

CONTROLLING OFFICER'S REPLY

HAB156

(Question Serial No. 2055)

Head: (95) Leisure and Cultural Services Department

Subhead (No. & title): (-) Not Specified

Programme: (1) Recreation and Sports

Controlling Officer: Director of Leisure and Cultural Services (Ms Michelle LI)

Director of Bureau: Secretary for Home Affairs

Question:

It is stated in paragraph 163 of the Budget Speech that the Government will allocate an additional recurrent provision of \$25 million and an extra two-year subsidy of \$17 million per year to enhance the financial assistance for 60 national sports associations (NSAs). In this connection, please advise this Committee:

- (1) The breakdown of amounts of subvention to be granted to individual NSAs for 2019-20. What is the proportion of the subvention allocated to each area of work?
- (2) What mechanisms are in place to ensure proper use of the subvention?
- (3) The Leisure and Cultural Services Department is conducting a comprehensive review of the Sports Subvention Scheme. When will the findings of the review be announced?

Asked by: Hon YUNG Hoi-yan (LegCo internal reference no.: 32)

Reply:

- (1) To enhance the financial support for subvented "national sports associations" (NSAs) under the Sports Subvention Scheme (SSS), an additional recurrent provision of \$25 million and an extra two-year subsidy of \$17 million per year will be provided to support the NSAs to participate in overseas competitions, offer squad training programmes, support under-privileged athletes and defray other operating costs. In addition, a one-off grant of \$15 million will be provided to NSAs in 2019-20 under the SSS for staff training, further studies, procurement of equipment, improvement of office facilities, etc. The Leisure and Cultural Services Department (LCSD) will take into account various factors, including the annual plans for 2019-20 submitted by NSAs, their previous performance, past expenditure pattern and effectiveness in managing programmes and administering subvention, etc. in determining the

additional amount of subvention to each NSA. The addition provision to be provided to each of the 60 NSAs in 2019-20 is being finalised.

- (2) To ensure that the subvention allocated to NSAs is used properly, LCSD enters into annual Subvention Agreements with individual NSAs. Under the Agreements, NSAs have the obligation to use the subvention to implement the planned programmes in strict accordance with the requirements stated in the Agreements. NSAs must also allow the Government and the Audit Commission unhindered access to enquire into, examine and audit all records and accounts in respect of the subvention as well as their management and control procedures. They must also act upon any corruption prevention advice rendered by the Independent Commission Against Corruption and the Government. In addition, NSAs have to give consent to the disclosure of all information relevant to the subvention funding as and when necessary.

NSAs are required to submit quarterly reports on their programmes, and annual accounts audited by certified public accountants. They are also required to formulate and comply with a Code of Conduct, Accounting Procedures Guidelines and Procurement Practices and Guidelines to avoid conflicts of interest and to ensure due process is followed. LCSD conducts regular on-site inspections of the subvented programmes as well as periodic quality assurance inspections to ensure the quality of programmes provided by NSAs, the adoption of proper accounting procedures and their compliance with the terms of the Subvention Agreements.

- (3) LCSD is now conducting a comprehensive review of SSS, with a view to optimising the scheme and further enhancing the development of sport in Hong Kong. The review is underway and expected to be completed by the end of 2019.

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