

The Committee noted that the Audit Commission had conducted a review on the efficiency and effectiveness of four small and medium enterprise (SME) funding schemes, namely, the SME Export Marketing Fund, the SME Training Fund, the SME Loan Guarantee Scheme and the SME Development Fund.

2. The Committee did not hold any public hearing on this subject. Noting that the Trade and Industry Department had generally agreed with the audit recommendations set out in paragraphs 2.30, 3.22, 4.28 and 5.19 of the Director of Audit's Report, the Committee asked for a written response on the progress in implementing the recommendations.

3. The **Acting Director-General of Trade and Industry** provided, in his letter of 21 December 2006 in *Appendix 28*, a progress report to the Committee.

4. The Committee notes the reply of the Acting Director-General of Trade and Industry and wishes to be kept informed of the progress made in implementing the various audit recommendations.