

Consideration of the Director of Audit's Report tabled in the Legislative Council on 29 April 2020 As in previous years, the Committee did not consider it necessary to investigate in detail every observation contained in the Director of Audit's Report. The Committee has therefore only selected two chapters (i.e. Chapters 1 and 2) in the Director of Audit's Report No. 74 which, in its view, referred to more serious irregularities or shortcomings for detailed investigation.

2. To enhance the accountability of the Government, the Committee has decided to adopt a new arrangement by holding short public hearings to examine chapters in which the issues identified have been repeatedly found in the previous the Director of Audit's reports. At the short public hearings, the witnesses would be invited to give a response, in particular on measures that would be taken to rectify the problems identified in the Director of Audit's Report No. 74, and to take questions from the Committee. Three chapters (i.e. Chapters 3, 6 and 7) have been selected for short hearings, and the major deliberations have been included in this Report. The Committee would like to take the opportunity in this Report to thank the representatives of the relevant bureaux/departments and organizations for attending the short public hearings to address the issues of concern raised by the Committee.

3. For the remaining three chapters of the Director of Audit's Report No. 74 (i.e. Chapters 4, 5 and 8), the Committee has sought and obtained information from the Administration on some of the issues. The Committee appreciates that, in response to the Committee's written questions, the relevant bureaux/departments have provided the Committee with useful information to facilitate the Committee's better understanding of the subjects. The Administration's response has been included in this Report.

4. **Meetings** The Committee held a total of five meetings and 11 public hearings (including three short public hearings) in respect of the subjects covered in this Report. During the public hearings, the Committee heard evidence from a total of 24 witnesses, including four Directors of Bureau and three Heads of Department. The names of the witnesses are listed in *Appendix 3* to this Report.

Committee Proceedings

5. **Arrangement of the Report** Chapters 1 and 2 of Part 4 in this Report contain the evidence of the witnesses who appeared before the Committee, and the Committee's specific conclusions and recommendations, based on the evidence and on its deliberations on the two chapters of the Director of Audit's Report selected for detailed investigation. The major deliberations of the three short public hearings on the relevant chapters of the Director of Audit's Report are incorporated in Chapters 3, 6 and 7 of Part 4 respectively.

6. The video and audio record of the proceedings of the Committee's public hearings is available on the Legislative Council website.

7. **Acknowledgements** The Committee wishes to record its appreciation of the cooperative approach adopted by all the persons who were invited to give evidence. In addition, the Committee is grateful for the assistance and constructive advice given by the Secretary for Financial Services and the Treasury, the Legal Adviser and the Clerk. The Committee also wishes to thank the Director of Audit for the objective and professional manner in which he completed his Report, and for the many services which he and his staff have rendered to the Committee throughout its deliberations.