being charged by EETCs A and C (see para. 4.19(a) and (c)):

(a) for EETC A, the items covered by the service charge were value-added items as stipulated in FSA and prior approval had been obtained from SWD; and

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Note 52: *When submitting proposals to SWD for providing subvented services, an NGO may include value-added items to enhance the attractiveness of the proposal. Upon appointment by SWD as a service provider, these value-added items are included in the relevant FSA as pledged items.*

(b) for EETC C, the additional fee was introduced to support the delivery of EETC services. For example, an educational psychologist would provide additional support by joining case discussions for certain service users held by the essential staff (e.g. special child care workers). EETC C also charged activity fees for certain activities it organised on a need basis. However, these additional fees were not relating to value-added services governed by FSA and no prior approvals had been obtained from SWD.

In light of the inconsistent approval requirements for additional fees and charges, Audit considers that SWD needs to review the relevant provisions in the Manual and take follow-up actions as appropriate.

Need to review fee level for EETC services

4.21 According to the LSG Subvention Manual, the level of recognised fees is subject to review by SWD from time to time. While the fees for SCCC have been waived since September 2017 (see Note 49 to para. 4.15), the recognised fee for EETC services has remained unchanged since it was last reviewed in 2018 (Note 53). According to SWD, with the implementation of the new school-based model of PRS (see para. 3.8(b)), EETC services would be refocused on serving certain groups of children, including those aged under 3 with mild and severe disabilities, and those aged 3 to 6 with disabilities who are on the waiting list for SCCC services. In light of the changes in service focus brought about by the new school-based model, Audit considers that there is merit in SWD reviewing the fee level for EETC services.

Audit recommendations

4.22 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **regarding fees and charges imposed under PRS, strengthen the monitoring of service units' compliance with the relevant requirements, including taking measures to ensure that:**

Note 53: *In the 2018 review, the recognised fee for EETC was adjusted from $146 to $148 per annum.*

(i) **the additional fees are not charged for generic services; and**

(ii) **the relevant requirements on the disclosure of fees and charges information are complied with;**

(b) **consider requiring NGOs to provide information on their websites about the additional fees and charges for their respective EETCs;**

(c) **step up measures to ensure that SCCCs registered under the Child Care Services Ordinance seek SWD's approval, where appropriate, before charging any fees other than the inclusive monthly fees to their service users, and review the non-compliant case mentioned in paragraph 4.16 and take follow-up actions in accordance with the LSG Subvention Manual as appropriate;**

(d) **cover compliance with the rules and fee-charging principles in the quality assurance mechanism for PRS under LSG, and take follow-up actions in accordance with the LSG Subvention Manual as appropriate;**

(e) **strengthen controls on the fees and charges arrangements for EETC services, including:**

(i) **specifying the charging basis for the recognised fee in the LSG Subvention Manual and taking measures to ensure compliance; and**

(ii) **reviewing the types of additional fees and charges imposed by NGOs that require prior approval, and taking follow-up actions as appropriate; and**

(f) **consider conducting a review of the fee level for EETC services.**

Response from the Government

4.23 The Director of Social Welfare agrees with the audit recommendations.

Compliance with financial reporting requirements and Service Quality Standards

Need to ensure NGOs' timely submission of financial information

4.24 According to the LSG Subvention Manual:

(a) an NGO receiving subvention from SWD should submit the Audited Financial Statements of the NGO as a whole and the Annual Financial Report (Note 54) to SWD by 31 October each year. The NGO should also provide an electronic version of the Annual Financial Report or the relevant web link for uploading onto SWD website by the same deadline; and

(b) NGOs should accord priority to the timely preparation and submission of Annual Financial Reports and financial returns to SWD for effective control and monitoring on the use of public funds.

4.25 Audit examined the records of submission of financial information by 57 NGOs providing subvented PRS for 2022-23 to 2024-25 and found that some NGOs failed to submit the required financial information to SWD by the stipulated deadline (i.e. 31 October each year). The details are shown in Table 14.

Note 54: *According to SWD:*

(a) the Audited Financial Statements of an NGO as a whole provide information on the NGO's overall financial ability to continue with the operation of subvented welfare services; and

(b) the Annual Financial Report must be prepared on cash accounting basis in respect with all FSA services (including items for supporting FSA services) funded by SWD under the LSG Subvention System, and also FSA services/FSA-related activities funded by Other Funds or Donation for Designated Purposes (if applicable) and submitted to SWD for ensuring the proper use of subvention.

Table 14

Delays in the submission of financial information by 57 NGOs providing subvented PRS (2022-23 to 2024-25)

Year	Number of NGOs with delays	Delay (Day)	
		Average	Range
Audited Financial Statements			
2022-23	5 (8.8%)	22	2 to 52
2023-24	6 (10.5%)	28	1 to 57
2024-25	4 (7.0%) (Note)	41	18 to 53
Annual Financial Reports			
2022-23	2 (3.5%)	5	2 and 7
2023-24	4 (7.0%)	24	1 to 57
2024-25	2 (3.5%)	29	18 and 39

Source: *Audit analysis of SWD records*

Note: *2 NGOs were late in submitting their Audited Financial Statements for three consecutive reporting years.*

4.26 Audit noted that the LSG Steering Committee (Note 55) expressed concerns about NGOs' late submission of Annual Financial Reports to SWD in its meeting held in February 2022:

(a) some members commented that late submission of Annual Financial Reports of some NGOs for consecutive years resulted in unfairness to other NGOs that had submitted on time. These NGOs also failed to explain their financial situations to stakeholders in a timely manner. The members suggested that SWD should seriously deal with the NGOs that had submitted their Annual Financial Reports late for multiple times; and

Note 55: *Chaired by the Director of Social Welfare and composed of mainly non-official members, the LSG Steering Committee is responsible for monitoring the implementation of the LSG Subvention System, identifying areas for improvement, and facilitating the sharing of information and experience among SWD, NGOs, their staff and service users on the implementation of the LSG Subvention System.*

(b) SWD remarked that it had implemented monitoring measures since 2021. It would consider further enhancing the monitoring measures and raising penalties, without ruling out the possibilities of ceasing allocations to some services, and prohibiting NGOs that submit their Annual Financial Reports late from participating in any tender exercises or invitations for proposals for new services.

4.27 According to SWD, it had sought explanations from the NGOs concerned and requested them to strictly observe the submission deadlines. In addition, the monitoring measures mentioned in paragraph 4.26(b), which have been incorporated in the LSG Subvention Manual, include:

(a) if an NGO fails to submit an Annual Financial Report by the specified date, the governing board concerned will be required to provide explanations and make improvements; and

(b) for NGOs that have been late in submitting their Annual Financial Reports for three consecutive reporting years, the records of late submissions will be displayed on SWD website.

4.28 However, Audit noted that while the monitoring measures apply to late submission of Annual Financial Reports, there is no corresponding requirement for late submission of Audited Financial Statements. Given the importance of the Audited Financial Statements (see Note 54 to para. 4.24(a)) for financial monitoring, Audit considers that SWD needs to step up measures to ensure NGOs' timely submission of financial information for PRS for monitoring purposes (e.g. considering applying the enhanced monitoring measures to Audited Financial Statements).

Room for improvement in monitoring compliance with SQSs

4.29 FSAs set out the required performance standards of the services to be provided, including SQSs. They define the levels that service units are expected to attain in terms of management and service provision. There are 16 SQSs covering 4 principles that set out the core values of welfare services. For each SQS, there is a set of criteria elaborating the SQS requirements. SWD has also issued an assessment guide for NGOs to evaluate whether the required levels of service quality under SQSs have been met. During Audit's visits to service units (see para. 4.11), Audit noted

room for improvement in implementing the requirements in SQSs relating to dissemination of service information and compliance with legal obligations.

4.30 ***Need to ensure accuracy and compliance with SQS in disseminating service information.*** The SQS on records of operations and activities requires that a service unit should maintain accurate and up-to-date records of service operations and activities for reporting to SWD. One of the assessment indicators for this SQS is that service statistics and reports pertaining to the service unit's performance are accessible to service users, relevant parties, and members of the public. According to SWD, service statistics and reports to be made accessible under this SQS refer to statistics on OSs and Service Outcome Standards (OCs), and NGOs have the flexibility to adopt suitable channels for disclosure. However, these have not been specified in the requirements. Audit noted that:

(a) for the three EETCs visited (see para. 4.12), service statistics and reports were made accessible to service users by posting the information on the notice boards in the centres. However, as of August 2026, EETC A did not post its performance on an OC, and EETC B did not post its performance on both OSs and an OC; and

(b) for one of the three SCCCs visited (see para. 4.16), service information regarding performance on OSs and OCs was posted on the notice boards in the centre. However, it did not include the performance of an OS for OCCS for CD. Furthermore, the performance of the OS for SCCC services on completing two developmental assessments for each child in a year as displayed (i.e. 105%) differed from the figure reported to SWD in the half-yearly statistical information (i.e. 96%).

4.31 ***Need to ensure timeliness and completeness in including relevant legislation in SQS checklists.*** Under the SQS on legal obligations, an NGO is required to ensure that the service unit and its staff comply with all relevant legal obligations and legislation governing their operations and service delivery. One of the assessment indicators specifies that the service unit should maintain a checklist of all legislation governing its operations and service delivery. The checklist maintained by NGOs should make reference to SWD's checklist of relevant legislation (SWD's checklist), which serves as the basic requirement for assessing compliance

with this SQS, and is provided in the assessment guide issued by SWD (see para. 4.29) (Note 56).

4.32 According to SWD, it reviews and updates SWD's checklist on a need basis, and the checklist was last updated in August 2026. Audit noted that, for the four ordinances newly incorporated into the August 2026 version of SWD's checklist, there were time lags between the effective dates of certain ordinances or their amendment ordinances and their incorporation into the checklist. For example:

(a) the Regional Flag and Regional Emblem Ordinance (Instrument A602) was incorporated into SWD's checklist about 2.5 years after the relevant amendment ordinance came into effect in November 2023; and

(b) the National Anthem Ordinance (Instrument A405) was incorporated into the checklist about 5 years after the relevant amendment ordinance came into effect in May 2021.

4.33 Audit examined, as of August 2026, the checklists of relevant legislation maintained by the service units visited (see para. 4.11) for compliance with the SQS. While all service units reported compliance with the SQS on legal obligations in their self-assessments for 2025-26, some of the laws and ordinances on SWD's checklist as of January 2026 (Note 57) had been omitted from the service units' checklists, as follows:

(a) 5 (33%) out of the 15 service units had not incorporated all of the laws and ordinances on SWD's checklist. In particular, all 3 KG-cum-CCCs providing IP services visited had omissions of legislation in their checklists;

Note 56: *According to the assessment guide, NGOs must comply with the relevant laws and ordinances listed in SWD's checklist. As for other laws and ordinances not included in SWD's checklist, they can hardly be exhaustive. NGOs may add law(s) and ordinance(s) to their checklists according to the service units' individual conditions and needs.*

Note 57: *SWD's checklist as of January 2026 was used as the basic requirement for assessing service units' compliance with the SQS for 2025-26. It contained 44 laws and ordinances generally applicable to different types of welfare services, and 1 ordinance applicable specifically to child care centres.*

(b) the number of ordinances not included ranged from 1 to 14 (averaging 4 ordinances); and

(c) some ordinances were omitted from the checklists of a number of service units. For example, the National Flag and National Emblem Ordinance (Instrument A401) was omitted by 3 service units, and 2 service units did not incorporate the Mandatory Reporting of Child Abuse Ordinance (Cap. 650) into their checklists.

Audit recommendations

4.34 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **step up measures to ensure NGOs' timely submission of financial information for PRS for monitoring purposes (e.g. considering applying the enhanced monitoring measures to Audited Financial Statements);**

(b) **regarding the SQS on records of operations and activities, take measures to enhance the monitoring of service units' compliance with the SQS, including specifying the types of service-related information that must be made accessible, and enhance the accuracy of the service information disseminated;**

(c) **regularly review and ensure that all relevant legislation is incorporated into SWD's checklist for the SQS on legal obligations in a timely manner; and**

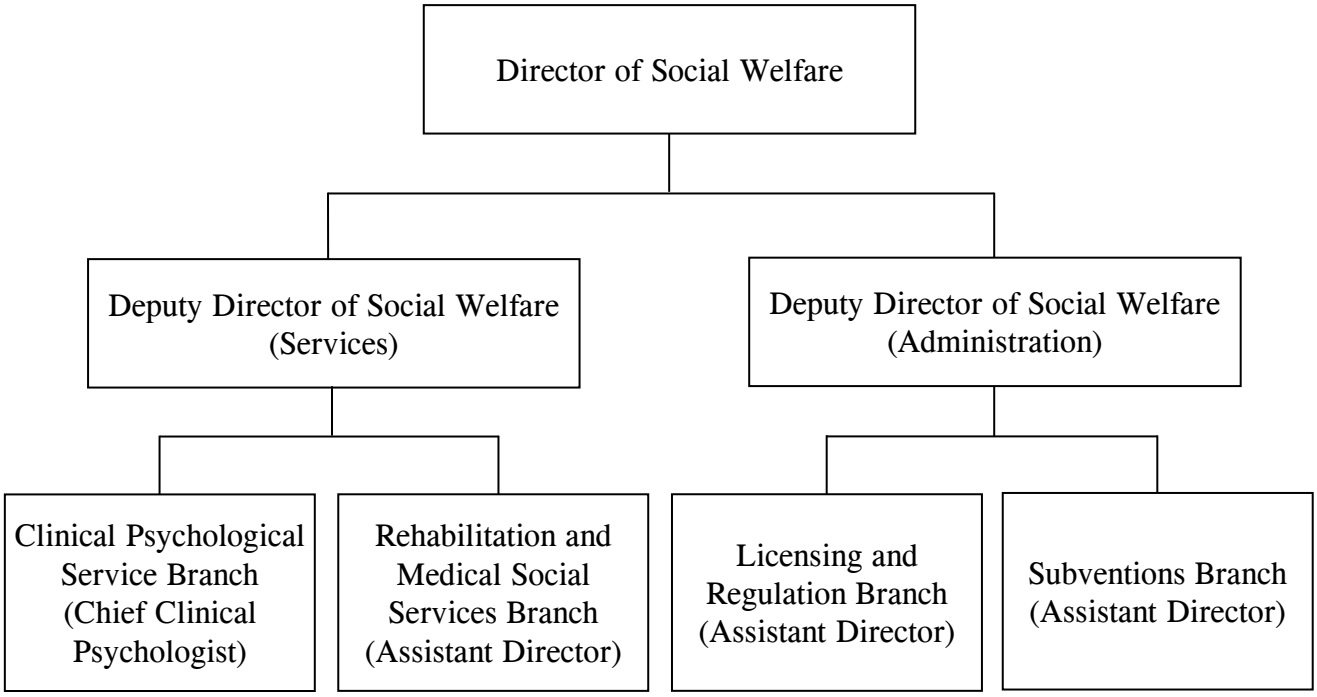
(d) **take measures to ensure that NGOs and service units regularly review their checklists on legislation so that all relevant laws and ordinances are incorporated for compliance with the SQS on legal obligations, and that their self-assessments accurately reflect the actual attainment of the SQS.**

Response from the Government

4.35 The Director of Social Welfare agrees with the audit recommendations.

Appendix A
(para. 1.14 refers)

Social Welfare Department: Organisation chart (extract) (31 March 2026)



Source: *SWD records*

Remarks: *Only the branches related to PRS are shown.*

Appendix B

Acronyms and abbreviations

Audit	Audit Commission
CAC	Child Assessment Centre
CPMS	Central Para-medical Support Service
CPSS	Central Psychological Support Service
CRSRehab	Central Referral System for Rehabilitation Services
DH	Department of Health
DSTT	District-based Speech Therapy Team
EETC	Early Education and Training Centre
FSA	Funding and Service Agreement
HA	Hospital Authority
HLS	Higher Level Subsidy
IP	Integrated Programme in Kindergarten-cum-Child Care Centre
KG	Kindergarten
KG-cum-CCC	Kindergarten-cum-child care centre
LegCo	Legislative Council
LSG	Lump Sum Grant
NGO	Non-governmental organisation
NLS	Normal Level Subsidy
OC	Service Outcome Standard
OCCS for CD	Occasional Child Care Service for Children with Disabilities
OPRS	On-site Pre-school Rehabilitation Services
OS	Service Output Standard
PRS	Pre-school rehabilitation services
RSCCC	Residential Special Child Care Centre
RSP	Recognised Service Provider
SCCC	Special Child Care Centre
SQS	Service Quality Standard
SWD	Social Welfare Department
TSP	Training Subsidy Programme for Children on the Waiting List of Subvented Pre-school Rehabilitation Services