

**Replies to initial written questions raised by Finance
Committee Members in examining the Estimates of Expenditure 2009-10**

**Controlling Officer : Director of Audit
Session No. : 4**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
AUD001	1050	CHAN Kam-lam	24	(1) Regularity Audit (2) Value for Money Audit
AUD002	1051	CHAN Kam-lam	24	(1) Regularity Audit (2) Value for Money Audit
AUD003	2389	TO Kun-sun, James	24	(2) Value for Money Audit
AUD004	2390	TO Kun-sun, James	24	(2) Value for Money Audit

Examination of Estimates of Expenditure 2009-10

Reply Serial No.

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

AUD001

Question Serial
No.

Head: 24 – Audit Commission Subhead (No. & title): 000 Operational expenses

1050

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

Controlling Officer: Director of Audit

Director of Bureau:

Question:

In 2009-10, the estimate of the provision for “Personal Emoluments” for the Audit Commission will slightly decrease while the estimates of the provision for “Mandatory Provident Fund (MPF) contribution” and “Civil Service Provident Fund (CSPF) contribution” under “Personnel Related Expenses” will increase on the contrary. What are the reasons?

Asked by: Hon. CHAN Kam-lam

Reply:

The estimated provision for “Personal Emoluments” (PE) covers the salaries and allowances payable to all civil servants in the Audit Commission. The slight decrease in the provision for PE in 2009-10 is mainly due to the decreased requirement for salaries arising from staff changes. The salary provision for new appointees and promotees will be less as compared with that for outgoing officers who were remunerated at higher pay points.

The scopes of “Mandatory Provident Fund (MPF) contribution” and “Civil Service Provident Fund (CSPF) contribution” under “Personnel Related Expenses” (PRE) cover the government contributions to the MPF Scheme and the CSPF Scheme for civil servants appointed under the new civil service entry terms on or after 1 June 2000. The increase in the provision for PRE in 2009-10 is mainly due to the full-year effect of making MPF contributions for new recruits appointed in 2008-09.

Signature  _____

Name in block
letters BENJAMIN TANG

Post Title Director of Audit

Date 12.3.2009

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

AUD003

Question Serial
No.

2389

Head: 24 – Audit Commission

Subhead (No. & title):

Programme: (2) Value for Money Audit

Controlling Officer: Director of Audit

Director of Bureau:

Question:

The public has expressed much concern about whether the Hong Kong Monetary Authority (HKMA) has spent its expenditure properly. In this connection, will the Audit Commission carry out any value for money audit on the HKMA in 2009-10? If not, what are the reasons for not doing so? Has the Audit Commission laid down any timetable for carrying out value for money audit on the HKMA?

Asked by: Hon. TO Kun-sun, James

Reply:

The Audit Commission adopts a selective approach for conducting value for money audits. A strategic planning exercise is carried out annually to determine the priority and timing of value for money audits. The strategic planning exercise covers various audit areas such as government bureaux and departments, subvented organisations and some statutory bodies, including the HKMA. Within the resources available, the Commission has to take into account factors such as materiality, risk, timeliness, auditability, public interest and value-added in selecting and prioritising value for money audit subjects for detailed investigation.

Given the wide spectrum of the activities of the Government, the Commission will continue to select subjects for review based on established audit criteria within the resources available. The Commission has kept in view the HKMA's activities on an ongoing basis, and will consider conducting a value for money audit on the HKMA when the situation so warrants. All value for money audit reports are confidential before tabling in the Legislative Council.

Signature 

Name in block
letters BENJAMIN TANG

Post Title Director of Audit

Date 12.3.2009

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

AUD004

Question Serial
No.

2390

Head: 24-Audit Commission

Subhead (No. & title):

Programme: (2) Value for Money Audit

Controlling Officer: Director of Audit

Director of Bureau:

Question:

The Administration will postpone public consultation on constitutional development. The public has expressed concern about the cost-effectiveness of the work of the Constitutional and Mainland Affairs Bureau (CMAB). In this connection, will the Audit Commission carry out any value for money audit on the CMAB in 2009-10? If not, what are the reasons for not doing so? Has the Audit Commission laid down any timetable for carrying out value for money audit on the CMAB?

Asked by: Hon. TO Kun-sun, James

Reply:

The Audit Commission adopts a selective approach for conducting value for money audits. A strategic planning exercise is carried out annually to determine the priority and timing of value for money audits. The strategic planning exercise covers various audit areas such as government bureaux (including the CMAB) and departments, subvented organisations and some statutory bodies. Within the resources available, the Commission has to take into account factors such as materiality, risk, timeliness, auditability, public interest and value-added in selecting and prioritising value for money audit subjects for detailed investigation.

Given the wide spectrum of the activities of the Government, the Commission will continue to select subjects for review based on established audit criteria within the resources available. The Commission has kept in view the CMAB's activities on an ongoing basis, and will consider conducting a value for money audit on the CMAB when the situation so warrants. All value for money audit reports are confidential before tabling in the Legislative Council.

Signature



Name in block
letters

BENJAMIN TANG

Post Title

Director of Audit

Date

12.3.2009