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:**

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(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.