

Head 24 — AUDIT COMMISSION

Controlling officer: the Director of Audit will account for expenditure under this Head.

Estimate 2024–25 **\$210.0m**

Establishment ceiling 2024–25 (notional annual mid-point salary value) representing an estimated 186 non-directorate posts as at 31 March 2024 reducing by one post to 185 posts as at 31 March 2025 **\$152.0m**

In addition, there will be an estimated 12 directorate posts as at 31 March 2024 and as at 31 March 2025.

Controlling Officer's Report

Programmes

The Commission operates independently from the Government. Its programmes are:

<p>Programme (1) Regularity Audit Programme (2) Value for Money Audit</p>	<p>These programmes provide an independent check on the Government and complement the programmes in Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).</p>
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Detail

Programme (1): Regularity Audit

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	69.8	78.2	75.9 (–2.9%)	77.8 (+2.5%)
				(or –0.5% on 2023–24 Original)

Aim

2 The aim is to provide the Legislative Council (LegCo) with an overall assurance that the Government's financial and accounting transactions and those of funds of a public or quasi-public nature are proper and that they conform to accepted accounting standards.

Brief Description

3 The Commission audits the accounts of all government bureaux, departments and offices, and the accounts of the Hong Kong Housing Authority, the Exchange Fund, the trading funds and funds established under section 29 of the Public Finance Ordinance (Cap. 2). The Commission also audits non-government fund accounts and subvention expenditure. A total of 86 accounts were certified in 2022–23, and the number of accounts to be certified in both 2023–24 and 2024–25 will be 86. The provision spent on regularity audit, as a percentage of the total provision for the Commission, was about 37 per cent in 2022–23. It is expected to increase to about 38 per cent in 2023–24 and decrease to about 37 per cent in 2024–25.

4 The key performance measures in respect of regularity audit are:

Targets

	Target	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Plan)
Director of Audit's Reports submitted to LegCo	1	1	1	1
time required to certify the statements of accounts of the Government of the Hong Kong Special Administrative Region after the end of each financial year (months).....	7	7	7	7

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Indicators

	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Estimate)
accounts certified	86	86	86
man-hours spent	95 651	104 070	109 757
provision for regularity audit as percentage of total government expenditure (%)	0.009	0.010	0.010
providing assurance on combined actual expenditure and revenue in accounts audited (\$ billion).....	2,065	N.A.#	N.A.#

Not possible to estimate.

Matters Requiring Special Attention in 2024–25

5 During 2024–25, the Commission will continue to enhance the research work on industry practice and audit methodology in line with latest international standards.

Programme (2): Value for Money Audit

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	120.9	123.9	125.5 (+1.3%)	132.2 (+5.3%)
				(or +6.7% on 2023–24 Original)

Aim

6 The aim is to provide LegCo with independent information, advice and assurance about the economy, efficiency and effectiveness with which any bureau, department or office of the Government, agency, other public body, public office or audited organisation has discharged its functions.

Brief Description

7 The Commission conducts value for money audit on the performance of the audited bodies to ensure that their functions are discharged economically, efficiently and effectively, with reports submitted to LegCo twice a year. The provision spent on value for money audit, as a percentage of the total provision for the Commission, was about 63 per cent in 2022–23. It is expected to decrease to about 62 per cent in 2023–24 and increase to about 63 per cent in 2024–25.

8 The key performance measures in respect of value for money audit are:

Targets

	Target	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Plan)
Director of Audit's Reports submitted to LegCo	2	3Ω	2	2
value for money audit reports issued to audited bodies	16§	20	16	16

Ω In light of the COVID-19 epidemic, the Audit Commission, with the agreement of the President of LegCo, the Public Accounts Committee and the Financial Services and the Treasury Bureau, and the approval of the Chief Executive, deferred the submission of Report No. 78 of the Director of Audit on the results of value for money audits to no later than 31 October 2022 (i.e. deadline for submission of Report No. 79).

§ The target is revised from 17 to 16 as from 2023.

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Indicators

	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Estimate)
man-hours spent	144 616	155 902	168 191
provision for value for money audit as percentage of total government expenditure (%)	0.015	0.017	0.017
actual no. of recommendations accepted for implementation	614	N.A.#	N.A.#

Not possible to estimate.

Matters Requiring Special Attention in 2024–25

9 During 2024–25, the Commission will continue to monitor closely the development of various government programmes and keep in view the need to conduct value for money studies which help enhance public sector performance and accountability. To ensure resources are allocated to audit areas which are worth pursuing, the Commission will continue to select subjects for review based on established audit criteria such as materiality and timeliness.

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ANALYSIS OF FINANCIAL PROVISION

	2022–23 (Actual) (\$m)	2023–24 (Original) (\$m)	2023–24 (Revised) (\$m)	2024–25 (Estimate) (\$m)
Programme				
(1) Regularity Audit	69.8	78.2	75.9	77.8
(2) Value for Money Audit.....	120.9	123.9	125.5	132.2
	190.7	202.1	201.4 (–0.3%)	210.0 (+4.3%)
				(or +3.9% on 2023–24 Original)

Analysis of Financial and Staffing Provision

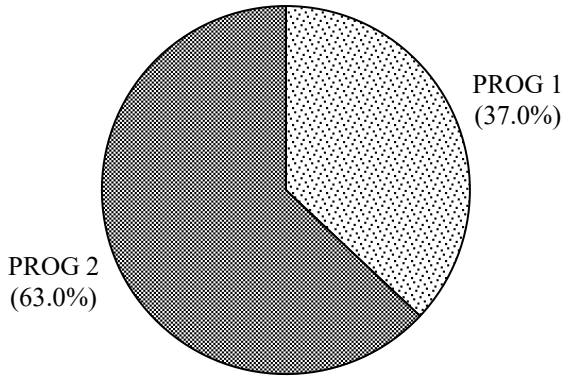
Programme (1)

Provision for 2024–25 is \$1.9 million (2.5%) higher than the revised estimate for 2023–24. This is mainly due to the increased requirement for personal emoluments, personnel related expenses and departmental expenses.

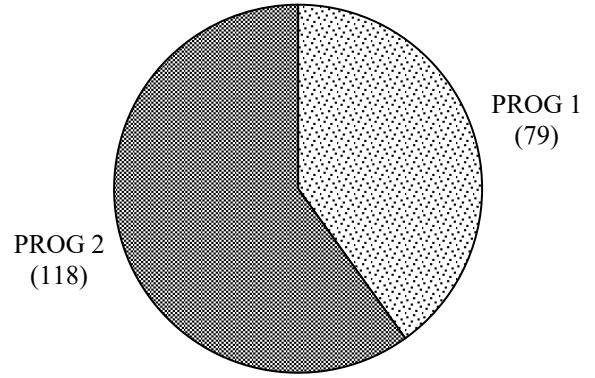
Programme (2)

Provision for 2024–25 is \$6.7 million (5.3%) higher than the revised estimate for 2023–24. This is mainly due to the increased requirement for personal emoluments, personnel related expenses and departmental expenses, partly offset by a decrease of one post in 2024–25.

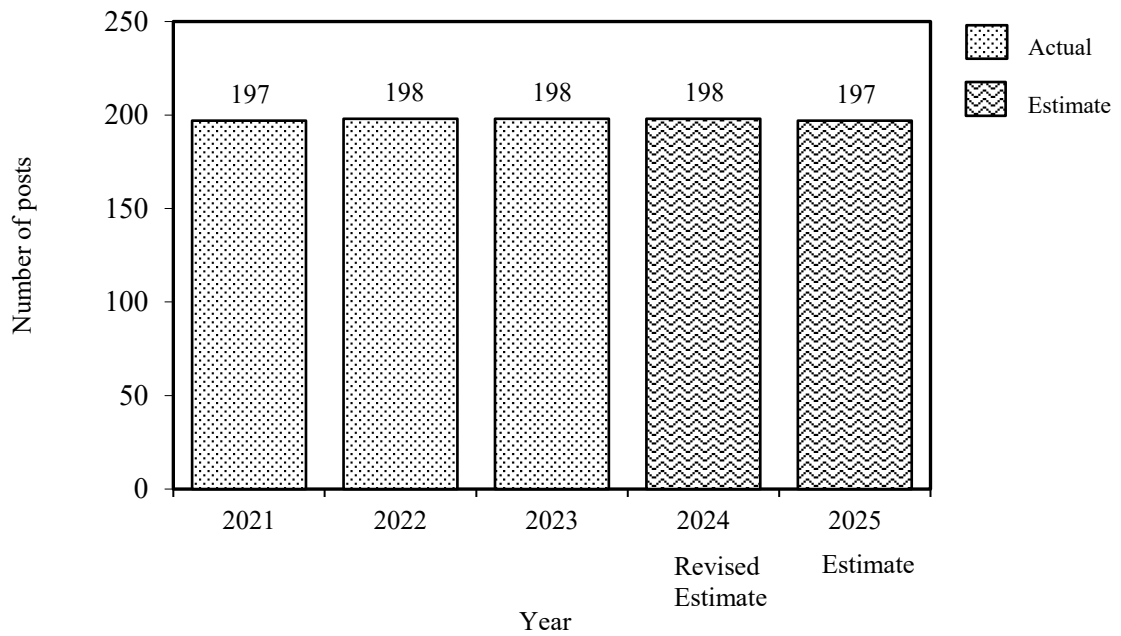
*Allocation of provision
to programmes
(2024-25)*



*Staff by programme
(as at 31 March 2025)*



*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2022–23	Approved estimate 2023–24	Revised estimate 2023–24	Estimate 2024–25	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	190,688	202,122	201,397	210,035
	Total, Recurrent.....	190,688	202,122	201,397	210,035
	Total, Operating Account	190,688	202,122	201,397	210,035
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	Total Expenditure	190,688	202,122	201,397	210,035

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Details of Expenditure by Subhead

The estimate of the amount required in 2024–25 for the salaries and expenses of the Audit Commission is \$210,035,000. This represents an increase of \$8,638,000 over the revised estimate for 2023–24 and \$19,347,000 over the actual expenditure in 2022–23.

Operating Account

Recurrent

2 Provision of \$210,035,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Audit Commission.

3 The establishment as at 31 March 2024 will be 198 posts. It is expected that there will be a decrease of one post in 2024–25. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2024–25, but the notional annual mid-point salary value of all such posts must not exceed \$151,976,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2022–23 (Actual) (\$'000)	2023–24 (Original) (\$'000)	2023–24 (Revised) (\$'000)	2024–25 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	158,417	170,727	169,728	175,014
- Allowances	2,459	2,358	2,439	2,386
- Job-related allowances.....	41	—	—	—
Personnel Related Expenses				
- Mandatory Provident Fund contribution	457	654	617	833
- Civil Service Provident Fund contribution	12,200	14,353	14,121	15,721
Departmental Expenses				
- Remuneration for special appointments	5,268	4,250	4,339	4,348
- General departmental expenses	11,846	9,780	10,153	11,733
	190,688	202,122	201,397	210,035