

Head 24 — AUDIT COMMISSION

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

Estimate 2026–27	\$212.8m
Establishment ceiling 2026–27 (notional annual mid-point salary value) representing an estimated 183 non-directorate posts as at 31 March 2026 reducing by four posts to 179 posts as at 31 March 2027	\$154.3m

In addition, there will be an estimated 12 directorate posts as at 31 March 2026 and 31 March 2027.

Controlling Officer’s Report

Programmes

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

Programme (1) Regularity Audit	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).
Programme (2) Value for Money Audit	

Detail

Programme (1): Regularity Audit

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	75.7	79.4	81.2 (+2.3%)	80.8 (–0.5%)
				(or +1.8% on 2025–26 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 conforming to the 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 2024–25, and the number of accounts to be certified in both 2025–26 and 2026–27 will be 85. The provision spent on regularity audit was about 37 per cent of the total provision for the Commission in 2024–25. This proportion will be about 38 per cent in both 2025–26 and 2026–27.

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

Targets

	Target	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (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

	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (Estimate)
accounts certified	86	85	85
man-hours spent	101 964	106 306	110 324
provision for regularity audit as percentage of total government expenditure (%)	0.01	0.01	0.01
providing assurance on combined actual expenditure and revenue in accounts audited (\$ billion).....	2,106	N.A.#	N.A. #

Not possible to estimate.

Matters Requiring Special Attention in 2026–27

5 During 2026–27, the Commission will continue to enhance the research work on industry practices and audit methodology in line with the latest international standards.

Programme (2): Value for Money Audit

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	127.4	134.1	131.9 (–1.6%)	132.0 (+0.1%)
				(or –1.6% on 2025–26 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, 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 was about 63 per cent of the total provision for the Commission in 2024–25. This proportion will be about 62 per cent in both 2025–26 and 2026–27.

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

Targets

	Target	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (Plan)
Director of Audit's Reports submitted to LegCo	2	2	2	2
value for money audit reports issued to audited bodies	16	16	16	16

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Indicators

	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (Estimate)
man-hours spent	150 509	154 920	160 192
provision for value for money audit as percentage of total government expenditure (%)	0.017	0.017	0.016
no. of recommendations accepted for implementation	625	N.A.#	N.A. #

Not possible to estimate.

Matters Requiring Special Attention in 2026–27

9 During 2026–27, the Commission will continue to closely monitor 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 the established audit criteria, including materiality and timeliness.

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ANALYSIS OF FINANCIAL PROVISION

	2024–25 (Actual) (\$m)	2025–26 (Original) (\$m)	2025–26 (Revised) (\$m)	2026–27 (Estimate) (\$m)
Programme				
(1) Regularity Audit	75.7	79.4	81.2	80.8
(2) Value for Money Audit.....	127.4	134.1	131.9	132.0
	203.1	213.5	213.1 (–0.2%)	212.8 (–0.1%)
				(or –0.3% on 2025–26 Original)

Analysis of Financial and Staffing Provision

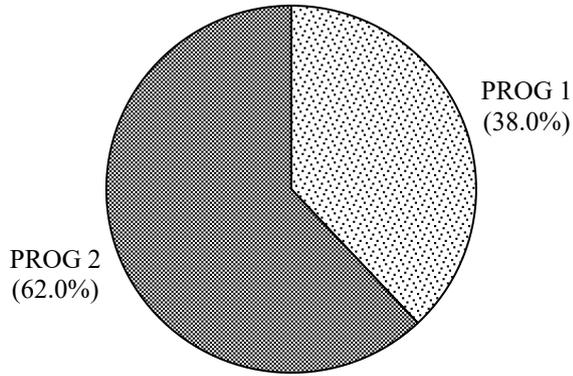
Programme (1)

Provision for 2026–27 is \$0.4 million (0.5%) lower than the revised estimate for 2025–26. This is mainly due to the decreased requirement for departmental expenses and a decrease of two posts, partly offset by the increased requirement for personal emoluments and personnel related expenses in 2026–27.

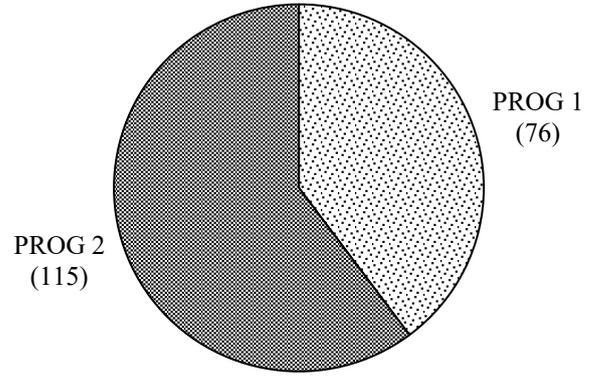
Programme (2)

Provision for 2026–27 is \$0.1 million (0.1%) higher than the revised estimate for 2025–26. This is mainly due to the increased requirement for personal emoluments and personnel related expenses, partly offset by the decreased requirement for departmental expenses and a decrease of two posts in 2026–27.

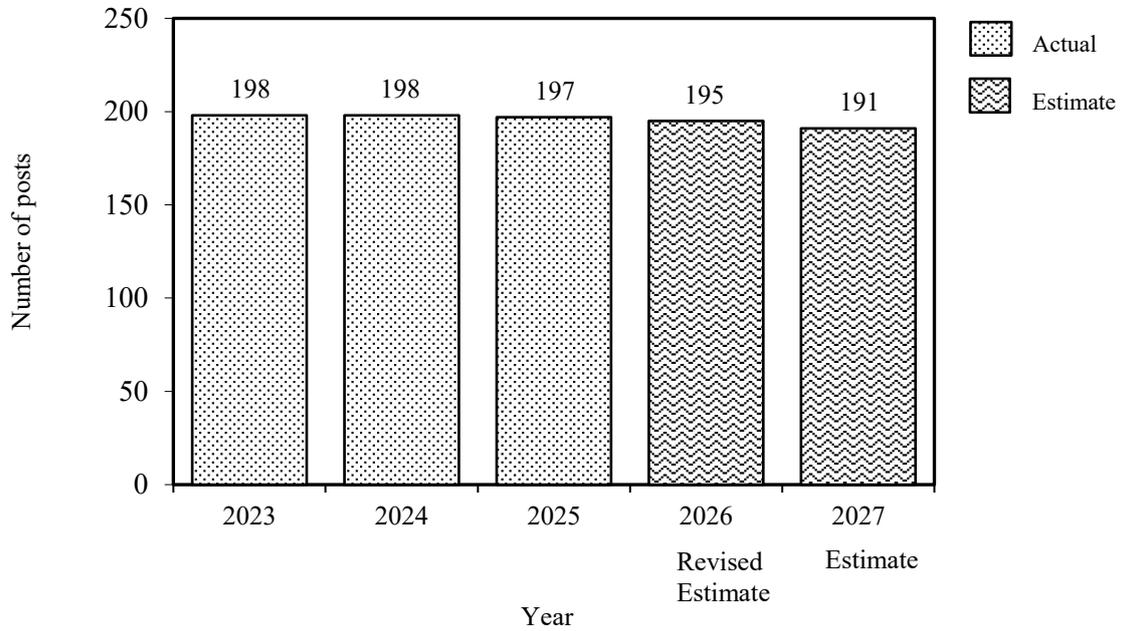
*Allocation of provision
to programmes
(2026-27)*



*Staff by programme
(as at 31 March 2027)*



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



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Sub-head (Code)	Actual expenditure 2024–25	Approved estimate 2025–26	Revised estimate 2025–26	Estimate 2026–27	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	203,085	213,549	213,143	212,807
	Total, Recurrent	203,085	213,549	213,143	212,807
	Total, Operating Account	203,085	213,549	213,143	212,807
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	Total Expenditure	203,085	213,549	213,143	212,807
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Details of Expenditure by Subhead

The estimate of the amount required in 2026–27 for the salaries and expenses of the Audit Commission is \$212,807,000. This represents a decrease of \$336,000 against the revised estimate for 2025–26 and an increase of \$9,722,000 over the actual expenditure in 2024–25.

Operating Account

Recurrent

2 Provision of \$212,807,000 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 2026 will be 195 posts. It is expected that there will be a decrease of four posts in 2026–27. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2026–27, but the notional annual mid-point salary value of all such posts must not exceed \$154,305,000.

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

	2024–25 (Actual) (\$'000)	2025–26 (Original) (\$'000)	2025–26 (Revised) (\$'000)	2026–27 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	168,006	178,260	171,733	175,206
- Allowances	3,028	2,300	2,751	2,651
Personnel Related Expenses				
- Mandatory Provident Fund contribution	667	673	530	401
- Civil Service Provident Fund contribution	15,206	17,421	17,538	21,084
Departmental Expenses				
- Remuneration for special appointments	4,446	4,455	4,455	4,455
- General departmental expenses	11,732	10,440	16,136	9,010
	203,085	213,549	213,143	212,807