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.