

Services provided by the Government Laboratory

The Audit Commission ("Audit") conducted a review of the services provided by the Government Laboratory ("GL"). GL provides a broad range of laboratory services to government bureaux and departments, including statutory testing under a number of ordinances and regulations, chemical testing and advisory services to government bureaux and departments and public institutions as well as forensic science services to the criminal justice system.

2. The Committee noted the following findings from the Director of Audit's Report:

- the performance targets reported in GL's Controlling Officer's Report were expressed as compliance rates on target turnaround times¹. The practices of counting actual turnaround time were not uniformly adopted within GL and some types of testing had been excluded from its measurement of work performance. For those categories of testing with sub-categories, the target turnaround times had been set well above the actual turnaround times, thus accounting for the high compliance rates achieved. Audit's survey conducted on 17 user government bureaux and departments revealed that there were requests for expediting GL's services to better serve their operational needs;
- Audit's examination of GL's internal quality audit reports revealed that some of the root cause analyses conducted by GL were not thoroughly carried out, and some irregularities were commonly found among different sections and were recurring year after year;
- since 2008, GL had outsourced some of its regular food surveillance testing work to local accredited laboratories. In 2013-2014, of the four private laboratories involving outsourcing by GL, one was awarded 97% of the food testing. Also, 74% of GL's expenditure on outsourcing was spent on items not directly related to outsourcing;
- problems of stock management of chemicals were identified, such as stock level discrepancies, no expiry dates of chemicals being recorded in the stock system and no requirement for regular stocktaking and checking the expiry dates of the stock items; and

¹ GL sets performance targets expressed primarily as a compliance rate, i.e. the percentage of completion of case submissions from its user government bureaux and departments within a specified turnaround time for each type of testing service.

- many samples received by GL were formal exhibits used for prosecution purposes. 32% of the cases with exhibits had not been collected by user government bureaux and departments for over three months after case completion, and there were no guidelines for handling exhibits remaining uncollected by user government bureaux and departments for a long time.

3. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding wastage of Chemists and manpower level in GL, follow-up actions taken on "areas worth improvement"² identified in GL's internal quality audit, GL's policy on outsourcing, stock management of chemicals and GL's organization structure. The replies from **Acting Government Chemist** are in *Appendix 42*.

4. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

² An "area worth improvement" is an area of concern identified by internal auditors, which may lead to a potential source of non-conformities, or simply suggestions to enhance or further improve on the present quality system. Preventive action may be recommended in the former case.