CHAPTER 8

Security Bureau

Work of the Narcotics Division in combating drug abuse and administering the Beat Drugs Fund

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Report No. 87 of the Director of Audit contains 8 Chapters which are available on our website (https://www.aud.gov.hk).

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WORK OF THE NARCOTICS DIVISION IN COMBATING DRUG ABUSE AND ADMINISTERING THE BEAT DRUGS FUND

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WORK OF THE NARCOTICS DIVISION IN COMBATING DRUG ABUSE AND ADMINISTERING THE BEAT DRUGS FUND

Executive Summary

1. The Government attaches great importance to combating drug abuse. The Narcotics Division (ND) of the Security Bureau is responsible for coordinating policies and measures across the public sector, non-governmental organisations (NGOs) and the community to combat the problem of drug abuse. The Action Committee Against Narcotics (ACAN), a non-statutory advisory body, is responsible for advising the Government on anti-drug policies and activities. ND joins hands with ACAN to combat the drug abuse problem through a five-pronged approach comprising preventive education and publicity (PE&P), treatment and rehabilitation (T&R), legislation and law enforcement, research, and external cooperation. The estimated expenditures of ND's work (excluding staff costs) for 2025-26 were about $47 million. The Beat Drugs Fund (BDF) was established in 1996 to promote community-wide efforts and programmes in the campaign against drug abuse. BDF is administered by the Beat Drugs Fund Association (BDFA) with secretariat support provided by ND. In 2024-25, grants of about $204 million were approved under BDF to support anti-drug projects. The Audit Commission (Audit) has recently conducted a review to examine the work of ND in combating drug abuse and administering BDF.

Anti-drug work of the Narcotics Division

2. ***Central Registry of Drug Abuse (CRDA).*** CRDA, maintained by ND, provides drug abuse statistics for monitoring changes in drug abuse trends and characteristics of drug abusers to facilitate the planning of anti-drug strategies and programmes. Through a voluntary reporting system, information of drug abusers who have come into contact with and have been reported by the reporting agencies (including law enforcement agencies, treatment and welfare agencies, post-secondary institutions, hospitals and clinics) is recorded in CRDA. As at 30 June 2026, there were 86 reporting agencies included in the Fourth Schedule to the Dangerous Drugs Ordinance (DDO — Cap. 134) under which data confidentiality is statutorily protected (paras. 1.8 and 2.3). Audit examination revealed that:

(a) ***Need to continue to invite and keep in view progress of inviting more eligible reporting agencies to participate in CRDA reporting.*** Some eligible reporting agencies were not included in the Fourth Schedule to DDO as at 30 June 2026, as follows:

(i) 1 (7%) of the 14 NGOs providing voluntary residential drug T&R programmes in Hong Kong was not included; and

(ii) 19 (46%) of the 41 post-secondary institutions in Hong Kong were not included (para. 2.5); and

(b) ***Need to closely monitor the progress of the on-going BDF research project on hidden drug abusers.*** According to ND:

(i) by its nature, CRDA statistics do not measure the exact size of the drug-abusing population in Hong Kong at any particular time. They are indicators of the trends of drug abuse over time only; and

(ii) it would continue to strengthen statistical inferences drawn from CRDA on the estimated number of hidden drug-abusing population, including funding a project under the 2024 BDF funding exercise to utilise data linkage between CRDA records and the Hospital Authority patient records in an attempt to estimate the number of hidden drug abusers, their characteristics, and the risk factors associated with hidden drug use. The project was scheduled for completion in 2027.

In Audit's view, ND needs to closely monitor the progress of the on-going BDF research project on hidden drug abusers in the community, with a view to obtaining more comprehensive information regarding the drug-taking situation in Hong Kong (paras. 2.11 to 2.13).

3. ***Need to continue to enhance measures to encourage the participation in Surveys of Drug Use among Students (hereinafter referred to as Student Surveys).*** In order to keep track of the latest trend in the prevalence of drug-taking among students, ND commissions a contractor to conduct a Student Survey once every three years. Audit examination of the survey result reports and final progress reports submitted by the contractor for the 2017/18, 2020/21 and 2023/24 Student Surveys

revealed that the total target sample sizes were not achieved in all the three rounds of surveys, with the achievement rates ranging from 82% to 94%. In particular, the achievement rate for post-secondary students dropped by 36 percentage points from 90% in the 2020/21 school year to 54% in the 2023/24 school year (paras. 2.14 and 2.16).

4. ***Public Opinion Surveys on Anti-drug Publicity Measures (hereinafter referred to as Public Opinion Surveys).*** ND conducts annual Public Opinion Surveys to gauge public perception on the effectiveness of its anti-drug publicity messages and services, and to understand the public preference on receiving such information. Audit examination of the Public Opinion Survey results from 2022 to 2025 revealed scope for improvement, as follows:

(a) ***Need to consider extending Public Opinion Survey coverage.*** Audit noted that:

(i) ***Awareness of the Hong Kong Jockey Club Drug InfoCentre (DIC) not covered.*** While DIC is the first permanent information and resource centre featuring anti-drug education and hosting a wide array of free activities, including guided tours, workshops and seminars, the Public Opinion Surveys did not cover the awareness of DIC; and

(ii) ***Respondents aged above 60 not covered.*** The strategic directions for PE&P plan in 2025 have identified drug abusers, including those of older age (i.e. aged 65 or above) as one of the specific groups for PE&P efforts. Statistics from CRDA also showed that the number of reported drug abusers aged over 65 increased from 258 in 2016 to 291 in 2025. However, the Public Opinion Surveys did not cover respondents aged above 60; and

(b) ***Need to continue the efforts in sustaining public awareness of anti-drug publicity services and messages.*** ND has commissioned a contractor to provide an anti-drug telephone enquiry service and an instant messaging enquiry service manned by professional social workers. Audit noted that the overall awareness rate of the anti-drug telephone and instant messaging enquiry services fluctuated between 61% and 71% from 2022 to 2025. In particular, the awareness rate among the high-risk group (i.e. those who knew someone was a drug abuser or who had been offered drugs before)

declined from 74% in 2022 to 65% in 2025, and was lower than the awareness rate of the overall respondents (i.e. 71%) in 2025 (paras. 2.27 and 2.30).

5. ***Need to explore measures to facilitate contractors in delivering anti-drug education programmes to specified number of participants.*** ND engaged 3 contractors under 6 contracts to deliver anti-drug education programmes to Primary 3 to 6 students from local schools, as well as upper primary and secondary students from international and private independent schools covering the 2023/24 to 2025/26 school years. According to the contract requirement, the contractors shall deliver the programmes to the specified number of participants stipulated in the contracts. Audit examination revealed that although ND extended the contract periods of all the 6 contracts by 3.5 to 6 months to May 2026, the specified number of participants was not met in 5 of the 6 contracts, with the achievement rates ranging from 48% to 91% (paras. 2.38 and 2.39).

Administration of Regular Funding Scheme and Special Funding Scheme for Drug Dependent Persons Treatment and Rehabilitation Centres

6. ***Need to explore measures to solicit more applications for research-type projects addressing priority areas under the Regular Funding Scheme (RFS).*** RFS aims to support community-driven anti-drug activities and programmes on PE&P, T&R and research. Specific priority areas are drawn up annually by ND to encourage quality submission of proposals for anti-drug projects meeting the community needs. RFS funding exercise is normally open for applications in the third quarter each year. With regard to the research-type projects, Audit noted that ND has set three priority areas under the RFS funding exercises of 2021 to 2025. Audit analysed ND records on applications received for research-type projects during the period and found that in 4 (80%) of the 5 rounds of funding exercises, at least one research-type priority area was not covered by any approved projects (paras. 3.2, 3.3 and 3.7).

7. ***Room for improvement relating to monitoring of funded projects under RFS.*** According to the procedural guidelines for successful applicants, grantees under RFS are required to submit various reports to ND during the project implementation period and upon completion of the projects. Audit sample checked

20 completed projects under the RFS funding exercises of 2021 to 2025 and found cases of late/outstanding submission of reports by the grantees, for example:

(a) ***Progress reports.*** Of the 86 progress reports required to be submitted, there were 48 (56%) late submissions, with delays ranging from 1 day to 176 days (averaging 37 days);

(b) ***Annual audited accounts and auditors' reports.*** Of the 34 annual audited accounts and auditors' reports required to be submitted, there were 25 (73%) late/outstanding submissions, comprising:

(i) 16 (64% of 25) were submitted late, with delays ranging from 28 to 606 days (averaging 230 days); and

(ii) 9 (36% of 25) remained outstanding as at 30 June 2026, and were overdue by 212 to 1,004 days (averaging 645 days); and

(c) ***Final audited accounts and auditors' reports.*** Of the 20 final audited accounts and auditors' reports required to be submitted, there were 15 (75%) late/outstanding submissions, comprising:

(i) 7 (47% of 15) were submitted late, with delays ranging from 18 to 121 days (averaging 62 days); and

(ii) 8 (53% of 15) remained outstanding as at 30 June 2026, and were overdue by 30 to 395 days (averaging 250 days). Without the final audited accounts and auditors' reports, ND cannot ascertain whether there is any unspent grant that should be returned by the grantees of these projects.

Audit considers that ND needs to follow up more closely with the grantees of RFS projects regarding the outstanding reports and urge them to return any unspent grant (paras. 3.9, 3.10 and 3.12).

8. ***Need to take measures to ensure better utilisation of available funding under BDF.*** Audit examined the audited financial statements of BDFA for the year ended 31 March 2025 and noted that, as at 31 March 2025, there was a total of

$347 million of outstanding commitments under RFS (involving 268 projects approved under the RFS funding exercises of 2017 to 2024). Of the 268 projects, 87 with outstanding commitments amounting to $86 million were projects approved under the RFS funding exercises of 2017 to 2020 and should have been completed with final audited accounts submitted by 31 March 2025. In Audit's view, projects with long outstanding commitments lock up BDF's available resources that could otherwise support other worthy RFS projects (paras. 3.13 to 3.15).

9. ***Need to keep in view status of Drug Dependent Persons Treatment and Rehabilitation Centres (DTRCs) operating on Certificates of Exemption (CoEs).*** Special Funding Scheme for Drug Dependent Persons Treatment and Rehabilitation Centres (SFS) aims to provide financial assistance to existing DTRCs to carry out capital works for meeting the licensing requirements stipulated in the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance (Cap. 566). For DTRCs which had been in operation before the commencement of the Ordinance but were unable to comply fully with the licensing requirements, they were issued with CoEs by the Social Welfare Department for continued operation. According to ND, as at 30 June 2026, among the 30 DTRCs in Hong Kong, 5 DTRCs were operating on CoEs, comprising 2 requiring in-situ redevelopment or upgrading and 3 requiring reprovisioning. As SFS has been serving an important role in supporting DTRCs to carry out improvement works and enhance their service capacity and safety standards, ND needs to, in collaboration with relevant government bureaux/departments (B/Ds), keep in view the status of the DTRCs operating on CoEs with a view to facilitating them in meeting the statutory licensing requirements as early as possible (paras. 1.6(b) and 3.21 to 3.23).

Administration of school-related funding schemes

10. ***Need to continue efforts to encourage more schools to participate in Healthy School Programme with a Drug Testing Component (HSP(DT)).*** HSP(DT) is a school-based anti-drug education programme for all secondary schools, comprising diversified anti-drug activities and voluntary school drug testing. Audit analysed the number of participating schools in HSP(DT) from the 2021/22 to 2025/26 school years and noted that the number increased from 185 in the 2021/22 school year to 268 in the 2025/26 school year and the respective school participation rates increased from 36% to 52% during the period. In Audit's view, ND needs to, in collaboration with the Education Bureau (EDB), continue the efforts to encourage more schools to participate in HSP(DT) (paras. 4.2, 4.4 and 4.6).

11. ***Need to ensure compliance with report submission requirements by grantees of HSP(DT).*** According to the procedural guidelines for successful applicants, grantees under HSP (DT) are required to submit various reports to ND during the implementation of and upon the completion of the projects. Audit sample checked 10 projects completed in the 2024/25 school year and found that as at 30 June 2026:

(a) ***Statements of accounts.*** The statements of accounts of 3 (30%) projects had not been submitted and were overdue by 242 days;

(b) ***Half-yearly progress reports and full reports.*** For the 10 projects:

(i) ***for implementing anti-drug activities.*** The grantees of 9 (90%) projects (comprising 4 schools and 5 NGOs) did not fully comply with the report submission requirements. In particular, the grantees of 5 of the 9 projects did not submit any half-yearly progress reports and full reports; and

(ii) ***for implementing school drug testing.*** The grantees of 5 (50%) projects did not fully comply with the report submission requirements; and

(c) ***Auditors' reports.*** The required auditors' reports of 6 (60%) projects had not been submitted upon completion of projects and were overdue by 242 days (paras. 4.8 and 4.9).

12. ***Room for improvement in conducting monitoring visits on HSP(DT) projects.*** According to the procedural guidelines for successful applicants, monitoring visits may be arranged to inspect and review the progress of the projects from time to time. Audit examination of the records of monitoring visits conducted in the period from the 2021/22 to 2025/26 school years revealed that:

(a) both the number and coverage of monitoring visits fluctuated widely, ranging from 4 to 29 and 2% to 12% respectively; and

(b) during the entire three-year project period, no monitoring visits were conducted by ND for the 5 projects, despite the fact that the grantees failed to submit any required reports on the anti-drug activities organised (see para. 11(b)(i) above) (paras. 4.12 and 4.14).

13. ***Need to explore measures to further encourage student participation in the voluntary school drug testing.*** According to ND, each participating school was encouraged to set a target rate of at least 50% of invited students agreeing to participate in the school drug testing. Audit analysis of the number of invited students who agreed to participate in school drug testing from the 2020/21 to 2024/25 school years revealed that the overall percentages consistently ranged between 34% and 36% during the period (para. 4.21).

14. ***"Beat Drugs with Sports" Programme (hereinafter referred to as Sports Programme).*** The Sports Programme is a school-based student-led anti-drug preventive education initiative for implementation in secondary schools and aims to promote healthy lifestyles and an anti-drug culture. Audit examination of ND records revealed areas for improvement, as follows:

(a) ***Need to take further measures to encourage more schools to participate in Sports Programme.*** Audit analysed the number of participating schools from the 2021/22 to 2025/26 school years and found that the school participation rates were on the low side, ranging from 20% to 30% during the period; and

(b) ***Need to strengthen monitoring of funded projects under Sports Programme.*** According to the procedural guidelines for successful applicants, any unspent balances should be returned to ND within two months after completion of projects. Audit examined the submissions from the 252 participating schools of the 2023/24 and 2024/25 school years and revealed that 132 (52%) participating schools had unspent balances, of which:

(i) 50 (38% of 132) returned their unspent balances more than two months after project completion, with delays ranging from 1 day to 532 days (averaging 138 days); and

(ii) 8 (6% of 132) had yet to return their unspent balances, and the returns were overdue by 242 to 607 days (averaging 288 days) as at 30 June 2026 (paras. 1.6(d), 4.30 and 4.31).

Other issues

15. ***Need to further facilitate members' attendance at committee meetings of ACAN and its Sub-committees.*** ACAN is supported by the Sub-committee on PE&P and the Sub-committee on T&R. Audit examination of the attendance records of committee members for the meetings held for the respective committees from 1 January 2025 to 31 March 2026 revealed that:

(a) ***ACAN meetings.*** While the overall attendance rates of the ACAN meetings ranged from 70% to 89%, 3 (15%) of the 20 non-official members had an attendance rate of 50% or below;

(b) ***Sub-committee on PE&P meetings.*** While the overall attendance rates of the Sub-committee on PE&P meetings ranged from 60% to 83%, 11 (46%) of the 24 non-official members had an attendance rate of 50% or below; and

(c) ***Sub-committee on T&R meetings.*** While the overall attendance rates of the Sub-committee on T&R meetings ranged from 70% to 81%, 7 (32%) of the 22 non-official members had an attendance rate of 50% or below, including one member who had not attended any meetings (paras. 5.2 and 5.3).

16. ***Need to further enhance performance measurement and reporting of BDF.*** According to Financial Circular No. 2/2017 issued by the Financial Services and the Treasury Bureau on the Guides for Controlling Officers on management of funding schemes, Controlling Officers should, as a matter of good practice, consider developing and reporting on appropriate performance measures for the fund, preferably focusing on outcome-based targets. According to ND, BDF had set up clear requirements for project outputs and outcomes for each project/grantee under individual schemes and programmes. Audit noted that, up to April 2026, BDF has granted over $3 billion supporting more than 2,800 projects under various major schemes and programmes. With a view to further enhancing the performance measurement and reporting of BDF, Audit considers that ND needs to consider

developing output and outcome targets and indicators for individual schemes and programmes, and reporting the updated progress of key schemes and programmes to the Governing Committee of BDFA on a regular basis (paras. 5.7 to 5.9).

Audit recommendations

17. **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 Commissioner for Narcotics should:**

Anti-drug work of ND

(a) **continue to invite more eligible reporting agencies to participate in CRDA reporting as far as practicable (para. 2.20(a));**

(b) **keep in view the progress of inviting the remaining post-secondary institutions to join as reporting agencies to participate in CRDA reporting (para. 2.20(b));**

(c) **closely monitor the progress of the on-going BDF research project on hidden drug abusers in the community, with a view to obtaining more comprehensive information regarding the drug-taking situation in Hong Kong (para. 2.20(d));**

(d) **continue to enhance measures to encourage the participation of schools/institutions and their students in Student Surveys, particularly for post-secondary institutions and students (para. 2.20(e));**

(e) **consider extending the Public Opinion Survey coverage to include the awareness of DIC and respondents aged above 60 (especially those aged 65 or above) (para. 2.33(d));**

(f) **continue the efforts in sustaining the public awareness of the anti-drug publicity services and messages, particularly the anti-drug telephone and instant messaging enquiry services (para. 2.33(e));**

(g) **closely monitor the contractors' progress of delivering the anti-drug education programmes and explore measures to facilitate the contractors in delivering the programmes to the specified number of participants as far as practicable within the contract periods (para. 2.49(b));**

Administration of RFS and SFS

(h) **explore measures to solicit more applications for research-type projects under RFS addressing the priority areas drawn up by ND (para. 3.19(b));**

(i) **follow up more closely with the grantees of RFS projects regarding the outstanding reports and urge them to return any unspent grant (para. 3.19(d));**

(j) **follow up more closely with grantees of RFS projects with long outstanding commitments (para. 3.19(e)(i));**

(k) **in collaboration with relevant B/Ds, keep in view the status of the DTRCs operating on CoEs with a view to facilitating them in meeting the statutory licensing requirements as early as possible (para. 3.23);**

Administration of school-related funding schemes

(l) **in collaboration with EDB, continue the efforts to encourage more schools to participate in HSP(DT) (para. 4.25(a));**

(m) **take measures to better ensure that the requirements of report submission by grantees of HSP(DT) projects are complied with (para. 4.25(b));**

(n) **issue written internal guidelines relating to monitoring visits and consider including the failure to submit required reports by grantees as a risk factor in the selection criteria for conducting monitoring visits on HSP(DT) projects (para. 4.25(c) and (d));**

(o) **in collaboration with EDB, explore measures to further encourage student participation in the voluntary school drug testing under HSP(DT) (para. 4.25(g));**

(p) **in collaboration with EDB, take further measures to encourage more schools to participate in the Sports Programme (para. 4.33(a));**

(q) **follow up more closely with the participating schools to ensure their compliance with the requirements of the Sports Programme (para. 4.33(b));**

Other issues

(r) **take measures to further facilitate members' attendance at committee meetings of ACAN and its Sub-committees (para. 5.5); and**

(s) **consider developing output and outcome targets and indicators for individual schemes and programmes, and reporting the updated progress of key schemes and programmes to the Governing Committee of BDFA on a regular basis (para. 5.10(a) and (b)).**

Response from the Government

18. The Commissioner for Narcotics agrees with the audit recommendations.

PART 1: INTRODUCTION

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

Background

1.2 The Government attaches great importance to combating drug abuse. The Narcotics Division (ND) of the Security Bureau (SB) is responsible for coordinating policies and measures across the public sector, non-governmental organisations (NGOs) and the community to combat the problem of drug abuse. The Action Committee Against Narcotics (ACAN), a non-statutory advisory body, is responsible for advising the Government on anti-drug policies and activities.

1.3 According to ND, ACAN is the Government's main advisory body on anti-drug policies and programmes and it closely monitors the latest drug situation and conducts periodic reviews on the priorities of anti-drug measures. ACAN advises the Beat Drugs Fund Association (BDFA — see para. 1.7) in determining the direction and work plan of the Beat Drugs Fund (BDF — see para. 1.5), as well as ensuring the effective deployment of the funds under BDF.

Government's anti-drug measures

1.4 Headed by the Commissioner for Narcotics, ND joins hands with ACAN to combat the drug abuse problem through a five-pronged approach, as follows:

(a) ***Preventive education and publicity (PE&P).*** ND formulates publicity strategies in response to the societal environment and drug situation. It collaborates with relevant government bureaux/departments (B/Ds), NGOs and media organisations to organise PE&P programmes to enhance public awareness of drug abuse, drug harms and drug trafficking, as well as encourage early help-seeking by drug abusers;

(b) ***Treatment and rehabilitation (T&R).*** ND, in consultation with stakeholders in relevant services, formulates a plan on drug T&R services every three years (hereinafter referred to as Three-year Plan — Note 1). The Three-year Plans set out the strategic directions for T&R services as a reference for anti-drug service providers to review and develop their plans and programmes in light of the latest drug situation and needs of drug abusers and rehabilitees;

(c) ***Legislation and law enforcement.*** ND and the relevant B/Ds, from time to time, propose amendments to existing laws to include new substances under statutory control, having regard to a host of factors, including international control requirements, the uses and harmful effects of the substances, severity of abuse in the local and overseas contexts, and the advice of ACAN and relevant authorities to ensure that the relevant law enforcement agencies (such as the Hong Kong Police Force and the Customs and Excise Department) can take effective enforcement actions against illegal drug-related activities;

(d) ***Research.*** ND and ACAN, from time to time, commission or support research studies covering a wide array of topics, including drug harms, drug-taking subculture, analyses of drug-related research data, and T&R methodologies to facilitate the development of more effective, evidence-based anti-drug services; and

(e) ***External cooperation.*** ND and the relevant law enforcement agencies are committed to strengthening international and regional efforts to combat drug trafficking and abuse, and have established extensive networks with external counterparts from various jurisdictions in dealing with drug problem through actively participating in regional and international drug fora.

Note 1: *Since 1997, ND has been playing a coordination and oversight role in the preparation and roll-out of the Three-year Plans.*

As at 31 March 2026, ND had a strength of 31 staff (Note 2). According to ND, the estimated expenditures of ND's work (excluding staff costs) for 2025-26 were about $47 million.

BDF

1.5 ***Establishment of BDF.*** To promote and support worthwhile anti-drug programmes which can help address the problem of drug abuse, particularly amongst the young, and to promote community-wide efforts and programmes in the campaign against drug abuse, the Government established BDF in March 1996 with a capital outlay of $350 million. In May 2010, the Government further injected $3 billion into BDF to enlarge the capital base to generate an enhanced level of funding for supporting sustained anti-drug efforts of various organisations in the community. This capital base of $3.35 billion was kept intact. Investment income generated from BDF provides steady and sustained funding source to finance anti-drug projects which would complement the multi-pronged strategy adopted by the Government. The net asset value of BDF as at 31 March 2025 was $4.1 billion (Note 3).

1.6 ***Schemes and programmes under BDF.*** Income generated from BDF is used to provide financial support for worthwhile anti-drug projects undertaken by parties across different sectors of the community. The following key schemes and programmes are open for applications by the community:

Note 2: *Apart from anti-drug activities, some staff are also responsible for the relevant policy matters on anti-money laundering and counter-terrorist financing, administrative and personnel matters related to the operation of ND, and housekeeping of the Customs and Excise Department.*

Note 3: *In the 2026-27 Budget, the Government proposed to transfer the unspent balance of four seed capital funds, including BDF, back to the Government's accounts, after setting aside sufficient resources to support their operations for the next five years, with a view to better reflecting and utilising the Government's financial resources. It is estimated that approximately $3 billion from BDF (subject to the market prices of the relevant investment products) will be returned to the Government's accounts in 2026-27. The policy objectives, mode of operation, as well as management and control framework of BDF will remain unchanged upon the transfer.*

Introduction

(a) ***Regular Funding Scheme (RFS).*** RFS aims to support community-driven anti-drug activities and programmes on PE&P, T&R and research. In general, RFS operates as an annual funding exercise which is open for application by different organisations to respond to the latest drug trends;

(b) ***Special Funding Scheme for Drug Dependent Persons Treatment and Rehabilitation Centres (SFS).*** SFS aims to provide financial assistance to existing Drug Dependent Persons Treatment and Rehabilitation Centres (DTRCs — Note 4) to carry out capital works for meeting the licensing requirements stipulated in the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance (Cap. 566), and for supporting their sustained efforts in enhancing their service capacity and standard. It covers the works connected with existing DTRCs, including in-situ expansion or redevelopment/reprovisioning of existing DTRCs. Applicants may apply for funding support all year round;

(c) ***Healthy School Programme with a Drug Testing Component (HSP(DT)).*** HSP(DT) is a school-based anti-drug preventive education initiative for implementation in secondary schools, comprising preventive anti-drug activities and voluntary drug testing for secondary school students. ND usually invites secondary schools to participate in HSP(DT) in January each year; and

(d) ***"Beat Drugs with Sports" Programme (hereinafter referred to as Sports Programme).*** The Sports Programme is a school-based student-led anti-drug preventive education initiative for implementation in secondary schools and aims to promote healthy lifestyles and an anti-drug culture. ND usually invites secondary schools to participate in the Sports Programme in April each year.

Note 4: *DTRCs provide a drug-free residential environment to drug abusers to help them quit drugs and offer support services (e.g. vocational and life skill training) to facilitate rehabilitees' reintegration into the society after leaving the centres. As at 30 June 2026, there were 30 DTRCs in Hong Kong operated by NGOs.*

In 2024-25, grants of about $204 million were approved under BDF to support various projects under the above schemes and programmes (Note 5).

1.7 ***BDFA.*** BDF is administered by BDFA which is a non-profit-making limited company incorporated under the Companies Ordinance (Cap. 622). ND provides support for the administration and management of BDF as the secretariat of BDFA. BDFA is supported by the following committees:

(a) ***Governing Committee (GC).*** A GC under the chairmanship of the Permanent Secretary for Security is set up to decide on the applications to BDF based on the advice of ACAN; and

(b) ***Investment Sub-committee.*** An Investment Sub-committee chaired by the Director of Accounting Services is set up to provide expert advice on the investment of BDFA's funds.

Central Registry of Drug Abuse

1.8 Established in 1972 under the Dangerous Drugs Ordinance (DDO — Cap. 134), the Central Registry of Drug Abuse (CRDA), maintained by ND, provides drug abuse statistics for monitoring changes in drug abuse trends and characteristics of drug abusers to facilitate the planning of anti-drug strategies and programmes. Through a voluntary reporting system, information of drug abusers who have come into contact with and have been reported by the reporting agencies

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Note 5: *Apart from the four schemes and programmes, BDF, in collaboration with the District Fight Crime Committees and the District Offices of the Home Affairs Department across 18 districts, also implements a programme called the Anti-drug Community Awareness Building Programme to launch preventive initiatives aiming at enhancing anti-drug awareness in local communities. Funding for this programme is allocated from BDF to the Home Affairs Department on a three-year basis. Each District Office of the Home Affairs Department and the District Fight Crime Committee are responsible for overseeing the use of the fund. For the latest round of grants launched in April 2024, each District Fight Crime Committee has been granted a standard funding of $500,000 and an additional funding of $100,000 upon exhaustion of standard funding, resulting in a total grant of $10.8 million for the programme for the period from 1 April 2024 to 31 March 2027.*

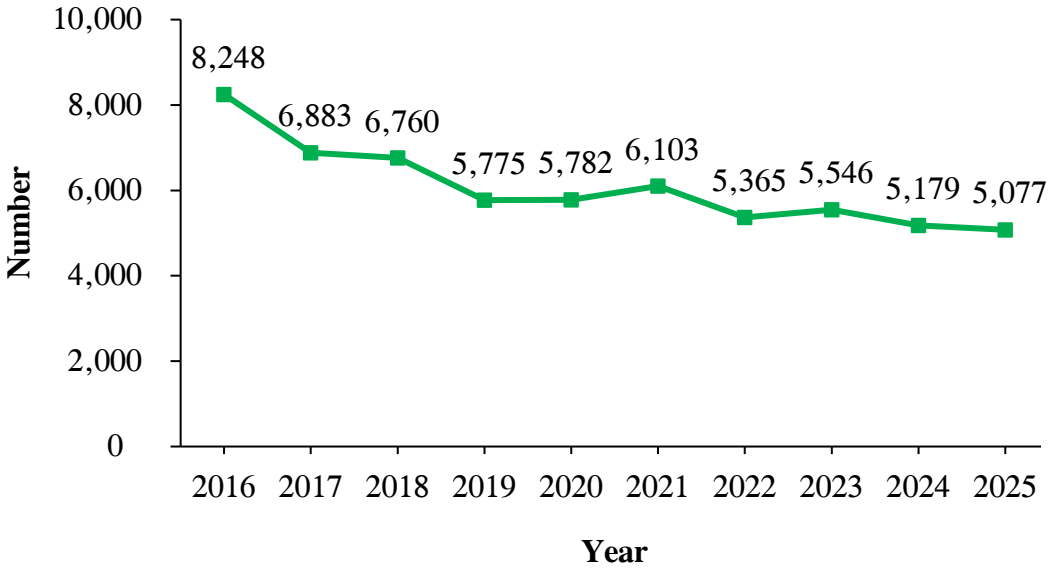
(including law enforcement agencies, treatment and welfare agencies, post-secondary institutions, hospitals and clinics) is recorded in CRDA.

1.9 According to ND, by its nature, CRDA statistics do not measure the exact size of the drug-abusing population in Hong Kong at any particular time and they are indicators of the trends of drug abuse over time. According to the statistics of CRDA:

(a) ***Number of reported drug abusers.*** There was a continuation of a general declining trend in the total number of reported drug abusers (Note 6) since 2009. During the 10-year period from 2016 to 2025, while the number of reported drug abusers dropped by 38% from 8,248 to 5,077 (see Figure 1), the number of reported young drug abusers aged under 21 increased by 34% from 521 to 698 (see Figure 2); and

Figure 1

Number of reported drug abusers (2016 to 2025)

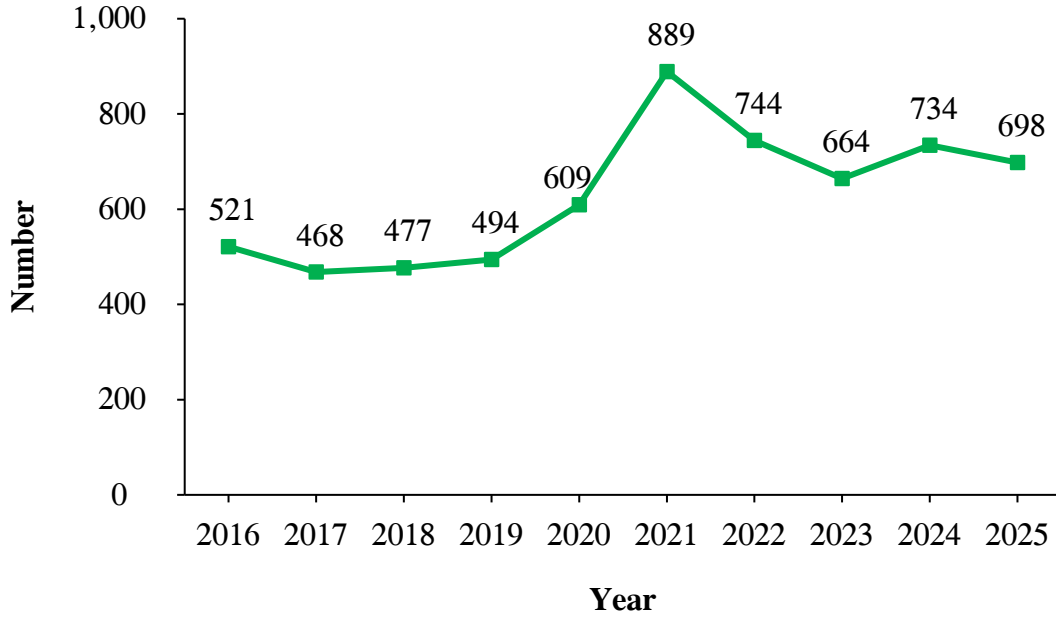


Source: ND records

Note 6: *For the purpose of CRDA reporting, a drug abuser refers to a person who has taken drugs/substances in doses above or for periods beyond those normally regarded as therapeutic or general use during the four weeks before the date of contact, and the drugs/substances taken harm or threaten to harm the physical or mental health or social well-being of an individual.*

Figure 2

Number of reported drug abusers aged under 21 (2016 to 2025)



Source: *ND records*

(b) ***Median drug history of newly reported drug abusers.*** The median drug history (Note 7) of newly reported drug abusers increased from 4.6 years in 2016 to 6 years in 2023, and decreased to 5.1 years in 2025. According to ND, there was no obvious worsening of hidden drug abuse during the local outbreak of the coronavirus disease (COVID-19) epidemic. The longer median drug history of newly reported drug abusers in 2023 reflected that the drug situation and drug scene might be affected by the resumption of normalcy in society from the COVID-19 epidemic.

Latest development

1.10 The drug situation and anti-drug efforts of ND are reported to the Legislative Council regularly to keep the public informed of the latest drug situation

Note 7: *For the purpose of CRDA reporting, the drug history of a reported drug abuser is defined as the period of time between the abuser being reported to CRDA by reporting agency and the first time he or she abused drugs.*

and the Government's work against drugs, and to raise public awareness of drug issues in Hong Kong. In 2025 and 2026, ND reported to the Legislative Council Panel on Security that:

(a) in 2025, the total number of reported drug abusers decreased by 2% (from 5,179 to 5,077) and that of reported young drug abusers aged under 21 dropped by 5% (from 734 to 698) as compared with the figures for 2024. The average age of reported drug abusers and the average age of first abuse remained at 40 years and 19 years in 2025 respectively;

(b) as to the types of reported drugs abused, the most common one in 2025 was heroin, followed by two common types of psychotropic substance, i.e. cocaine and methamphetamine ("Ice"). Among reported young drug abusers aged under 21, etomidate (Note 8) was the most common drug abused in 2025, followed by cannabis and cocaine;

(c) to step up the control of etomidate, as well as its analogues which shared similar chemical structures and properties with etomidate, the Government listed etomidate and all the analogues as dangerous drugs under DDO in 2025;

(d) to protect public health from the harmful effects of alternative smoking products, the prohibition on possession of alternative smoking products in public places took effect on 30 April 2026 (i.e. the Tobacco Control Legislation (Amendment) Ordinance 2025). Under the new provision, possession of alternative smoking products including e-cigarette capsules, e-liquid, heat sticks and herbal cigarettes in public places is an offence. The ban on alternative smoking products was expected to help reduce the exposure of people, in particular young people, to such devices, and in turn further mitigate the harm caused by drugs such as etomidate, which was known to be consumed through vaping of e-cigarettes; and

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Note 8: *According to ND, etomidate is a new abused substance which started to be increasingly widely circulated among youngsters in 2024.*

(e) the enforcement of the new order regarding the ban on alternative smoking products (see (d) above) would further complement the existing regulations on the control of etomidate in combating the use of e-cigarette devices to inhale dangerous drugs (e.g. etomidate).

Audit review

1.11 In May 2026, the Audit Commission (Audit) commenced a review to examine the work of ND in combating drug abuse and administering BDF. The audit review has focused on the following areas:

(a) anti-drug work of ND (PART 2);

(b) administration of RFS and SFS (PART 3);

(c) administration of school-related funding schemes (PART 4); and

(d) other issues (PART 5).

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

General response from the Government

1.12 The Commissioner for Narcotics thanks Audit for conducting the audit review on the work of ND and agrees with the audit recommendations.

Acknowledgement

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

PART 2: ANTI-DRUG WORK OF THE NARCOTICS DIVISION

2.1 This PART examines the anti-drug work of ND, focusing on:

(a) collection of drug abuse information (paras. 2.2 to 2.21);

(b) PE&P efforts targeting the general public (paras. 2.22 to 2.34); and

(c) PE&P efforts targeting schools (paras. 2.35 to 2.50).

Collection of drug abuse information

2.2 According to ND, it closely monitors the drug situation through figures and statistics from various established sources. While the main source of information is CRDA, reference is also made to other sources, including the triennial Surveys of Drug Use among Students (hereinafter referred to as Student Surveys) and drug-related enforcement statistics. These data and findings support an evidence-based approach to the formulation of anti-drug policy and measures. Audit examination of the work of ND in collecting drug abuse information revealed room for improvement relating to CRDA (see paras. 2.3 to 2.13) and Student Surveys (see paras. 2.14 to 2.19).

Room for improvement relating to CRDA

2.3 CRDA is a voluntary reporting system recording the details of drug abusers who have come into contact with and have been reported by the reporting agencies (including law enforcement agencies, treatment and welfare agencies, post-secondary institutions, hospitals and clinics). CRDA releases the latest drug abuse statistics on a quarterly basis and compiles the statistics annually to indicate the overall trend. The confidentiality of all records held by CRDA and its reporting agencies is safeguarded by DDO and the Personal Data (Privacy) Ordinance (PDPO — Cap. 486). As at 30 June 2026, there were 86 reporting agencies included in the Fourth Schedule to DDO under which data confidentiality is statutorily protected.

Need to continue to invite and keep in view progress of inviting more eligible reporting agencies to participate in CRDA reporting

2.4 According to ND, to broaden the reporting base for a more accurate representation of the drug abuse situation, on a regular basis, it identifies eligible new reporting agencies to participate in CRDA reporting by reviewing its operational contacts of BDF projects and partners organising joint initiatives, such as NGOs, social service units, and medical agencies that regularly handle drug abuse cases. ND will issue an invitation letter to each of the concerned agencies after their eligibility is confirmed.

2.5 Audit examination of the list of the reporting agencies included in the Fourth Schedule to DDO as at 30 June 2026 revealed that some eligible reporting agencies were not included in the list. Details are as follows:

(a) 1 (7%) of the 14 NGOs providing voluntary residential drug T&R programmes in Hong Kong was not included; and

(b) 19 (46%) of the 41 post-secondary institutions in Hong Kong were not included.

2.6 In response to Audit's enquiry, ND informed Audit between July and September 2026 that:

(a) the NGO providing voluntary residential drug T&R programme not included in the list did not accept ND's invitation in 2022 to become a reporting agency but did not provide the reason for rejection at that time. Upon follow-up invitation by ND in September 2026, the NGO recently confirmed that it would become a reporting agency; and

(b) the eight universities funded by the University Grants Committee together with the core full-time post-secondary institutions, accounting for about 80% of total full-time student enrolments, had already been included in the list. Many of the post-secondary institutions not included were affiliated branches of the eight universities, operating under separate legal and administrative frameworks. These institutions had not been systematically invited to join as reporting agencies in the past. ND had invited all post-secondary institutions currently not included in the list to join as

reporting agencies in September 2026 before the commencement of the 2026/27 school year.

2.7 With a view to broadening the reporting base for a more accurate representation of the drug abuse situation, Audit considers that ND needs to:

(a) continue to invite more eligible reporting agencies to participate in CRDA reporting as far as practicable; and

(b) keep in view the progress of inviting the remaining post-secondary institutions to join as reporting agencies to participate in CRDA reporting.

Need to continue efforts in encouraging reporting of drug abuse information by reporting agencies to CRDA

2.8 Audit examination of CRDA submission records from 2021 to 2025 revealed scope for improvement in the reporting of drug abuse information from the reporting agencies, as follows:

(a) ***Not all reporting agencies reported drug abuse cases to CRDA.*** From 2021 to 2025, a considerable number of the reporting agencies included in the Fourth Schedule to DDO did not report any drug abuse cases to CRDA, ranging from 48 to 60 (i.e. 67% to 72%) (see Table 1). For example, of the 13 NGOs providing voluntary residential drug T&R programmes, 1 (8%) with admission cases did not report any drug abuse cases to CRDA during the period; and

Table 1

Number of reporting agencies included in the Fourth Schedule to DDO not reporting any drug abuse cases to CRDA (2021 to 2025)

Year	Number of reporting agencies	
	Included in DDO as at 31 December	Not reporting any drug abuse cases to CRDA during the year
2021	72	49 (68%)
2022	72	48 (67%)
2023	83	60 (72%)
2024	83	59 (71%)
2025	82	59 (72%)

Source: ND records

(b) ***Not reporting all drug abuse information by reporting agencies.*** As an internal monitoring measure, ND regularly compares the number of reported cases to CRDA with the number of reported admissions of the drug T&R service units. From 2021 to 2025, some drug T&R service units did not report all drug abuse information, with the reporting ratios ranging from 19% to 64%. For example, in 2025, while the number of admissions to substance abuse clinics (which provide drug treatment, counselling and psychotherapy services) was 752, the number of drug abusers reported to CRDA was 169, representing 22% of the admission cases.

2.9 In response to Audit's enquiry, ND informed Audit in August 2026 that:

(a) to ensure data completeness, it had issued quarterly reminders to reporting agencies to encourage reporting to CRDA. To re-engage less active reporting agencies, it had also conducted seminars for reporting agencies to build awareness and support; and

(b) comparing CRDA submissions with anti-drug agency admissions revealed sector-specific reporting behaviours. For example, most of the drug abusers admitted to substance abuse clinics were suffering from mental health issues and hence more reluctant to give consent for reporting their personal information, resulting in a lower reporting ratio. Although CRDA participation was voluntary, this analysis helped identify and encourage targeted agencies to step up reporting, ultimately providing a more accurate portrayal of Hong Kong's drug situation.

2.10 In Audit's view, accurate and comprehensive drug abuse statistics are important for planning anti-drug strategies and programmes in Hong Kong. Audit considers that ND needs to continue the efforts in encouraging reporting of drug abuse information by reporting agencies to CRDA.

Need to closely monitor the progress of the on-going BDF research project on hidden drug abusers

2.11 According to ND, CRDA is a voluntary reporting system recording the details of drug abusers who have come into contact with and have been reported by the reporting agencies. By its nature, CRDA statistics do not measure the exact size of the drug-abusing population in Hong Kong at any particular time. They are indicators of the trends of drug abuse over time only.

2.12 In response to Audit's enquiry on the estimation of the total or hidden drug-abusing population in Hong Kong, ND informed Audit in August and September 2026 that:

(a) international drug control authorities recognised the inherent limitations of deriving an estimate of the population of drug abusers. Statistical estimations were tailored by different jurisdictions to suit their local situation:

(i) for jurisdictions where the drug abuse problem was more common, they relied on household surveys. The more common drug abuse problem made drug use statistically detectable in random samples, effectively capturing casual and recreational users at a reasonable cost; and

(ii) for jurisdictions where the drug abuse problem was less common (e.g. Hong Kong), they relied on administrative registries, law enforcement metrics, and targeted research which were more cost-effective than household surveys that required impractically large sample sizes to yield statistically valid results. In addition, as drug abuse was an illegal activity, drug abusers in jurisdictions where the drug abuse problem was less common tended not to disclose information regarding their drug use in household surveys;

(b) for the approach being adopted in Hong Kong to understand the known and hidden drug abusers, rather than producing a single estimated headcount of total number of drug abusers based on shifting statistical assumptions, Hong Kong prioritised statistically verifiable drug abuse data based on reporting agencies' data. To get a grasp of the hidden drug abuse situation, inferences were drawn from the median duration of drug abuse among newly reported cases under CRDA, supported by thematic research and enforcement data; and

(c) ND would continue to strengthen statistical inferences drawn from CRDA on the estimated number of hidden drug-abusing population by exploring data-integration opportunities and application of emerging analytical frameworks while protecting CRDA records of drug abusers under DDO and PDPO. Notably, a project funded under the 2024 BDF funding exercise was utilising data linkage between CRDA records and the Hospital Authority patient records in an attempt to estimate the number of hidden drug abusers, their characteristics, and the risk factors associated with hidden drug use with a view to improving the health management of hidden drug users. The project was scheduled for completion in 2027.

2.13 In Audit's view, ND needs to closely monitor the progress of the on-going BDF research project on hidden drug abusers in the community, with a view to obtaining more comprehensive information regarding the drug-taking situation in Hong Kong.

Need to continue to enhance measures to encourage the participation in Student Surveys

2.14 In order to keep track of the latest trend in the prevalence of drug-taking among students, ND commissions a contractor to conduct a Student Survey once every three years to collect information on drug-taking trends among students, drug-taking patterns and profiles of drug-taking students, and students' knowledge of and attitudes towards drug-taking, etc. Students are required to complete an anonymous questionnaire. The three most recent rounds of the Student Surveys were conducted in the 2017/18, 2020/21 and 2023/24 school years respectively.

2.15 According to the contracts, the contractor was required to enumerate a target number of samples covering upper primary (Note 9), secondary and post-secondary students. The contractor would first invite schools/institutions to participate in the Student Surveys. If schools/institutions accepted the invitation, the contractor would invite their students to participate.

2.16 To facilitate monitoring, the contractor was required to submit periodic progress reports to ND, detailing information such as the number of schools/institutions invited and participated, the number of students in participating schools/institutions and the number of questionnaires completed. Audit examination of the survey result reports and final progress reports submitted by the contractor for the 2017/18, 2020/21 and 2023/24 Student Surveys revealed that the total target sample sizes were not achieved in all the three rounds of surveys, with the achievement rates ranging from 82% to 94%. In particular, the achievement rate for post-secondary students dropped by 36 percentage points from 90% in the 2020/21 school year to 54% in the 2023/24 school year (see Table 2).

Note 9: *According to ND, upper primary students included Primary 4 to 6 students of local primary schools, and Year 5 and 6 students of international primary schools.*

Table 2

Achievement rates of target sample sizes for Student Surveys (2017/18, 2020/21 and 2023/24 school years)

	School year		
	2017/18	**2020/21**	**2023/24**
Upper primary students			
Target number of samples (a)	34,800	30,000	30,000
Actual number of samples (b)	30,015	25,317	28,381
Achievement rate (c)=(b)÷(a)×100%	86%	84%	95%
Secondary students			
Target number of samples (d)	67,200	56,000	56,000
Actual number of samples (e)	55,764	56,441	52,274
Achievement rate (f)=(e)÷(d)×100%	83%	101%	93%
Post-secondary students			
Target number of samples (g)	40,000	35,000	35,000
Actual number of samples (h)	34,887	31,599	18,953
Achievement rate (i)=(h)÷(g)×100%	87%	90%	54%
Overall			
Target number of samples (j)=(a)+(d)+(g)	142,000	121,000	121,000
Actual number of samples (k)=(b)+(e)+(h)	120,666	113,357	99,608
Achievement rate (l)=(k)÷(j)×100%	85%	94%	82%

Source: ND records

2.17 According to ND, in view of the lukewarm responses from schools/institutions and students during the conduct of the 2023/24 Student Survey, the following measures were implemented:

(a) for upper primary and secondary students, to address the problem of low participation from schools, the contractor extended the survey invitation to more schools. While only 285 primary schools and 248 secondary schools were sampled and invited in the 2020/21 Student Survey, all the 608 primary schools and 503 secondary schools were invited in the 2023/24 Student Survey; and

(b) for post-secondary students, to address the problem of low participation from institutions and students, ND sought the support of post-secondary institutions to encourage active participation in the survey during a brainstorming session in October 2023. In addition, an incentive scheme was launched, under which convenience store coupons were given on a random basis to some of the post-secondary students who completed the questionnaires.

2.18 In October 2026, the Education Bureau (EDB) informed Audit that it agreed to the importance of keeping track of the latest trend in the prevalence of drug-taking among students and it would continue to support ND in encouraging students' participation in the 2026/27 Student Survey.

2.19 In Audit's view, achieving the target sample sizes is essential to maintain the representativeness of the Student Surveys. Audit noted that, despite ND's efforts to encourage participation, the target sample sizes were not achieved. For the Student Surveys to be conducted in the 2026/27 school year and onwards, ND needs to continue to enhance measures to encourage the participation of schools/institutions and their students in Student Surveys, particularly for post-secondary institutions and students, with a view to achieving the target sample sizes of the Student Surveys.

Audit recommendations

2.20 **Audit has *recommended* that the Commissioner for Narcotics should:**

(a) **continue to invite more eligible reporting agencies to participate in CRDA reporting as far as practicable;**

(b) **keep in view the progress of inviting the remaining post-secondary institutions to join as reporting agencies to participate in CRDA reporting;**

(c) **continue the efforts in encouraging reporting of drug abuse information by reporting agencies to CRDA;**

(d) **closely monitor the progress of the on-going BDF research project on hidden drug abusers in the community, with a view to obtaining more comprehensive information regarding the drug-taking situation in Hong Kong; and**

(e) **continue to enhance measures to encourage the participation of schools/institutions and their students in Student Surveys, particularly for post-secondary institutions and students, with a view to achieving the target sample sizes of the Student Surveys.**

Response from the Government

2.21 The Commissioner for Narcotics agrees with the audit recommendations. She has said that ND will take follow-up actions accordingly.

Preventive education and publicity efforts targeting the general public

2.22 According to ND, PE&P efforts are the first line of defence in tackling the drug problem. A number of PE&P initiatives have been put in place on various fronts to enhance public awareness of drug abuse, drug harms and drug trafficking, as well as to encourage drug abusers' early help-seeking.

Need to take measures to ensure that contractor continues to arrange the required number of thematic exhibitions or activities at Hong Kong Jockey Club Drug InfoCentre

2.23 With a donation by the Hong Kong Jockey Club Charities Trust, the Hong Kong Jockey Club Drug InfoCentre (DIC) was established and opened in 2004.

It is the first permanent information and resource centre featuring anti-drug education in Hong Kong. DIC hosts a wide array of free activities, including guided tours, workshops, and seminars, which are tailored for youths, parents, teachers and social workers. To further strengthen its anti-drug education functions and enrich visitation experience of members of the public, DIC was closed for an extensive revamp in February 2021 and reopened in November 2022. ND has engaged a contractor to operate and manage DIC with funding support from BDF. The average number of annual visitors for the first 3 years since its re-opening (i.e. November 2022 to November 2025) was 49,081.

2.24 Audit examination of ND records for the period from November 2022 to November 2025 revealed that there was a shortfall in the number of thematic exhibitions or activities held. According to the contract requirement, the contractor should arrange an average of one thematic exhibition or activity each quarter at DIC. However, there were only 9 thematic exhibitions or activities held during the period, fewer than the required number of 12.

2.25 In September 2026, ND informed Audit that:

(a) for the first contract covering the period from November 2022 to November 2024, ND was responsible for identifying suitable exhibit resources or activities for the contractor to run an average of one thematic exhibition or activity each quarter at DIC. Due to difficulties in identifying proper resources, only 5 thematic exhibitions or activities instead of the required 8 were held during the period; and

(b) for the second contract covering the period from November 2024 to November 2027, learning from past experience, ND updated the terms by delegating the responsibility for sourcing suitable exhibit resources or activities directly to the contractor. From November 2024 to November 2025, the contractor achieved full compliance by holding 4 thematic exhibitions or activities.

2.26 In Audit's view, ND needs to take measures to ensure that the contractor continues to arrange the required number of thematic exhibitions or activities at DIC.

Room for improvement in reporting service users' profiles of anti-drug telephone and instant messaging enquiry services

2.27 According to ND, apart from educating the public on drug harms, help-seeking is also strongly emphasised in publicity materials. ND has commissioned a contractor to provide an anti-drug telephone enquiry service "186 186" and an instant messaging enquiry service "98 186 186" manned by professional social workers. Members of the public can approach social workers through these channels to enquire about drug abuse problem and related information, or having regard to individual needs, seek immediate counselling or referral for treatment services.

2.28 Under the service contract, the contractor is required to submit monthly reports to ND, detailing information such as the numbers of calls and instant messages handled by the social workers, profile summaries of service users and the number of referrals. Audit examination of the monthly reports submitted by the contractor and ND records on PE&P activities for the period from April 2025 to March 2026 revealed the following room for improvement:

(a) ***Omission in reporting some required items of profile summaries of service users in the monthly reports by contractor.*** The profile summaries of service users should include reporting items such as age, gender, reasons of drug abuse and ethnicity. However, Audit examination revealed that the contractor failed to include summaries of both "the reasons of drug abuse" and "ethnicity" of the service users (i.e. reported/suspected drug abusers) in its monthly reports, contrary to the contract requirements; and

(b) ***Non-reporting of profile summaries of service users to ACAN.*** According to ND, the anti-drug telephone and instant messaging enquiry services are important services to support anti-drug work and they can facilitate early identification of hidden drug abusers to enable timely intervention. Audit noted that while ND reported the numbers of calls and instant messages handled to the Sub-committee on PE&P under ACAN (see para. 5.2(a)(i)), the more detailed profile summaries of service users (i.e. reported/suspected drug abusers) were not reported.

2.29 In Audit's view, demographic information derived from service users (i.e. reported/suspected drug abusers) serves as a valuable supplement to CRDA statistics, providing additional insight on the latest drug trends. Audit considers that ND needs to:

(a) take measures to ensure that the contractor providing the anti-drug telephone and instant messaging enquiry services complies with the reporting requirements relating to the demographic information of service users (i.e. reported/suspected drug abusers); and

(b) consider reporting the profile summaries of service users (i.e. reported/suspected drug abusers) to ACAN with a view to better equipping ACAN with comprehensive intelligence to support the formulation of anti-drug strategies.

Room for improvement relating to Public Opinion Surveys on Anti-drug Publicity Measures

2.30 ND conducts annual Public Opinion Surveys on Anti-drug Publicity Measures (hereinafter referred to as Public Opinion Surveys) to gauge public perception on the effectiveness of its anti-drug publicity messages and services, and to understand the public preference on receiving such information. The results of the Public Opinion Surveys would be taken into account when drawing up the annual strategic directions for PE&P plans. Audit examination of the Public Opinion Survey results from 2022 to 2025 revealed scope for improvement, as follows:

(a) ***Need to consider extending Public Opinion Survey coverage.*** The surveys were conducted through telephone by a contractor. According to the contract requirement, the surveys targeted at Hong Kong residents aged 11 to 60. Audit noted that:

  (i) ***Awareness of DIC not covered.*** While DIC is the first permanent information and resource centre featuring anti-drug education and hosting a wide array of free activities, including guided tours, workshops and seminars (see para. 2.23), the Public Opinion Surveys did not cover the awareness of DIC; and

(ii) ***Respondents aged above 60 not covered.*** The strategic directions for PE&P plan in 2025 have identified drug abusers, including those of older age (i.e. aged 65 or above) as one of the specific groups for PE&P efforts. Statistics from CRDA also showed that the number of reported drug abusers aged over 65 increased from 258 in 2016 to 291 in 2025. However, the Public Opinion Surveys did not cover respondents aged above 60; and

(b) ***Need to continue the efforts in sustaining public awareness of anti-drug publicity services and messages.*** In its strategic directions for PE&P plans from 2022 to 2025, ND proposed to promote the anti-drug telephone and instant messaging enquiry services (see para. 2.27) and to actively publicise the anti-drug slogan and ambassadors. Audit noted that:

(i) ***Awareness of anti-drug telephone and instant messaging enquiry services.*** The overall awareness rate of the anti-drug telephone and instant messaging enquiry services fluctuated between 61% and 71% from 2022 to 2025. In particular, the awareness rate among the high-risk group (i.e. those who knew someone was a drug abuser or who had been offered drugs before — Note 10) declined from 74% in 2022 to 65% in 2025, and was lower than the awareness rate of the overall respondents (i.e. 71%) in 2025; and

(ii) ***Awareness of anti-drug slogan and ambassadors (Note 11).*** From 2022 to 2025, the awareness rate of the overarching slogan "Let's Stand Firm. Knock Drugs Out!" remained over 90% and that of the anti-drug ambassadors (Beat Drugs Squad formed by Agent Don't and Agent Hope — see Figure 3) increased from 38% to 66%, showing an upward trend (see Table 3).

Note 10: *According to ND, for analytical purpose, respondents are segmented into four subgroups, namely general youngsters (aged from 11 to 20), young adults (aged from 21 to 35), high-risk group and parents. A respondent can fall under more than one subgroup. On the other hand, some respondents do not fall under any of the four subgroups.*

Note 11: *According to ND, the overarching anti-drug slogan "Let's Stand Firm. Knock Drugs Out!" and the anti-drug ambassadors Beat Drugs Squad formed by Agent Don't and Agent Hope were both launched in September 2022.*

Figure 3

Anti-drug ambassadors:
Agent Don't and Agent Hope
(30 June 2026)



Source: *ND records*

Table 3

Awareness rates of anti-drug slogan and ambassadors
(2022 to 2025)

	2022	2023	2024	2025
Anti-drug slogan: "Let's Stand Firm. Knock Drugs Out!"	91%	92%	93%	94%
Anti-drug ambassadors: Agent Don't and Agent Hope	38%	59%	61%	66%

Source: *ND records*

2.31 In September 2026, ND informed Audit that:

(a) to address the decline of awareness of the anti-drug telephone and instant messaging enquiry services in 2023, ND launched an innovative advertising campaign titled "Cannabis is a drug" to deliver anti-drug message and conclude with a call-to-action for the anti-drug telephone and instant

messaging enquiry services. Following its launch, the awareness rate of the anti-drug telephone and instant messaging enquiry services rebounded to 71% in 2025;

(b) its PE&P efforts covered various specific groups, despite the decline in the awareness rate of the anti-drug telephone and instant messaging enquiry services to 65% among the high-risk group in 2025, the awareness rates among other groups, namely general youngsters, young adults and parents, had reached or exceeded 70% in the same year, which confirmed the effectiveness of the PE&P work across target groups; and

(c) there were practical difficulties in solely promoting anti-drug messages to the respondents of the high-risk group as they normally did not share with others their experience. In turn, ND would continue to monitor the trend and plan more PE&P work with a view to increasing the overall awareness rate.

2.32 In Audit's view, ND needs to:

(a) consider extending the Public Opinion Survey coverage to include the awareness of DIC and respondents aged above 60 (especially those aged 65 or above) with a view to obtaining a more comprehensive and representative assessment of the effectiveness of its publicity efforts across all relevant age groups; and

(b) continue the efforts in sustaining the public awareness of the anti-drug publicity services and messages, particularly the anti-drug telephone and instant messaging enquiry services, and the anti-drug ambassadors, to ensure that they are effectively promoted to the general public, including the high-risk group.

Audit recommendations

2.33 **Audit has *recommended* that the Commissioner for Narcotics should:**

(a) **take measures to ensure that the contractor continues to arrange the required number of thematic exhibitions or activities at DIC;**

(b) **take measures to ensure that the contractor providing the anti-drug telephone and instant messaging enquiry services complies with the reporting requirements relating to the demographic information of service users (i.e. reported/suspected drug abusers);**

(c) **consider reporting the profile summaries of service users (i.e. reported/suspected drug abusers) of the anti-drug telephone and instant messaging enquiry services to ACAN with a view to better equipping ACAN with comprehensive intelligence to support the formulation of anti-drug strategies;**

(d) **consider extending the Public Opinion Survey coverage to include the awareness of DIC and respondents aged above 60 (especially those aged 65 or above) with a view to obtaining a more comprehensive and representative assessment of the effectiveness of ND's publicity efforts across all relevant age groups; and**

(e) **continue the efforts in sustaining the public awareness of the anti-drug publicity services and messages, particularly the anti-drug telephone and instant messaging enquiry services, and the anti-drug ambassadors, to ensure that they are effectively promoted to the general public, including the high-risk group.**

Response from the Government

2.34 The Commissioner for Narcotics agrees with the audit recommendations. She has said that ND will take follow-up actions accordingly.

Preventive education and publicity efforts targeting schools

2.35 According to ND, schools have always been an important channel for PE&P. ND has been actively partnering with the education sector to foster drug-free environments across all levels of schooling. The key PE&P efforts targeting schools, which are delivered in a variety of modes and formats to suit the different needs of the respective stakeholders in the school setting, include the following:

(a) ***Interactive anti-drug dramas.*** ND has engaged contractors to stage free anti-drug dramas to educate Primary 3 to 6 students in an interactive manner on drug harms, the skills of refusing drugs and the dire consequences of committing drug offence;

(b) ***Anti-drug education programmes for students.*** ND has engaged contractors to develop modules with interactive contents and modes of delivery to teach students the harms associated with drug abuse, and to enhance the resilience of young people against drugs; and

(c) ***Anti-drug training programmes for teachers and school personnel.*** In collaboration with EDB and contractors, ND arranges school personnel to receive anti-drug trainings to equip them with knowledge of drug harms, techniques and skills in identifying at-risk or hidden drug-abusing students and the Government's anti-drug policy and legislation.

Need to consider expanding anti-drug dramas to more schools

2.36 ND engaged a contractor (involving two contracts) to perform anti-drug dramas for Primary 3 to 6 students from the 2022/23 to 2025/26 school years. Under the first contract, the contractor was originally required to perform 100 anti-drug dramas in the 2022/23 and 2023/24 school years. According to ND, due to the keen demand from schools, it increased the total number of performances from 100 to 140. In August 2024, ND awarded a second contract to the same contractor to deliver another 100 anti-drug dramas in the 2024/25 and 2025/26 school years.

2.37 The contractor was required to submit periodic progress reports to ND, detailing information such as the list of schools visited, the number of participants and teacher evaluation summaries. Audit examined the submissions from the contractor for the 2022/23 to 2025/26 school years and noted that:

(a) the contractor completed 237 performances across 206 schools, reaching approximately 35% of the primary schools in Hong Kong; and

(b) teacher evaluation summaries showed that 99% of the teachers rated the performances as good or excellent, with all respondents agreeing that the dramas effectively promoted the anti-drug messages to students and expressed interest in future performances.

In March 2026, ND awarded a third contract to the same contractor to perform 100 anti-drug dramas featuring a new drama script for the period from March 2026 to October 2027. Given the strong demand and positive stakeholder feedback in the previous contracts, Audit considers that there is merit for ND to consider expanding the anti-drug dramas to more schools.

Need to explore measures to facilitate contractors in delivering anti-drug education programmes to specified number of participants

2.38 ND engaged 3 contractors under 6 contracts to deliver anti-drug education programmes to Primary 3 to 6 students from local schools, as well as upper primary and secondary students from international and private independent schools covering the 2023/24 to 2025/26 school years. According to the contract requirement, the contractors shall deliver the programmes to the specified number of participants stipulated in the contracts. The contractors had to submit periodic progress reports to ND, detailing information such as the number of programmes conducted, number of participants, summaries of feedback from participating teachers and recommendations for future programme enhancement.

2.39 According to ND, as of September 2025 (i.e. more than 20 months after the commencement of the contracts), all of the contractors lagged behind in delivering the programmes to the specified number of participants. As a result, ND extended the contract periods of all the 6 contracts by 3.5 to 6 months to May 2026 to allow additional time for programme delivery. Audit examination of the progress reports submitted by the contractors revealed that despite the extensions, the specified number of participants was not met in 5 of the 6 contracts, with the achievement rates ranging from 48% to 91% (see Table 4).

Table 4

Achievement rates of delivering the anti-drug education programmes to the specified number of participants (2023/24 to 2025/26 school years)

Contract	Contract period	Number of participants		Achievement rate (c) = (b) ÷ (a) × 100%
		Specified (a)	Actual (b)	
A	October 2023 to November 2025 (extended to May 2026)	12,500	6,012	48%
B		12,500	9,263	74%
C		15,000	12,199	81%
D		14,500	11,244	78%
E		17,000	15,400	91%
F	January 2024 to February 2026 (extended to May 2026)	18,000	18,013	100%

Source: ND records

2.40 In September and October 2026, ND informed Audit that:

(a) the specified number of participants set out in the contract requirements was an indicative maximum number of participants, which was worked out broadly based on the student population of the district, to be covered under the respective contracts for planning and procurement purposes;

(b) the figure served as a basis for calculating the estimated contract value and indicated the expected scope and scale of the services to be provided; and

(c) the contractors were encouraged to make their best endeavours to promote and deliver the programmes to as many participants as possible as the contract payment would be made based on the number of participants reached. No further payment would be arranged for any additional participants beyond the specified number of participants.

2.41 According to ND, in August 2026, it awarded 6 contracts to the same 3 contractors to conduct anti-drug education programmes for the period from August 2026 to September 2028, having regard to their established reputation and experience in anti-drug education for students in Hong Kong, their past service quality in delivering the programmes, and the reasonableness of their proposed prices. In Audit's view, ND needs to closely monitor the contractors' progress of delivering the anti-drug education programmes and explore measures to facilitate the contractors in delivering the programmes to the specified number of participants as far as practicable within the contract periods.

Need to strengthen the scrutiny of confirmation slips before making payment

2.42 According to the anti-drug education programme contracts, fee payable to contractors shall be determined with reference to the actual number of participants attending the programmes delivered by the contractors to the satisfaction of ND, supported by proof. According to ND, contractors were required to submit confirmation slips signed by the participating schools as evidence of programme delivery and the actual number of participants for payment purposes. Audit examination of the 508 confirmation slips submitted by the three contractors for payments up to 30 June 2026 revealed that 272 (54%) (Note 12) were signed by the participating schools before the programme delivery dates. The lead time ranged from 1 day to 341 days, with an average of 71 days. In September 2026, ND informed Audit that:

(a) the contractors had re-confirmed the attendance figures stated on the confirmation slips with the schools on site on the programme days but did not update the confirmation slips in writing; and

(b) there should be no financial implications to the Government arising from those cases.

2.43 In Audit's view, the signing of confirmation slips prior to programme delivery casts doubt on the accuracy of the number of participants of the anti-drug education programmes. To ensure that payments to contractors are properly

Note 12: *Those cases involved a maximum payment exposure of about $2,571,000 if such programmes had not been delivered at all.*

supported and accurately determined, Audit considers that ND needs to strengthen its scrutiny of confirmation slips submitted by the contractors in support of the delivery of anti-drug education programmes before making payment to them.

Need to draw lessons from procurement of anti-drug training programmes for teachers and school personnel

2.44 From the 2021/22 to 2023/24 school years, ND commissioned a contractor under four contracts to provide anti-drug training programmes for teachers, school social workers and key school personnel of primary and secondary schools. The training programmes aimed to equip school personnel with the latest knowledge in drug abuse, enrich and reinforce their skills to identify at-risk students at an early stage, and enhance their skills to formulate protocols and guidelines for handling suspected or actual drug abuse cases in schools.

2.45 Audit examination of ND records revealed that there was a service gap of 25 months (from March 2024 to March 2026) in the provision of anti-drug training programmes for teachers and school personnel, due to the following reasons:

(a) ***Change in procurement method.*** According to ND, following the expiry of the previous contracts in February 2024, ND evaluated the experience and conducted market research to gauge the views of some anti-drug NGOs on the future service provision, and determined to run the training for a longer period and revised the mode of delivery. ND considered that the quotation limit might not be sufficient to attract high-quality service providers for the revised service provision, hence it was necessary to conduct a tender exercise. The tender invitation was issued in February 2025. Contracts were awarded in July 2025 and the programmes were scheduled to commence in September 2025; and

(b) ***Delay in commencement of training sessions.*** Although training sessions under the four prevailing contracts were scheduled to commence in September 2025, programme content was only approved by ND in January 2026. The first training session was eventually conducted in April 2026.

As a result, no anti-drug training programmes from ND were provided for teachers and school personnel for the entire 2024/25 school year (i.e. from September 2024 to August 2025).

2.46 In September 2026, ND informed Audit that:

(a) teachers could continue to receive anti-drug trainings regularly and have access to teaching resources from EDB during the service gap;

(b) it took time for ND to vet and refine the training materials under an enhanced mode of delivery through online and face-to-face sessions. As the teachers' training contracts involved one online module and four advanced modules, ND had to scrutinise a substantial volume of training materials to ensure their factual accuracy and ascertain that all required topics were properly covered; and

(c) the contractor experienced a change of the person-in-charge during the process. As a result, the materials submitted by the contractor had to be reviewed and recast before further processing and approval, which further lengthened the preparation time.

2.47 In October 2026, EDB informed Audit that:

(a) it agreed to the importance of equipping school personnel with the latest knowledge in drug abuse, enriching and reinforcing their skills to identify at-risk students at an early stage, and enhancing their skills to handle suspected or actual drug abuse cases in schools; and

(b) it would continue to provide relevant training as well as learning and teaching resources to teachers and school personnel, and support ND in providing comments on the training materials for its training programmes and promoting their anti-drug training programmes to schools.

2.48 Audit considers that ND needs to draw lessons from the procurement of anti-drug training programmes for teachers and school personnel with a view to

ensuring continuous provision of the anti-drug training programmes for teachers and school personnel.

Audit recommendations

2.49 **Audit has *recommended* that the Commissioner for Narcotics should:**

(a) **consider expanding the anti-drug dramas to more schools;**

(b) **closely monitor the contractors' progress of delivering the anti-drug education programmes and explore measures to facilitate the contractors in delivering the programmes to the specified number of participants as far as practicable within the contract periods;**

(c) **strengthen the scrutiny of confirmation slips submitted by the contractors in support of the delivery of anti-drug education programmes before making payment to them; and**

(d) **draw lessons from the procurement of anti-drug training programmes for teachers and school personnel with a view to ensuring continuous provision of the anti-drug training programmes for teachers and school personnel.**

Response from the Government

2.50 The Commissioner for Narcotics agrees with the audit recommendations. She has said that ND will take follow-up actions accordingly.

PART 3: ADMINISTRATION OF REGULAR FUNDING SCHEME AND SPECIAL FUNDING SCHEME FOR DRUG DEPENDENT PERSONS TREATMENT AND REHABILITATION CENTRES

3.1 This PART examines the work of ND in administering funding schemes under BDF, focusing on:

(a) administration of RFS (paras. 3.2 to 3.20); and

(b) administration of SFS (paras. 3.21 to 3.24).

Administration of Regular Funding Scheme

3.2 ***Objectives of RFS.*** RFS aims to support community-driven anti-drug activities and programmes on PE&P, T&R and research. Organisations can apply for funding to organise PE&P programmes for the general public and/or specific groups, provide drug T&R services for people with drug problems, conduct research on drug abuse problems, or implement projects with combinations of the above. Specific priority areas are drawn up annually by ND, with reference to various factors including prevalent drug trends and pertinent service needs, and with the advice of ACAN, to encourage quality submission of proposals for anti-drug projects meeting the community needs. According to ND:

(a) since the establishment of BDF in 1996, it had funded about 2,870 projects with a total grant of around $3 billion up to April 2026. A total of 267 RFS projects covering PE&P, T&R, research and mixed-type elements are being funded as of August 2026; and

(b) over the years, the RFS grantees have gone to great lengths to organise a diversified range of well-thought-out activities that could provide the specific groups with fuller anti-drug knowledge and toolkits to resist undue influence.

3.3 ***RFS funding exercises.*** RFS funding exercise is normally open for applications in the third quarter each year. Briefing sessions for potential applicants (such as NGOs, social service agencies and the school sector) will be conducted to provide introduction on RFS and the corresponding application procedures regarding priority areas, assessment criteria and methods to assess the effectiveness of projects. Results of the funding exercise will be announced in the first quarter of the subsequent year. A three-stage approach is adopted to assess the applications received:

(a) ND and the relevant B/Ds (e.g. the Social Welfare Department (SWD) and the Department of Health) will provide comments on applications under their scopes of services as appropriate and indicate whether they support the applications concerned. Applications supported by the majority of B/Ds will be screened in (Note 13);

(b) the screened-in applications will then be passed to the respective vetting panels for assessment using a marking scheme (Note 14) and priority would be accorded to projects meeting the priority areas to respond to the latest drug trends; and

(c) the assessed applications will be submitted to ACAN for consideration before submission to GC of BDFA for approval.

Need to consider exploring measures to further enhance applicants' understanding of project requirements

3.4 According to ND, to draw on experience from the previous RFS funding exercise and facilitate potential applicants for the next funding exercise, ND will issue a "Note for Potential Applicants of Funding Exercise" before the commencement of the next funding exercise application period. This Note summarises the key points corresponding to each assessment criterion under the marking scheme, having regard

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Note 13: *According to ND, in practice, in situations where only half of the B/Ds (including ND) support a particular application, the respective vetting panel will still look into the proposal to consider whether it is worth supporting on its own merits.*

Note 14: *The marking scheme used for assessing the applications has been adopted since the 2016 RFS funding exercise. There were four major assessment criteria, namely project strength, impact, project design and feasibility, and experience and track record. Only those applications attaining a pass in all the assessment criteria would be considered for funding allocation.*

to the processing of applications received in the previous round of funding exercise. Audit analysed the application records and the amount of funding approved under the RFS funding exercises of 2021 to 2025 (see Table 5) and noted that:

Table 5

Number of applications processed and amount of funding approved under RFS funding exercises (2021 to 2025)

	Funding exercise					
	2021	**2022**	**2023**	**2024**	**2025**	**Overall**
Number of applications						
Approved	69 (58%)	53 (49%)	46 (41%)	45 (42%)	48 (36%)	261 (45%)
Rejected (Note)	51 (42%)	55 (51%)	65 (59%)	61 (58%)	87 (64%)	319 (55%)
Total	120 (100%)	108 (100%)	111 (100%)	106 (100%)	135 (100%)	580 (100%)
Approved funding ($ million)	142	99	91	94	95	521

Source: *ND records*

Note: *Rejected applications included those screened-out applications (i.e. not supported by a majority of relevant B/Ds) and applications not recommended (i.e. failure to attain a pass in all the assessment criteria from the vetting panels).*

(a) ***Rejected applications.*** Of the 580 applications received during the period, 319 (55%) were rejected. Audit further analysis revealed that:

(i) the annual number of rejected applications and the rejection rates ranged from 51 (42%) to 87 (64%); and

(ii) of the 319 rejected applications submitted by 155 applicants during the period, 25 (16% of 155) applicants applied for two or more rounds of funding exercises and their applications were all rejected; and

(b) ***Reduction of proposed budget in applications.*** As one of the assessment criteria, an application will be assessed on whether the proposed budget is reasonable, realistic and commensurate with the purpose of the project. The respective vetting panels will consider suitable adjustments for the implementation of some projects, such as budget sought, duration and activity items (Note 15). Audit examination revealed that among the 261 approved applications during the period, the overall percentage of reduction from the amount originally sought by applicants to the amount approved for each round of RFS funding exercises ranged from 37% to 47% (see Table 6).

Table 6

Comparison on amount sought and approved for approved applications under RFS funding exercises (2021 to 2025)

Funding exercise	Amount			Percentage of reduction
	Sought (a)	Approved (b)	Reduction (c) = (a) − (b)	(d) = (c) ÷ (a) × 100%
	($ million)			
2021	226	142	84	37%
2022	188	99	89	47%
2023	155	91	64	41%
2024	172	94	78	45%
2025	175	95	80	46%

Source: ND records

Note 15: *According to ND, grants disbursed by BDF for each RFS project will normally not exceed $6 million, and the project duration will normally not exceed three years.*

3.5 In September 2026, ND informed Audit that:

(a) all funding applications for RFS were assessed independently and awarded strictly according to the merits of each application. A targeted percentage of approval should not and would not be set with a view to ensuring the prudent use of public money on specific priority areas identified by ACAN and agreed by GC of BDFA to meet the prevailing community needs on anti-drug work; and

(b) with a view to improving the potential applicants' understanding of RFS and their quality of proposal submission, ND organised briefing sessions for potential applicants to attend. In each round of RFS funding exercise, ND announced the application and briefing sessions on website of ND, issued press release and notification on the mobile application of SB, and notified potential applicants by email. For the 2025 RFS funding exercise, 156 participants from more than 51 organisations attended the briefing session.

3.6 Audit noted ND's efforts in facilitating potential applicants to submit quality applications for RFS projects. With a view to enhancing the quality of the proposed projects under RFS funding exercise, Audit considers that ND needs to consider exploring measures to further enhance applicants' understanding of project requirements (e.g. encouraging more potential applicants to attend the briefing sessions).

Need to explore measures to solicit more applications for research-type projects addressing priority areas

3.7 As part of the five-pronged approach to combat the drug abuse problem, ND and ACAN commission or support research studies covering a wide array of topics to disseminate project findings across the anti-drug sector and facilitate the development of more effective, evidence-based anti-drug services (see para. 1.4(d)). With regard to the research-type projects, Audit noted that ND has set three priority areas under the RFS funding exercises of 2021 to 2025 to encourage quality submission of proposals for anti-drug projects meeting the community needs. Audit analysed ND records on applications received for research-type projects under the RFS funding exercises of 2021 to 2025 and found that while 11 to 20 applications relating to research-type projects were received each year, in 4 (80%) of the 5 rounds

of funding exercises, at least one research-type priority area was not covered by any approved projects (see Table 7).

Table 7

Number of approved projects addressing research-type priority areas (2021 to 2025)

Priority area	Number of approved projects addressing research-type priority area				
	2021	2022	2023	2024	2025
Researches on the characteristics of psychotropic substance abuse	4	1	0	4	7
Researches on the behavioral patterns of different groups of drug abusers	1	1	4	2	0
Studies on identifying and collating good practices or protocols based on the findings of the completed BDF RFS research-type projects	0	1	0	0	0

Legend: Priority areas not covered by any approved projects

Source: *ND records*

3.8 With a view to better meeting the community needs, Audit considers that ND needs to explore measures to solicit more applications for research-type projects under RFS addressing the priority areas drawn up by ND (e.g. proactively inviting research institutions to submit such research proposals).

Room for improvement relating to monitoring of funded projects

3.9 According to the procedural guidelines for successful applicants, grantees are required to submit the following reports to ND during the project implementation period and upon completion of the projects:

(a) ***Progress reports.*** Depending on the type and duration of the projects, grantees are required to submit progress reports within the stipulated timeframe during the course of the projects (Note 16). The progress reports shall include the progress of implementation of various activities under the projects and evaluation results in accordance with the output and outcome targets set;

(b) ***Full reports.*** The grantees are required to submit a full report to assess each project deliverable and their value for dissemination upon completion of the projects within two months from the project completion dates;

(c) ***Special progress reports.*** If any of the output indicators are underachieved (below 90% of the pledged interim target), grantees will be required to propose remedial actions to improve the progress. Separately, a special progress report between two progress reports should be submitted by the grantees to show the progress after the implementation of remedial actions;

(d) ***Annual audited accounts and auditors' reports.*** Annual audited accounts and auditors' reports shall be submitted within two months after the end of each project year for fund disbursement purpose; and

(e) ***Final audited accounts and auditors' reports.*** Final audited accounts and auditors' reports shall be submitted within two months after the project completion dates for disbursement of final payment. If there is any unspent

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Note 16: *ND adjusts the progress report submission requirements from time to time. For example, according to the latest requirements in the 2025 RFS funding exercise, the grantees shall submit progress reports at the following specified intervals during the course of the projects:*

(a) for projects without research elements running for six months or less, the grantees do not need to submit progress reports and shall only submit full reports within two months from the project completion dates;

(b) for projects without research elements running for more than six months, the grantees shall submit half-yearly progress reports within three weeks from the end of each six-month period; and

(c) for research projects or mixed-type projects with research elements, the grantees shall submit quarterly progress reports within two weeks from the end of each three-month period.

grant, they shall be returned to ND within two months after project completion dates.

3.10 A total of 115 projects were completed under the RFS funding exercises of 2021 to 2025 as at 30 June 2026. Audit sample checked 20 completed projects and found cases of late/outstanding submission of reports by the grantees (see Table 8), as follows:

Table 8

Submission of reports by grantees of 20 sampled completed projects under RFS funding exercises of 2021 to 2025 (30 June 2026)

Report	Required submission	Report submission			Range of delay (Average)
		Early/on-time	Late	Outstanding	
	(Number)				(Day)
Progress report	86 (100%)	38 (44%)	48 (56%)	0 (0%)	1 to 176 (37)
Full report	20 (100%)	17 (85%)	2 (10%)	1 (5%)	32 to 118 (66)
Special progress report	13 (100%)	5 (38%)	8 (62%)	0 (0%)	2 to 150 (77)
Annual audited account and auditors' report	34 (100%)	9 (27%)	16 (46%)	9 (27%)	28 to 1,004 (379)
Final audited account and auditors' report	20 (100%)	5 (25%)	7 (35%)	8 (40%)	18 to 395 (162)

Source: ND records

(a) ***Progress reports.*** Of the 86 progress reports required to be submitted, there were 48 (56%) late submissions, with delays ranging from 1 day to 176 days (averaging 37 days). Of the 48 late submissions, ND issued reminders to the grantees after the deadlines by 1 day to 27 days (averaging 7 days) in 37 (77% of 48) late submissions;

(b) ***Full reports.*** Of the 20 full reports required to be submitted, there were 3 (15%) late/outstanding submissions, comprising:

(i) 2 (67% of 3) were submitted late, with delays ranging from 48 to 118 days (averaging 83 days); and

(ii) 1 (33% of 3) remained outstanding as at 30 June 2026, and was overdue by 32 days.

Of the 3 late/outstanding submissions, ND issued reminders to the grantees after the deadlines by 4 to 10 days (averaging 7 days);

(c) ***Special progress reports.*** Of the 13 special progress reports (involving 7 projects) required to be submitted, there were 8 (62%) late submissions, with delays ranging from 2 to 150 days (averaging 77 days). Of the 8 late submissions, ND issued reminders to the grantees after the deadlines by 1 day to 7 days (averaging 4 days) in 7 (88% of 8) late submissions;

(d) ***Annual audited accounts and auditors' reports.*** Of the 34 annual audited accounts and auditors' reports required to be submitted, there were 25 (73%) late/outstanding submissions, comprising:

(i) 16 (64% of 25) were submitted late, with delays ranging from 28 to 606 days (averaging 230 days); and

(ii) 9 (36% of 25) remained outstanding as at 30 June 2026, and were overdue by 212 to 1,004 days (averaging 645 days).

Of the 25 late/outstanding submissions, ND issued reminders to the grantees after the deadlines by 7 to 726 days (averaging 381 days) in 12 (48% of 25) late/outstanding submissions; and

(e) ***Final audited accounts and auditors' reports.*** Of the 20 final audited accounts and auditors' reports required to be submitted, there were 15 (75%) late/outstanding submissions, comprising:

(i) 7 (47% of 15) were submitted late, with delays ranging from 18 to 121 days (averaging 62 days); and

(ii) 8 (53% of 15) remained outstanding as at 30 June 2026, and were overdue by 30 to 395 days (averaging 250 days). Without the final audited accounts and auditors' reports, ND cannot ascertain whether there is any unspent grant that should be returned by the grantees of these projects.

Of the 15 late/outstanding submissions, ND issued reminders to the grantees after the deadlines by 10 to 361 days (averaging 167 days) in 9 (60% of 15) late/outstanding submissions.

3.11 In September 2026, ND informed Audit that:

(a) regarding submission of reports by the grantees of the sampled projects:

(i) ***Progress reports.*** Of the 20 projects which required progress reports to be submitted, 11 (55%) projects had at least 50% of progress reports submitted early/on-time;

(ii) ***Full reports.*** Of the 20 projects which required full reports to be submitted, 17 (85%) projects had the full reports submitted early/on-time;

(iii) ***Special progress reports.*** Of the 7 projects which required special progress reports to be submitted, 4 (57%) projects had at least 50% of special progress reports submitted early/on-time;

(iv) ***Annual audited accounts and auditors' reports.*** Of the 19 projects (Note 17) which required annual audited accounts and auditors' reports to be submitted, 6 (32%) projects had at least 50% of annual audited accounts and auditors' reports submitted early/on-time; and

(v) ***Final audited accounts and auditors' reports.*** Of the 20 projects which required final audited accounts and auditors' reports to be submitted, 5 (25%) projects had the final audited accounts and auditors' reports submitted early/on-time;

(b) for the submission of progress reports, special progress reports and full reports (see para. 3.10(a) to (c)), a reminder email would be issued or telephone call would be made to the grantee;

(c) for the submission of annual and final audited accounts and auditors' reports (see para. 3.10(d) and (e)), reminders were issued on a non-regular basis subject to various factors, such as the response from the grantees and the status of last project year's auditors' reports (Note 18);

(d) it had existing procedures on the follow-up actions to be taken by ND staff on late/outstanding report submissions (e.g. the requirement and timeframe of sending reminders); and

(e) it had reviewed the procedures in June 2026 and some enhancement measures had been made to tighten the monitoring (e.g. properly keep the reminder records, update the reminder email template). Under the current practice, reminder email would be issued or telephone call would be made to the grantee at least two weeks before the due date for report and financial

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Note 17: *For one sampled completed project, the project duration was originally one year and subsequently extended for one month, and thus only final audited account and auditors' report was required.*

Note 18: *For example, ND might have an agreement with the grantees allowing the submission of subsequent annual/final audited accounts and auditors' reports only after the preceding reports are finalised and confirmed, particularly when figures in the current report require clarification/adjustment. Under this circumstance, to ensure the accuracy of the next annual/final audited account and auditors' report, the grantee would submit the next report upon confirmation of the current one. This might lead to the submission date of next report beyond the original deadline. In such cases, reminders would not be issued to the grantee.*

documents, and subsequent reminders would be issued according to the timeframe set. ND would further review the current practice and set it out in formal internal guidelines.

3.12 Audit noted that while ND had procedures for following up on late/outstanding report submissions, these requirements were not formally documented as internal guidelines. Audit considers that ND needs to:

(a) issue internal guidelines setting out follow-up actions to be taken by ND staff on late/outstanding report submissions by grantees of RFS projects (e.g. the requirement and timeframe of sending reminders); and

(b) follow up more closely with the grantees of RFS projects regarding the outstanding reports and urge them to return any unspent grant.

Need to take measures to ensure better utilisation of available funding under BDF

3.13 Audit examined the audited financial statements of BDFA for the year ended 31 March 2025 and noted that, as at 31 March 2025, there was a total of $347 million of outstanding commitments under RFS (involving 268 projects approved under the RFS funding exercises of 2017 to 2024). According to ND, these outstanding commitments comprised grants for:

(a) ongoing projects approved in previous years with pending payments; and

(b) completed projects for which final audited accounts had not yet been finalised.

3.14 According to ND, the project duration of RFS projects will normally not exceed three years. Of the 268 projects, 87 with outstanding commitments amounting to $86 million as at 31 March 2025 were projects approved under the RFS funding exercises of 2017 to 2020 and should have been completed with final audited accounts submitted by 31 March 2025. In response to Audit's enquiry, in August 2026, ND informed Audit that as at 30 June 2026:

(a) the final audited accounts and auditors' reports for 27 (31% of 87) projects had been verified, and the corresponding outstanding commitments of $24 million had been settled/released from BDF; and

(b) it was still following up on the remaining 60 (69% of 87) projects. All these 60 projects had been completed but remained open with outstanding commitments of $62 million after the project completion dates, mainly due to:

(i) pending final audited accounts and auditors' reports from grantees;

(ii) requests for further clarifications, supplementary documents, or proof from grantees; and

(iii) financial documents currently under checking by ND.

3.15 In Audit's view, projects with long outstanding commitments lock up BDF's available resources that could otherwise support other worthy RFS projects. Audit considers that ND needs to take measures to ensure better utilisation of available funding under BDF, for example, by:

(a) following up more closely with grantees of RFS projects with long outstanding commitments (e.g. issuing reminders to those grantees with a specific timeframe on submitting overdue reports); and

(b) considering making reference to individual grantee's past records on report submission in consideration of their future RFS applications.

Room for improvement relating to site visits on RFS projects

3.16 According to ND's internal guidelines on monitoring of non-research RFS projects (Note 19), ACAN or its Sub-committees members and ND staff shall visit the grantees of the approved projects to inspect and review the project progress from

Note 19: *According to ND, only non-research projects are subject to site visits. No site visit will be conducted on research projects.*

time to time. The internal guidelines stipulate the seniority level and frequency of ND staff and ACAN members to conduct site visits on RFS projects, which depend on various factors including the amount of grant approved and project duration. For example, for projects with approved grant of $1 million to below $2 million and project duration of two years or less, ND staff is required to conduct site visit once. If the project duration is over two years, in addition to the site visit conducted by ND staff, two ACAN members are required to conduct one site visit each.

3.17 Audit examined the site visit records for 20 sampled completed projects under the RFS funding exercises of 2021 to 2025 (involving 57 site visits) and found that:

(a) in 2 (10% of 20) projects, only ND staff was initially required to conduct a site visit based on their initial approved grant amounts (i.e. $1 million to below $2 million) and project duration (i.e. two years or less). However, while both projects subsequently obtained ND approval to extend their project durations to over two years, no site visits were conducted by ACAN members, contrary to the requirements of the internal guidelines; and

(b) according to the internal guidelines, an assessment form should be prepared and submitted to ND following each site visit. Based on the findings recorded in the assessment forms, ND will give comments to grantees for improvement. However, Audit noted that the guidelines did not stipulate clearly the required timeframe of submission of assessment forms after site visits. Of the 57 assessment forms prepared for the site visits:

(i) 20 (35%) forms did not document the submission dates; and

(ii) of the remaining 37 (65%) forms, 20 were submitted to ND more than one month after the site visits. Of these 20 forms, 9 contained findings which were submitted after the site visits by 119 to 675 days (averaging 416 days).

3.18 Site visit is an important component of the monitoring mechanism of RFS projects. Audit considers that ND needs to take measures to strengthen the monitoring of site visits on RFS projects, including:

(a) ensuring that site visits for projects with subsequent project variations or extensions are conducted in accordance with the requirements specified in its internal guidelines; and

(b) enhancing its internal guidelines to specify clearly the required timeframe of submission of assessment forms after site visits.

Audit recommendations

3.19 **Audit has *recommended* that the Commissioner for Narcotics should:**

(a) **consider exploring measures to further enhance applicants' understanding of project requirements with a view to enhancing the quality of the proposed projects under RFS funding exercise (e.g. encouraging more potential applicants to attend the briefing sessions);**

(b) **explore measures to solicit more applications for research-type projects under RFS addressing the priority areas drawn up by ND (e.g. proactively inviting research institutions to submit such research proposals);**

(c) **issue internal guidelines setting out follow-up actions to be taken by ND staff on late/outstanding report submissions by grantees of RFS projects (e.g. the requirement and timeframe of sending reminders);**

(d) **follow up more closely with the grantees of RFS projects regarding the outstanding reports and urge them to return any unspent grant;**

(e) **take measures to ensure better utilisation of available funding under BDF, for example, by:**

(i) **following up more closely with grantees of RFS projects with long outstanding commitments (e.g. issuing reminders to those grantees with a specific timeframe on submitting overdue reports); and**

(ii) **considering making reference to individual grantee's past records on report submission in consideration of their future RFS applications; and**

(f) **take measures to strengthen the monitoring of site visits on RFS projects, including:**

(i) **ensuring that site visits for projects with subsequent project variations or extensions are conducted in accordance with the requirements specified in the internal guidelines; and**

(ii) **enhancing the internal guidelines to specify clearly the required timeframe of submission of assessment forms after site visits.**

Response from the Government

3.20 The Commissioner for Narcotics agrees with the audit recommendations. She has said that ND will take the following actions:

(a) uploading recordings of briefing sessions to website of ND to facilitate potential applicants' understanding of RFS project requirements;

(b) reaching out proactively to invite research institutions to submit research proposals;

(c) setting out in formal internal guidelines on the handling of late/outstanding reports for ND staff in the fourth quarter 2026;

(d) issuing final reminders to those grantees to submit overdue reports with a specific timeframe and informing grantees that no reimbursement will be made after the stipulated deadline;

(e) taking into consideration RFS applicants' past records on report submissions in considering their applications starting from 2026 RFS cycle;

(f) exploring making use of technology to better monitor the progress of submission of reports and issuing reminders to grantees in a timely manner; and

(g) strengthening the monitoring of site visits, including ensuring that site visits for projects with subsequent project variations or extensions are conducted in accordance with the requirements specified in the guidelines and enhancing the guidelines to specify clearly the required timeframe of submission of assessment forms after site visits.

Administration of Special Funding Scheme for Drug Dependent Persons Treatment and Rehabilitation Centres

3.21 The Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance was enacted in April 2002 to protect the well-being of drug dependent persons undergoing residential T&R (e.g. to be treated under a properly managed and physically secured environment). For DTRCs which had been in operation before the commencement of the Ordinance but were unable to comply fully with the licensing requirements, they were issued with Certificates of Exemption (CoEs) by SWD for continued operation. One of the objectives of SFS is to provide financial assistance to existing DTRCs issued with CoEs to carry out capital works including in-situ expansion or redevelopment/reprovisioning of an existing DTRC for meeting the licensing requirements stipulated in the Ordinance.

3.22 ***Follow up on DTRCs operating on CoEs.*** According to ND, as at 30 June 2026, among the 30 DTRCs in Hong Kong, 25 DTRCs were licensed and 5 DTRCs were operating on CoEs. The status of the 5 DTRCs (operated by 5 NGOs) was as follows:

(a) ***DTRCs requiring in-situ redevelopment or upgrading (2 centres):***

(i) ***NGO 1.*** NGO 1 was actively pursuing a long-term in-situ redevelopment project for its training centre to meet the statutory licensing requirements. Although a tendering exercise to engage consultancy services was arranged in early 2022, due to procedural issues, NGO had to re-tender and was currently preparing the new tender documents; and

(ii) ***NGO 2.*** With the technical feasibility study completed and tender documents for detailed design cum construction works prepared, in 2026, NGO 2 secured the required financial contribution under SFS (Note 20) and submitted an updated technical feasibility study to the relevant works department to proceed with the project; and

(b) ***DTRCs requiring reprovisioning (3 centres).*** 3 DTRCs had to reprovision their centres as the existing premises were located on privately-owned land/premises where the DTRCs could not be operated on a permanent basis:

(i) ***NGOs 3 and 4.*** In April 2023, a joint short-term tenancy application was approved for both NGOs to reprovision the two DTRCs to a new site and establish a combined DTRC which would be operated by NGO 3. NGO 3 had engaged a consultancy team to take forward the reprovisioning project, aiming for project completion by the first half of 2028; and

(ii) ***NGO 5.*** NGO 5 had joined a number of site visits arranged by SWD but indicated no interest in those sites. SWD has been inspecting the DTRC operated by NGO 5 on a regular basis to ensure that its operations comply with the legal requirements.

According to ND, SFS has been serving an important role in supporting DTRCs to carry out improvement works and enhance their service capacity and safety standards. ND and SWD have kept in close liaison with NGOs regarding the progress of their upgrading works or reprovisioning projects.

Note 20: *For project value of $8 million or below, the grant will be in full. For project value exceeding $8 million, the maximum grant will be 90% of approved project value or $8 million, whichever is higher, subject to a ceiling of $67 million.*

Audit recommendation

3.23 **Audit has *recommended* that the Commissioner for Narcotics should, in collaboration with relevant B/Ds, keep in view the status of the DTRCs operating on CoEs with a view to facilitating them in meeting the statutory licensing requirements as early as possible.**

Response from the Government

3.24 The Commissioner for Narcotics agrees with the audit recommendation. She has said that ND will take the follow-up actions accordingly.

PART 4: ADMINISTRATION OF SCHOOL-RELATED FUNDING SCHEMES

4.1 This PART examines the work of ND in administering school-related funding schemes under BDF, focusing on:

(a) administration of HSP(DT) (paras. 4.2 to 4.27); and

(b) administration of the Sports Programme (paras. 4.28 to 4.35).

Administration of Healthy School Programme with a Drug Testing Component

4.2 ***Objectives of HSP(DT).*** HSP(DT) is a school-based anti-drug education programme for all secondary schools covering educational, counselling, supportive and drug testing aspects. It aims at enhancing the physical and mental health and well-being of students and fostering their resolve to refuse drugs. It comprises the following two major elements:

(a) ***Diversified anti-drug activities.*** The activities and trainings aim at enriching school personnel and parents' anti-drug knowledge, supporting students to stay away from drugs, providing suitable assistance to students who encounter drug problems and cultivating a healthy and drug-free environment for students; and

(b) ***Voluntary school drug testing.*** It can help strengthen students' resolve to stay away from drugs, build an anti-drug culture in schools and enhance motivation of those in need to seek help.

4.3 ***Invitation for applications.*** In around January each year, ND and EDB issue a joint invitation letter to all secondary schools (Note 21) to invite them to join HSP(DT) in the following school year(s) (Note 22). A briefing session to introduce HSP(DT) and application details will be arranged in March each year. Normally, deadline for application is in mid-April and the results will be announced before August (i.e. before the commencement of a school year). All applications will be assessed by ND and the relevant B/Ds (i.e. EDB and SWD). The assessed applications will be submitted to ACAN for consideration before submission to GC of BDFA for approval.

Need to continue efforts to encourage more schools to participate in HSP(DT)

4.4 According to ND, in addition to the briefing session organised each year, ND also promotes HSP(DT) through different channels throughout the years, for example, radio talk shows, TV shows and meetings with heads of secondary schools. Audit analysed the number of participating schools in HSP(DT) from the 2021/22 to 2025/26 school years and noted that the number increased from 185 in the 2021/22 school year to 268 in the 2025/26 school year and the respective school participation rates increased from 36% to 52% during the period (see Table 9).

Note 21: *EDB will provide the updated school list to ND every school year. The school list includes local secondary schools and international schools.*

Note 22: *According to ND, the participating schools may apply for funding to implement HSP(DT) for one school year, or for two or three consecutive school years.*

Table 9

Number of participating schools and funding approved for new applications under HSP(DT) (2021/22 to 2025/26 school years)

	School year				
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Number of schools (a)	516	502	510	513	518
Number of participating schools (Note 1) (b)	185	223	237	246	268
School participation rate (c) = (b) ÷ (a) × 100%	36%	44%	46%	48%	52%
Approved funding for new applications (Note 2) ($ million)	87	76	159	106	107

Source: *ND records*

Note 1: *The number of participating schools included the participating schools continued from previous school years and the new participating schools started in the respective school year.*

Note 2: *According to ND, it did not impose a maximum amount of funding for which a school can apply. As indicated in the invitation letter for the 2025/26 school year, an average of around $460,000 was allocated to each participating school per school year in previous funding exercises.*

4.5 In September 2026, ND informed Audit that:

(a) it consistently and proactively collaborated with EDB and liaised with multiple stakeholders (e.g. school sponsoring bodies, parent-teacher associations, school heads associations, major school councils, the Committee on Home-School Co-operation, the District Fight Crime Committees, individual school principals and school personnel) to promote HSP(DT) and invite those that had not yet joined previously to consider participating in the programme;

(b) it had also contacted school councils, school heads associations or school sponsoring bodies to better understand their concerns. For example, some schools had to prioritise their administrative and teaching resources for other imminent matters, such as curriculum and academic requirements, student support work, school development initiatives or other school administrative issues and some schools required more time for internal consultation, stakeholder engagement or timetabling arrangements; and

(c) in the 2026/27 school year, 305 schools participated in HSP(DT), covering almost 60% of secondary schools in Hong Kong. The number of schools had increased substantially from 43 in the 2011/12 school year when HSP(DT) was first launched, demonstrating the concerted efforts made over the years in fostering a healthy environment on school campus.

4.6 Audit noted ND's efforts in inviting schools to participate in HSP(DT). In Audit's view, ND needs to, in collaboration with EDB, continue the efforts to encourage more schools to participate in HSP(DT).

Implementation of HSP(DT)

4.7 Under HSP(DT), the grants to each participating school cover the following three elements:

(a) ***Administrative and logistical support.*** An annual lump-sum of $90,000 will be provided to each participating school (i.e. the grantee) at the beginning of the school year(s) (Note 23). Schools are given the flexibility to use the funding for purposes that best suit their needs such as arranging activities and paying for staff expenses involved in HSP(DT);

(b) ***Anti-drug activities.*** The participating schools may organise anti-drug activities on its own or partner with an NGO. If the participating school partners with an NGO, the NGO will be the grantee. The grants will be disbursed to the grantee (i.e. either the participating school or the partnering

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Note 23: *For example, for a project to be implemented for three consecutive school years, a total of $270,000 will be granted to the participating school by three instalments of $90,000 at the beginning of each school year.*

NGO) according to the funding approved on the basis of reimbursement of actual expenses incurred by the grantee; and

(c) ***School drug testing.*** All participating schools are required to partner with an NGO (which can be different from the one partnered with schools to organise anti-drug activities) to implement school drug testing in the school. The grants will be disbursed to the NGO (i.e. grantee) according to the funding approved on the basis of reimbursement of actual expenses incurred by the grantee.

By accepting the grant, the grantee should complete and submit an implementation plan (Note 24) for each element for agreement by ND before the commencement of the approved project. The grantee is required to adhere to the contents of the agreed implementation plan of the project during the project period.

4.8 To facilitate monitoring and evaluation of approved funded projects, grantees receiving the grants are required to submit the following reports to ND during the implementation of and upon the completion of the projects. According to the procedural guidelines for successful applicants:

(a) ***Statement of accounts.*** Upon completion of the project, the grantees are required to submit a statement of accounts on the use of the total annual lump-sum grant received during the project period (Note 25) within two months from the project end date and any unspent balance should be returned to ND;

Note 24: *The implementation plan sets out the project start date, project duration, implementation schedule of the project activities, expected results to be achieved from each activity, and the outputs and outcomes with the associated evaluation methods, etc.*

Note 25: *The original receipts, payment vouchers and any other documents substantiating the nature and amount of expenditure and transactions are required to be submitted together with the statement of accounts.*

(b) ***Half-yearly progress report and full report.*** The grantees are required to:

(i) submit half-yearly progress reports since commencement of the project within three weeks from the end of each six-month period until completion of the project; and

(ii) upon completion of the project, submit a full report within two months from the project end date; and

(c) ***Auditors' report.*** Each grantee (i.e. the participating school, the partnering NGO organising school drug testing and/or the partnering NGO providing anti-drug activities) is required to submit an auditors' report if the aggregate amount of funding received under the project by the grantee is $500,000 or above. The auditors' report should be submitted within two months upon completion of the project.

Need to ensure compliance with report submission requirements by grantees

4.9 According to ND, there were 53 projects completed in the 2024/25 school year and majority of them were three-year projects. Audit noted that ND did not maintain the information of the dates of report submissions by grantees under HSP(DT) systematically. Audit sample checked 10 projects (all of them were three-year projects with project end dates on 31 August 2025 and with a grantee received funding over $500,000) and found that all sampled projects did not fully comply with all the report submission requirements (see Table 10). As at 30 June 2026, of the 10 sampled projects:

(a) ***Statements of accounts.*** The statements of accounts of 3 (30%) projects had not been submitted and were overdue by 242 days. Unlike the funding for anti-drug activities and school drug testing, which was reimbursed based on the actual expenses, the annual lump-sum grant is provided to the participating schools at the beginning of each school year. Without the statements of accounts, ND cannot ascertain whether there is any unspent balance of the lump-sum grant that should be returned by the grantees of these 3 projects;

(b) ***Half-yearly progress reports and full reports.*** According to the procedural guidelines for successful applicants, a separate set of half-yearly progress reports and full reports should be submitted by grantees for implementing anti-drug activities and school drug testing, whether or not they are the same entity. For the 10 projects:

(i) ***for implementing anti-drug activities.*** The grantees of 9 (90%) projects (comprising 4 schools and 5 NGOs) did not fully comply with the report submission requirements. In particular, the grantees of 5 of the 9 projects did not submit any half-yearly progress reports and full reports; and

(ii) ***for implementing school drug testing.*** The grantees of 5 (50%) projects did not fully comply with the report submission requirements.

According to the procedural guidelines for successful applicants, ND may withhold or reclaim any payment from grantees if they fail to comply with the terms and conditions of grants (including the report submission requirements). However, Audit noted that despite the grantees' non-compliance with the report submission requirements, funding (including the annual lump-sum grants and the funding for anti-drug activities and school drug testing) was still disbursed to them; and

(c) ***Auditors' reports.*** The required auditors' reports of 6 (60%) projects had not been submitted upon completion of projects and were overdue by 242 days.

Table 10

Reports submission by grantees of 10 sampled projects completed in the 2024/25 school year under HSP(DT) (30 June 2026)

Report	Number of required submission per project	Project									
		A	B	C	D	E	F	G	H	I	J
		Number of actual submission									
Administrative and logistical support											
Statement of accounts	1	1	0	1	1	0	1	1	1	1	0
Anti-drug activities											
Half-yearly progress report	5 (Note 1)	0	0	5	0	0	1	0	0	1	1
Full report	1	0	0	1	0	0	1	0	1	1	0
School drug testing											
Half-yearly progress report	5 (Note 1)	2	5	4	5	5	5	5	5	4	2
Full report	1	0	1	0	1	1	1	1	0	0	0
Others											
Auditors' report	1 (Note 2)	1	0	0	1	0	0	1	0	0	1

Legend: Reports submission not meeting the requirements as stated in the procedural guidelines for successful applicants

Source: *ND records*

Note 1: *All the 10 sampled projects were three-year projects and therefore submission of five half-yearly progress reports was required.*

Note 2: *Only one grantee of each of the 10 sampled projects received an aggregate funding of $500,000 or above. Therefore, one auditors' report was required for each project.*

4.10 Audit noted that there were no written internal guidelines for ND staff to follow up on late/outstanding report submissions. In September 2026, ND informed Audit that:

(a) although there were no written internal guidelines for ND staff to follow up on late/outstanding report submissions, ND staff followed established mechanism to chase outstanding reports and related documents, and made follow-up telephone calls to ensure that grantees understand what kinds of reports were outstanding;

(b) to facilitate ND's monitoring of the implementation of anti-drug activities, if grantees submitted claim forms and invoices every two months for reimbursement of funding, the grantees would also give a brief report on individual activities that had been held since the claim form last submitted. The funding was disbursed to the grantees subject to the vetting of the invoices by ND; and

(c) to better monitor the progress of school drug testing in a timely manner, starting from the 2025/26 school year, NGOs were required to submit relevant drug testing figures on a monthly basis to facilitate closer monitoring of the drug testing situation and enable ND to issue timely reminders to NGOs whose progress was lagging behind.

4.11 Audit considers that ND needs to take measures to better ensure that the requirements of report submission by grantees of HSP(DT) projects are complied with, including:

(a) issuing written internal guidelines setting out specific follow-up actions to be taken by ND staff on late/outstanding report submissions (e.g. the requirement and timeframe of sending reminders);

(b) maintaining the submission records of the outstanding reports systematically and following up with the grantees concerned, in particular regarding the statements of accounts with a view to ascertaining that all unspent balances of the annual lump-sum grants are returned to ND; and

(c) considering withholding the disbursement of the funding to grantees if the report submission requirements are not complied with.

Room for improvement in conducting monitoring visits on HSP(DT) projects

4.12 ***Arrangement of monitoring visits.*** According to the procedural guidelines for successful applicants, monitoring visits may be arranged for members of BDFA and ACAN, and staff of ND to inspect and review the progress of the projects from time to time. Audit noted that there were no written internal guidelines stipulating the conduct of monitoring visits, including the selection criteria of projects, and frequency and coverage (i.e. the number of schools visited as a percentage of total number of participating schools) of monitoring visits. Audit examination of the records of monitoring visits conducted in the period from the 2021/22 to 2025/26 school years (see Table 11) revealed that:

(a) both the number and coverage of monitoring visits fluctuated widely, ranging from 4 to 29 and 2% to 12% respectively; and

(b) all monitoring visits were conducted by staff of ND without the involvement of members of BDFA or ACAN.

Table 11

Monitoring visits to schools under HSP(DT)
(2021/22 to 2025/26 school years)

	School year				
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Number of schools visited (a)	21	17	4	29	27
Number of participating schools (b)	185	223	237	246	268
Coverage of monitoring visits (c) = (a) ÷ (b) × 100%	11%	8%	2%	12%	10%

Source: ND records

4.13 In response to Audit's enquiry, ND informed Audit in September 2026 that:

(a) there was no mandatory requirement to involve BDFA or ACAN members in the monitoring visits; and

(b) subject to schedule/availability of schools in the school year, in practice, schools were selected for monitoring visits according to the following criteria as far as practicable, covering schools in different districts, different nature of activities, and schools that newly joined HSP(DT).

4.14 In this connection, Audit noted that during the entire three-year project period, no monitoring visits were conducted by ND for the 5 projects (i.e. Projects A, B, D, E and G in Table 10 in para. 4.9), despite the fact that the grantees failed to submit any required reports (e.g. half-yearly progress reports and full reports) on the anti-drug activities organised.

4.15 Audit considers that ND needs to:

(a) issue written internal guidelines relating to monitoring visits of HSP(DT) projects, including setting out the project selection criteria, the frequency and coverage of visits, and encourage the participation of members of BDFA and ACAN where circumstances warrant; and

(b) consider including the failure to submit required reports by grantees as a risk factor in the selection criteria for conducting monitoring visits on HSP(DT) projects.

Room for improvement relating to the implementation of anti-drug activities by grantees

4.16 One of the major elements of HSP(DT) includes organising diversified anti-drug activities to students. To encourage grantees to make good use of the free anti-drug education resources provided by ND for enriching the project contents, for applications approved starting from the 2024/25 school year, all grantees must implement the following two types of activities:

(a) arranging at least one visit to DIC per school year; and

(b) showing anti-drug cartoons, video clips or short films on school campus at least twice per school year.

According to ND, apart from students' participation, home-school cooperation is also crucial, and parents and teachers are the first line of defence against drug problem amongst youth. Hence, grantees participating in HSP(DT) should organise anti-drug activities and training for school personnel and parents to enrich their anti-drug knowledge.

4.17 Audit selected 10 participating schools approved in the 2024/25 school year to examine their implementation of anti-drug activities in the school year. Of the 10 sampled participating schools, 2 (20%) had not yet submitted the half-yearly progress reports for the school year. Therefore, Audit could not ascertain whether the anti-drug activities had taken place. For the remaining 8 (80%) schools, Audit found that 2 schools (i.e. Schools 4 and 7) fully complied with the requirements of implementing the mandatory anti-drug activities and organised anti-drug activities and training for teachers and parents (see Table 12). Details are as follows:

Table 12

Analysis of anti-drug activities implemented by 8 sampled participating schools under HSP(DT) (2024/25 school year)

Anti-drug activities	School							
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Mandatory								
For students								
- visiting DIC	✓	×	✓	✓	✓	✓	✓	✓
- showing anti-drug cartoons, video clips or short films	✓	×	✓	✓	✓	✓	✓	✓
Non-mandatory								
For teachers	×	×	×	✓	×	×	✓	×
For parents	✓	×	×	✓	✓	×	✓	×

Source: ND records

(a) 1 (13%) school failed to arrange a DIC visit and show anti-drug media on school campus;

(b) 6 (75%) schools did not arrange any anti-drug activities for teachers; and

(c) 4 (50%) schools did not arrange any anti-drug activities for parents.

4.18 In September 2026, ND informed Audit that:

(a) School 2 (see Table 12 in para. 4.17) had explained in the reports to ND that it was unable to arrange the mandatory activities in the 2024/25 school year due to heavy school schedules. ND would remind School 2 to organise the mandatory activities in the remaining project period; and

(b) anti-drug activities for teachers and parents were not mandatory. As a school-based initiative, HSP(DT) provided participating schools with the flexibility to plan and organise activities according to their specific backgrounds and circumstances. Consequently, schools might have varying preferences regarding activities for parents and teachers. ND respected each school's assessment and would continue to encourage them to arrange activities that best suit their students' needs and the school's overall development.

4.19 In Audit's view, ND needs to:

(a) follow up more closely with the grantees to ensure the implementation of the mandatory anti-drug activities under HSP(DT) projects; and

(b) continue to encourage the grantees to arrange anti-drug activities for teachers and parents under HSP(DT) projects.

Implementation of school drug testing

4.20 Under HSP(DT), each participating school shall partner with an NGO to administer school drug testing on students. The partnering NGO shall form a school

drug testing team comprising a Social Worker and a Registered Nurse/Technician. Prior to the implementation of drug testing at schools, the team will visit the participating schools, organise briefing sessions to introduce the school drug test to school teachers, parents/guardians, students and other related parties, and encourage student participation. Student participation in school drug testing is entirely voluntary, the students and their parents/guardians need to give consent and undertaking before participating in the drug tests.

Need to explore measures to further encourage student participation in the voluntary school drug testing

4.21 According to ND, each participating school was encouraged to set a target rate of at least 50% of invited students agreeing to participate in the school drug testing (Note 26). Audit noted that while measures had been taken by ND to alleviate students' concerns in participating in the school drug testing (Note 27), Audit analysis of the number of invited students who agreed to participate in school drug testing from the 2020/21 to 2024/25 school years revealed that the overall percentages consistently ranged between 34% and 36% during the period (see Table 13). In Audit's view, ND needs to, in collaboration with EDB, explore measures to further encourage student participation in the voluntary school drug testing under HSP(DT).

Note 26: *According to ND, when formulating the funding criteria and funding condition of HSP(DT) back in the 2011/12 school year, it was stated that to effectively operate the school drug testing, each participating cluster of schools was encouraged to set a target of at least 50% student participation rate, and the target was not mandatory.*

Note 27: *According to ND, personal data and testing results of any individual student obtained under HSP(DT) will not be passed to the Hong Kong Police Force and other law enforcement agencies. Under the school drug testing, students found to have abused drug will neither be prosecuted for drug consumption nor expelled from schools.*

Table 13

Analysis of number of invited students agreed to participate in school drug testing under HSP(DT) (2020/21 to 2024/25 school years)

	School year				
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Number of participating schools	182	185	223	237	246
Number of students invited among participating schools (a)	105,564	108,858	127,948	142,790	153,420
Number of invited students agreed to participate (b)	38,401	39,555	44,329	48,565	53,146
Overall percentage of students agreed to participate (c) = (b) ÷ (a) × 100%	36%	36%	35%	34%	35%

Source: *ND records*

Need to step up efforts in reminding partnering NGOs to meet the required sampling rates

4.22 According to ND, student participation in school drug testing is entirely voluntary and the selection of students for testing is on a random basis. The sampling rate depends on the method of drug testing to be adopted. The required sampling rate for a school to apply for drug testing each year is at least 15% of students agreeing to participate in hair testing and at least 20% for urine testing. Audit analysis of sampling rate for student selection for school drug testing from the 2020/21 to 2024/25 school years revealed that (see Table 14):

Table 14

Analysis of sampling rate for student selection for school drug testing under HSP(DT) (2020/21 to 2024/25 school years)

	School year				
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Number of participating schools	182	185	223	237	246
Hair testing					
Number of schools adopting hair testing (a)	88	90	117	120	129
Number of schools not meeting the required sampling rate of at least 15% (b)	31	36	22	3	7
Percentage of schools not meeting the required sampling rate of at least 15% (c)=(b)÷(a)×100%	35%	40%	19%	3%	5%
Urine testing					
Number of schools adopting urine testing (d)	94	95	106	117	117
Number of schools not meeting the required sampling rate of at least 20% (e)	70	57	21	10	9
Percentage of schools not meeting the required sampling rate of at least 20% (f)=(e)÷(d)×100%	74%	60%	20%	9%	8%

Source: ND records

(a) ***Hair testing.*** Out of the 88 to 129 schools adopting hair testing during the period, 3 to 36 (3% to 40%) schools did not meet the required sampling rate; and

(b) ***Urine testing.*** Out of the 94 to 117 schools adopting urine testing during the period, 9 to 70 (8% to 74%) schools did not meet the required sampling rate.

4.23 In September 2026, ND informed Audit that:

(a) school drug testing was seriously affected by the outbreak of the COVID-19 epidemic during the 2020/21 to 2022/23 school years, resulting in a relatively high percentage of schools failing to meet the required sampling rate. The situation had substantially improved since the 2023/24 school year; and

(b) it had stepped up measures to remind partnering NGOs to meet the required sampling rate. Starting from the 2025/26 school year, NGOs were required to submit relevant drug testing figures on a monthly basis to facilitate closer monitoring of the drug testing situation and enable ND to issue timely reminders to NGOs whose progress was lagging behind.

4.24 Audit noted that the percentages of schools not meeting the required sampling rates from the 2020/21 school year to the 2024/25 school year have reduced from 35% to 5% for hair testing and from 74% to 8% for urine testing. Audit considers that ND needs to step up efforts in reminding the partnering NGOs to meet the required sampling rates for student selection for school drug testing under HSP(DT).

Audit recommendations

4.25 **Audit has *recommended* that the Commissioner for Narcotics should:**

(a) **in collaboration with EDB, continue the efforts to encourage more schools to participate in HSP(DT);**

(b) **take measures to better ensure that the requirements of report submission by grantees of HSP(DT) projects are complied with, including:**

(i) **issuing written internal guidelines setting out specific follow-up actions to be taken by ND staff on late/outstanding report submissions (e.g. the requirement and timeframe of sending reminders);**

(ii) **maintaining the submission records of the outstanding reports systematically and following up with the grantees concerned, in particular regarding the statements of accounts with a view to ascertaining that all unspent balances of the annual lump-sum grants are returned to ND; and**

(iii) **considering withholding the disbursement of the funding to grantees if the report submission requirements are not complied with;**

(c) **issue written internal guidelines relating to monitoring visits of HSP(DT) projects, including setting out the project selection criteria, the frequency and coverage of visits, and encourage the participation of members of BDFA and ACAN where circumstances warrant;**

(d) **consider including the failure to submit required reports by grantees as a risk factor in the selection criteria for conducting monitoring visits on HSP(DT) projects;**

(e) **follow up more closely with the grantees to ensure the implementation of the mandatory anti-drug activities under HSP(DT) projects;**

(f) **continue to encourage the grantees to arrange anti-drug activities for teachers and parents under HSP(DT) projects;**

(g) **in collaboration with EDB, explore measures to further encourage student participation in the voluntary school drug testing under HSP(DT); and**

(h) **step up efforts in reminding the partnering NGOs to meet the required sampling rates for student selection for school drug testing under HSP(DT).**

Response from the Government

4.26 The Commissioner for Narcotics agrees with the audit recommendations. She has said that ND will:

(a) in collaboration with EDB, continue the efforts to encourage more schools to participate in HSP(DT) and follow up more closely with the grantees to ensure their implementation of the mandatory anti-drug activities under HSP(DT) projects;

(b) take measures to ensure that the requirements of report submission by grantees of HSP(DT) projects are complied with, including setting out in formal internal guidelines the specific follow-up actions (e.g. the requirement and timeframe of sending reminders and circumstances for withholding the disbursement of funding to grantees) to be taken by ND staff on late/outstanding report submissions in the fourth quarter 2026;

(c) set out in formal internal guidelines relating to monitoring visits of HSP(DT) projects in the fourth quarter 2026, in particular including the failure to submit required reports by grantees as a risk indicator in the selection criteria for conducting monitoring visits on HSP(DT) projects, and encourage participation of members of BDFA and ACAN where circumstances warrant;

(d) explore making use of technology to monitor the progress of submission of reports and statements of accounts, and remind grantees to submit reports and return unspent balances of the annual lump-sum grants in a timely manner;

(e) continue to encourage schools to arrange activities for their teachers and parents according to the specific backgrounds and circumstances of the schools under HSP(DT);

(f) continue to work with EDB and schools to further encourage student participation in the voluntary school drug testing with a view to reinforcing the non-drug-abusing students to remain drug-free and encouraging those who are abusing drugs to seek help; and

(g) step up efforts in reminding the partnering NGOs to meet the required sample rates for student selection for school drug testing.

4.27 The Secretary for Education has said that:

(a) EDB agrees to the importance of enhancing the physical and mental health and well-being of students and fostering their resolve to refuse drugs; and

(b) with regard to the audit recommendations in paragraph 4.25(a) and (g), EDB will continue to support ND:

(i) in encouraging more schools to participate in HSP(DT); and

(ii) in encouraging more students to participate in the voluntary school drug testing.

Administration of "Beat Drugs with Sports" Programme

4.28 ***Objectives of Sports Programme.*** According to ND, it recognises the concept of the Sports Programme where physical fitness helps students nurture positive value and healthy mindset, reduce stress and enhance the resilience to stay away from drugs. Apart from enhancing the physical and mental well-being, students may also establish social networks, improve interpersonal relationships and foster spirits of cooperation through taking part in student-led activities. As a school-based student-led anti-drug preventive education initiative, the objective of the Sports Programme is to promote anti-drug and healthy lifestyles in secondary schools through students' participation in the organisation of sports-related and/or health-related activities, and in supporting student athletes to take part in sports competitions.

4.29 ***Invitation for application.*** Similar to HSP(DT), ND issues an invitation letter to all secondary schools in April every year to invite them to join the Sports Programme in the following school year. Normally, deadline for application is in late-May and the results will be announced between July and August each year (i.e. before the commencement of a school year). The applications will be assessed by ND and passed to EDB for comment. The assessed applications will be submitted to ACAN for consideration before submission to GC of BDFA for approval. Under the Sports Programme, each secondary school may apply for a grant up to $25,000 for organising relevant activities.

Need to take further measures to encourage more schools to participate in Sports Programme

4.30 Audit analysed the number of participating schools and the approved funding from the 2021/22 to 2025/26 school years and found that the school participation rates were on the low side, ranging from 20% to 30% during the period (see Table 15). Audit noted that following the introduction of an online briefing session to introduce the Sports Programme and application details in the 2025/26 school year, the school participation rate improved to 30%. Audit considers that ND needs to, in collaboration with EDB, take further measures to encourage more schools to participate in the Sports Programme.

Table 15

Number of participating schools and funding approved under Sports Programme (2021/22 to 2025/26 school years)

	School year				
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Number of schools (a)	516	502	510	513	518
Number of participating schools (b)	110	98	118	134	157
School participation rate (c) = (b) ÷ (a) × 100%	21%	20%	23%	26%	30%
Approved funding ($ million)	2.7	2.4	2.9	3.3	3.9

Source: *ND records*

Need to strengthen monitoring of funded projects under Sports Programme

4.31 According to the procedural guidelines for successful applicants, upon completion of the projects, participating schools should submit a final report and a financial statement (with the original receipts of all expenditures and transactions) to ND before late August (i.e. before the commencement of a new school year). Any unspent balances should be returned to ND within two months after completion of projects. Audit examined the submissions from the 252 participating schools of two school years (118 in the 2023/24 school year and 134 in the 2024/25 school year) and revealed that 132 (52%) participating schools had unspent balances, of which:

(a) 50 (38% of 132) returned their unspent balances (amounting to about $267,000) more than two months after project completion, with delays ranging from 1 day to 532 days (averaging 138 days); and

(b) 8 (6% of 132) had yet to return their unspent balances (amounting to about $24,000), and the returns were overdue by 242 to 607 days (averaging 288 days) as at 30 June 2026. In September 2026, ND informed Audit that, as at 11 September 2026, among the 8 schools, 4 had returned their unspent balances. The remaining 4 had agreed to return the unspent balances (amounting to about $6,900) at their earliest convenience.

4.32 Audit considers that ND needs to:

(a) follow up more closely with the participating schools to ensure their compliance with the requirements of the Sports Programme; and

(b) continue to follow up with the participating schools of the Sports Programme to ensure that unspent balances are returned to ND as soon as possible.

Audit recommendations

4.33 **Audit has *recommended* that the Commissioner for Narcotics should:**

(a) **in collaboration with EDB, take further measures to encourage more schools to participate in the Sports Programme;**

(b) **follow up more closely with the participating schools to ensure their compliance with the requirements of the Sports Programme; and**

(c) **continue to follow up with the participating schools of the Sports Programme to ensure that unspent balances are returned to ND as soon as possible.**

Response from the Government

4.34 The Commissioner for Narcotics agrees with the audit recommendations. She has said that ND will:

(a) continue to work with EDB to encourage more schools to participate in the voluntary school-based Sports Programme;

(b) set out in formal internal guidelines on the handling of late/outstanding reports and unspent balance for ND staff in the fourth quarter 2026 with a view to following up more closely with the participating schools to ensure their compliance with the requirements of the Sports Programme; and

(c) explore making use of technology to better monitor the progress of funded projects under the Sports Programme.

4.35 The Secretary for Education has said that:

(a) EDB supports the concept of the Sports Programme, recognising that participation in sports and physical activities can help students develop positive values and healthy mindset, reduce stress and enhance the resilience to stay away from drugs; and

(b) EDB will continue to support ND in encouraging more schools to participate in the Sports Programme.

PART 5: OTHER ISSUES

5.1 This PART examines other issues, focusing on:

(a) governance of ACAN and BDFA (paras. 5.2 to 5.6); and

(b) performance measurement of BDF (paras. 5.7 to 5.11).

Governance of Action Committee Against Narcotics and Beat Drugs Fund Association

5.2 ND has been working in close partnership with ACAN in combating the problem of drug abuse through the five-pronged approach (see para. 1.4). According to ND, ACAN advises GC of BDFA in determining the direction and work plan of BDF. The governance structures of ACAN and BDFA are as follows:

(a) ***ACAN.*** ACAN is a non-statutory body responsible for advising the Government on the policies to be adopted to interdict the illicit traffic in dangerous drugs into and through Hong Kong and to keep under review programmes and projects being undertaken by government departments and voluntary agencies to ensure coordination and cooperation between the relevant authorities. Chaired by a non-official member, ACAN consists of 7 official members (Note 28) and 19 other non-official members (Note 29) for the current term of office from 1 January 2025 to 31 December 2026. All non-official members are appointed by the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China. ACAN is supported by the following two Sub-committees:

Note 28: *The 7 official members are the Commissioner for Narcotics, representatives from EDB, the Hong Kong Police Force, the Customs and Excise Department, the Department of Health and SWD, and the Director of the Central Narcotics Bureau of Singapore.*

Note 29: *The 19 non-official members are from the fields of social work, education, medical and community service.*

(i) ***Sub-committee on PE&P.*** The Sub-committee on PE&P advises ACAN on PE&P policy and programmes, monitors their effectiveness, and coordinates government efforts in this area. For the current term of office from 1 January 2025 to 31 December 2026, it consists of 6 official members and 24 non-official members (including the Chairman). Apart from ACAN co-opted members who voluntarily opt for joining, the Chairman and other non-official members are appointed by the Secretary for Security and the Commissioner for Narcotics respectively; and

(ii) ***Sub-committee on T&R.*** The Sub-committee on T&R monitors the trend in the characteristics of drug abuse and drug abusers, reviews the progress and effectiveness of government-funded T&R programmes and advises ACAN on the development of T&R facilities. For the current term of office from 1 January 2025 to 31 December 2026, it consists of 5 official members and 22 non-official members (including the Chairman). Apart from ACAN co-opted members who voluntarily opt for joining, the Chairman and other non-official members are appointed by the Secretary for Security and the Commissioner for Narcotics respectively; and

(b) ***BDFA.*** BDF is administered by BDFA which is a non-profit-making limited company. BDFA is supported by the following committees:

(i) ***GC.*** Applications for funding are considered by GC under the chairmanship of the Permanent Secretary for Security, having regard to the advice of ACAN. It is responsible for overseeing the administration and investment of BDF, considering applications for financial support from BDF and deciding on the grants having regard to the recommendations of ACAN. For the current term of office from 1 July 2026 to 30 June 2028, GC comprises 5 official members (Note 30) and 5 non-official members. All non-official members are appointed by the Permanent Secretary for Security; and

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Note 30: *The 5 official members are the Permanent Secretary for Security, the Commissioner for Narcotics, the Director of Accounting Services, and representatives from EDB and SWD.*

(ii) ***Investment Sub-committee.*** An Investment Sub-committee chaired by the Director of Accounting Services, comprising another official member (i.e. the Commissioner for Narcotics) and 5 non-official members from banking, investment, finance and accountancy sectors, is set up to provide expert advice to GC on the investment of BDFA's funds. All members are appointed by GC.

Need to further facilitate members' attendance at committee meetings of ACAN and its Sub-committees

5.3 ACAN and its two Sub-committees each hold four meetings every year, and GC of BDFA and Investment Sub-committee meet two and four times every year respectively. Audit examination of the attendance records of committee members for the meetings held for the respective committees from 1 January 2025 to 31 March 2026 revealed room for improvement regarding the attendance of committee members of ACAN and its Sub-committees, as follows:

(a) ***ACAN meetings.*** While the overall attendance rates of the ACAN meetings ranged from 70% to 89% (involving 5 meetings), 3 (15%) of the 20 non-official members had an attendance rate of 50% or below. Audit further examination revealed that 2 (67%) of the 3 members were re-appointed in the current term of office despite the fact that their meeting attendance rates in the previous term of appointment (i.e. from 1 January 2023 to 31 December 2024) were 50% or below;

(b) ***Sub-committee on PE&P meetings.*** While the overall attendance rates of the Sub-committee on PE&P meetings ranged from 60% to 83% (involving 5 meetings), 11 (46%) of the 24 non-official members had an attendance rate of 50% or below. Audit further examination revealed that 3 (27%) of the 11 members were re-appointed in the current term of office despite the fact that their meeting attendance rates in the previous term of appointment (i.e. from 1 January 2023 to 31 December 2024) were 50% or below; and

(c) ***Sub-committee on T&R meetings.*** While the overall attendance rates of the Sub-committee on T&R meetings ranged from 70% to 81% (involving 5 meetings), 7 (32%) of the 22 non-official members had an attendance rate of 50% or below, including one member who had not attended any meetings. Audit further examination revealed that 4 (57%) of the 7 members were re-appointed in the current term of office despite the fact

that their meeting attendance rates in the previous term of appointment (i.e. from 1 January 2023 to 31 December 2024) were 50% or below.

5.4 In September 2026, ND informed Audit that:

(a) ACAN and Sub-committee members served on a pro-bono basis, their contribution should be evaluated holistically, including their dedication to discharging their ACAN duties, responsiveness to circulation of papers, active participation in discussions, the sharing of their professional networks to support ND's events and meeting attendance; and

(b) apart from attending regular meetings, ACAN and Sub-committee members discharged their duties through taking up roles to monitor the RFS projects, participation in ND's events, consideration of meeting papers by circulation as well as supporting ND's anti-drug cause through their professional networks.

Audit recommendation

5.5 **Audit has *recommended* that the Commissioner for Narcotics should take measures to further facilitate members' attendance at committee meetings of ACAN and its Sub-committees.**

Response from the Government

5.6 The Commissioner for Narcotics agrees with the audit recommendation. She has said that ND will explore ways to further facilitate members to attend committee meetings of ACAN and its Sub-committees.

Performance measurement of Beat Drugs Fund

Need to further enhance performance measurement and reporting of BDF

5.7 According to Financial Circular No. 2/2017 issued by the Financial Services and the Treasury Bureau on the Guides for Controlling Officers on management of funding schemes, Controlling Officers should, as a matter of good practice, consider developing and reporting on appropriate performance measures for the fund, preferably focusing on outcome-based targets.

5.8 According to ND, the impact and effectiveness of anti-drug efforts, especially on PE&P and T&R fronts, cannot be captured by conventional financial metrics and not directly measurable in monetary terms:

(a) ***Non-linear impact.*** Unlike transactional services, spending one dollar on public awareness does not guarantee that one additional person will learn the key messages. The impact is not linear or directly quantifiable in this manner. The true return, a safer and healthier society, is seen in avoided crises and stronger communities, not in immediate, quantifiable gains;

(b) ***Sustained effort on the right track.*** Success in areas like anti-drug work requires continuous, vigorous investment and effort, which is the correct strategic path despite being complex to quantify;

(c) ***Evidence of positive outcomes.*** Survey data shows positive outcomes, for example, the rising public awareness and the drop of reported drug abusers, confirming that ND's investments are creating meaningful and long-term impact;

(d) ***Measurement of individual project.*** BDF had set up clear requirements for project outputs and outcomes for each project/grantee under individual schemes and programmes. Every grantee under individual schemes and programmes is required to propose evaluation methods to evaluate the effectiveness of the project. The evaluation should focus on the outputs (e.g. the number of clients reached out by the projects) and the outcomes (e.g. the percentage of clients who demonstrated an improvement in ability to refuse drug use); and

(e) ***GC oversight of RFS.*** In the RFS funding recommendation submitted for GC's approval each year, GC members would be informed of the number of projects that could meet the priority areas criteria. Selected projects' grantees from the four categories, including PE&P, T&R, research and mixed type, would present their project progress and outcome performance at the meetings of GC, ACAN and its Sub-committees, and other advisory groups. Ultimately, the priority areas were served as key output and outcome indicators for evaluating project success.

5.9 Audit acknowledges the challenges faced and measures taken by ND in measuring the effectiveness of its anti-drug efforts. Audit noted that, up to April 2026, BDF has granted over $3 billion supporting more than 2,800 projects under various major schemes and programmes (e.g. RFS and HSP(DT)). Besides, according to ND, in the 2026 RFS funding exercise, the priority areas were revamped to focus on specific themes, while other areas are classified as general areas eligible for application. With a view to further enhancing the performance measurement and reporting of BDF, Audit considers that ND needs to consider:

(a) developing output and outcome targets and indicators for individual schemes and programmes (e.g. the percentage of projects approved that fall within the priority areas set in that particular year); and

(b) reporting the updated progress of key schemes and programmes to GC of BDFA on a regular basis.

Audit recommendations

5.10 **Audit has *recommended* that the Commissioner for Narcotics should consider:**

(a) **developing output and outcome targets and indicators for individual schemes and programmes (e.g. the percentage of projects approved that fall within the priority areas set in that particular year); and**

(b) **reporting the updated progress of key schemes and programmes to GC of BDFA on a regular basis.**

Response from the Government

5.11 The Commissioner for Narcotics agrees with the audit recommendations. She has said that ND will consider developing appropriate indicators to evaluate various schemes and programmes, and will update the progress of key schemes and programmes to GC of BDFA on a regular basis.

Acronyms and abbreviations

ACAN	Action Committee Against Narcotics
Audit	Audit Commission
BDF	Beat Drugs Fund
BDFA	Beat Drugs Fund Association
B/Ds	Government bureaux/departments
CoEs	Certificates of Exemption
CRDA	Central Registry of Drug Abuse
DDO	Dangerous Drugs Ordinance
DIC	The Hong Kong Jockey Club Drug InfoCentre
DTRCs	Drug Dependent Persons Treatment and Rehabilitation Centres
EDB	Education Bureau
GC	Governing Committee
HSP(DT)	Healthy School Programme with a Drug Testing Component
ND	Narcotics Division
NGOs	Non-governmental organisations
PDPO	Personal Data (Privacy) Ordinance
PE&P	Preventive education and publicity
RFS	Regular Funding Scheme
SB	Security Bureau
SFS	Special Funding Scheme for Drug Dependent Persons Treatment and Rehabilitation Centres
SWD	Social Welfare Department
T&R	Treatment and rehabilitation