

## LCQ20: Expenditure of Police

Following is a question by the Hon Alvin Yeung and a written reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (April 29):

Question:

The Commissioner of Police (CP) is the controlling officer for Head 122 of Government expenditure. Regarding the expenditure of the Hong Kong Police Force in the 2019-2020 financial year, will the Government inform this Council:

(1) of the number of applications made by the authorities to the Finance Committee (FC) of this Council for making changes to the approved estimates of expenditure under Head 122 for that year, and set out in a table the (i) subhead(s) involved, (ii) nature of the change(s) (e.g. creation of new subhead(s), supplementary provision in approved or new subhead(s), variation(s) in the establishment(s) of post(s), or increase(s) in the limit to the commitments which might be entered into for non-recurrent expenditure), (iii) purpose(s) of the additional funding (if applicable) and (iv) amount(s) of the additional funding (if applicable);

(2) of the number of occasions on which the Financial Secretary made, in accordance with the power delegated to him by the FC under section 8(3) of the Public Finance Ordinance (Cap 2), changes to the approved estimates of expenditure under Head 122 for that year, and set out in a table the (i) subhead(s) involved, (ii) nature of the change(s), (iii) purpose(s) of the additional funding (if applicable) and (iv) amount(s) of the additional funding (if applicable);

(3) of the amount(s) of expenditure that CP was authorised to incur under the subheads of the heads controlled by other controlling officers by way of allocation warrants signed by such officers under section 14(4) of Cap 2 in that year, and set out in a table the (i) government department(s) and head(s) involved, (ii) subhead(s) involved, (iii) purpose(s) of the allocation(s) and (iv) amount(s) of the allocation(s), in respect of such allocation warrants;

(4) whether CP incurred any urgent expenditure under section 15 of Cap 2 in that year; if so, set out in a table the (i) date(s), (ii) subhead(s), (iii) purpose(s) and (iv) amount(s) in respect of such expenditure; and

(5) whether CP received any funding through other channels in that year; if so, of the details?

Reply:

President,

Having consulted the Financial Services and the Treasury Bureau, my reply to various parts of the question is as follows:

(1) In the 2019-20 financial year, the Hong Kong Police Force (HKPF) did not make any application to the Finance Committee (FC) of the Legislative Council (LegCo) for making changes to the approved estimates of expenditure under Head 122 (Hong Kong Police Force).

(2) According to section 8(3) of the Public Finance Ordinance (PFO), the FC may delegate to the Financial Secretary the power to approve changes subject to such conditions, exceptions and limitations as are specified in the delegation. Section 8(4) of PFO also states that the Financial Secretary, where a delegation by the FC under subsection (3) so provides, and subject to such conditions, exceptions and limitations as are specified in the delegation, may further delegate his power to approve changes to any public officer.

Under the above delegation, the more commonly exercised delegated authority includes:

- (a) supplementary provisions for salaries and allowances in accordance with approved scales and rates in respect of personal emoluments and subventions;
- (b) supplementary provisions up to \$10 million for each subhead without approved commitment (i.e. Operating Account recurrent subheads and Capital Account block vote subheads);
- (c) supplementary provisions for subheads with approved commitments provided that the unexpended balances of the approved commitments are not exceeded;
- (d) creation of new commitments up to \$10 million each;
- (e) for commitments approved under delegated authority, increases in commitment which do not cause the approved commitment to exceed \$10 million;
- and
- (f) for commitments approved by the FC, increases in commitment up to \$10 million.

According to section 8(8)(a) of PFO, the Financial Secretary shall at the end of each quarter of the financial year or as soon as practicable thereafter report to the FC changes made to the approved estimates of expenditure in that quarter upon approval by him or by any public officer pursuant to a delegation under section 8(3) or (4).

Information on the changes made to the approved estimates of expenditure under Head 122 (Hong Kong Police Force) with the power delegated by the FC under section 8 of PFO in the 2019-20 financial year is given in Annex.

(3) Under section 14 of PFO, a controlling officer may, in respect of any subhead for which he/she is the controlling officer, authorise by an allocation warrant any other controlling officer to incur expenditure for the former's subhead. The purpose of the expenditure involved in the allocation warrant must be within the ambit of the payment subhead. Besides, the amount involved in the allocation warrant will not be transferred from the relevant

subhead of the controlling officer issuing the allocation warrant to the subhead of the controlling officer to whom the allocation warrant is issued. Therefore, the allocation warrant will not cause changes to the approved estimates of expenditure of the relevant subheads. The power of issuing allocation warrant comes from PFO instead of the FC's delegation.

It is a common arrangement for government departments to use allocation warrants to incur expenditures for each other. HKPF is regularly authorised to incur expenditures for other departments by allocation warrants. Common examples include compensation for work-related injuries of HKPF employees incurred under the subhead of the Treasury, disbursements for studies programmes of HKPF incurred under the subhead of the Civil Service Bureau, costs for installing administrative computer systems and employing consultants to conduct feasibility study and system development incurred under the subhead of the Office of the Government Chief Information Officer, etc.

In the 2019-20 financial year, HKPF used a total of \$337 million authorised by other departments via allocation warrants under section 14 of PFO. Other than the above items, in response to the public order events in recent months, some departments needed to strengthen premise and facility security, and issued allocation warrants to HKPF, incurring expenditure from their own subheads, for measures such as procuring large water-filled barriers and other equipment so as to enhance the security of government premises and public facilities, as well as maintain their daily operations and ensure that public services remain unaffected. Among these, the amount of allocation warrants involved on measures for strengthening the security of the Central Government Offices is \$161 million.

(4) No urgent expenditure was incurred by the Commissioner of Police under section 15 of PFO in the 2019-20 financial year.

(5) Apart from the channels mentioned above, like other government departments, HKPF can also seek funding from LegCo from the Capital Works Reserve Fund (CWRP) according to the established mechanism. There are altogether 11 heads of expenditure under CWRP, covering Land Acquisition (Head 701), Public Works Programme (Heads 702 to 707, 709 and 711), Capital Subventions and Major Systems and Equipment (Head 708) and Computerisation (Head 710).