

Procedure

The Committee's Procedure The practice and procedure, as determined by the Committee in accordance with Rule 72 of the Rules of Procedure, are as follows:

- (a) the public officers called before the Committee in accordance with Rule 72 of the Rules of Procedure, shall normally be the Controlling Officers of the Heads of Revenue or Expenditure to which the Director of Audit has referred in his report except where the matter under consideration affects more than one such Head or involves a question of policy or of principle in which case the relevant Director of Bureau of the Government or other appropriate officers shall be called. Appearance before the Committee shall be a personal responsibility of the public officer called and whilst he may be accompanied by members of his staff to assist him with points of detail, the responsibility for the information or the production of records or documents required by the Committee shall rest with him alone;
- (b) where any matter referred to in the Director of Audit's report on the accounts of the Government relates to the affairs of an organization subvented by the Government, the person normally required to appear before the Committee shall be the Controlling Officer of the vote from which the relevant subvention has been paid, but the Committee shall not preclude the calling of a representative of the subvented body concerned where it is considered that such a representative could assist the Committee in its deliberations;
- (c) the Director of Audit and the Secretary for Financial Services and the Treasury shall be called upon to assist the Committee when Controlling Officers or other persons are providing information or explanations to the Committee;
- (d) the Committee shall take evidence from any parties outside the civil service and the subvented sector before making reference to them in a report;
- (e) the Committee shall not normally make recommendations on a case on the basis solely of the Director of Audit's presentation;
- (f) the Committee shall not allow written submissions from Controlling Officers other than as an adjunct to their personal appearance before the Committee; and

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- (g) the Committee shall hold informal consultations with the Director of Audit from time to time, so that the Committee could suggest fruitful areas for value for money study by the Director of Audit.

2. Confidentiality undertaking by members of the Committee

To enhance the integrity of the Committee and its work, members of the Committee have signed a confidentiality undertaking. Members agree that, in relation to the consideration of the Director of Audit's reports, they will not disclose any matter relating to the proceedings of the Committee that is classified as confidential, which shall include any evidence or documents presented to the Committee, and any information on discussions or deliberations at its meetings, other than at meetings held in public. Members also agree to take the necessary steps to prevent disclosure of such matter either before or after the Committee presents its report to the Legislative Council, unless the confidential classification has been removed by the Committee.

3. A copy of the Confidentiality Undertaking signed by members of the Committee has been uploaded onto the Legislative Council website.

4. Long-established agreement between the Committee and the Administration

Upon receipt of the Director of Audit's report, the Committee has full discretion to decide which part(s) of the report it wishes to select for investigation, either through public hearings or study of supplementary information provided by the relevant parties. During the period between the tabling of the Director of Audit's report in the Legislative Council and the public hearings, it has been agreed between the Committee and the Administration that any public debate on the issues to be further investigated should be avoided by both sides as far as possible. This will ensure that the Committee can carry out public hearings smoothly and in a fair manner. To this end, Heads of Bureaux/Departments and/or public organizations involved and their staff should refrain from initiating any publicity to counter the findings in the Director of Audit's report.¹

5. Communications between the Committee and the Administration on the long-established agreement

Upon the tabling of the Director of Audit's Report No. 76 ("the Audit Report") in the Legislative Council on 28 April 2021, the Immigration Department issued a press release later on the same day in response to the findings in Chapter 1 of the Audit Report on "Management of birth, death and marriage registrations". The Committee was deeply concerned about the matter

¹ The agreed requirements are set out in paragraph 13 of the Administration's Financial Circular No. 2/2020.

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and had written to urge the Chief Secretary for Administration to ensure that the long-established agreement as stated in paragraph 4 above was strictly observed by Heads of Bureaux/Departments, Controlling Officers/Heads of Organizations and other parties concerned.

6. In his reply to the Committee, the Chief Secretary for Administration advised that the Director of Immigration had been reminded to strictly observe the relevant requirements. The Chief Secretary for Administration further assured the Committee that the Administration would continue to cooperate fully with the Committee in performing its role and functions regarding the Director of Audit's value for money audit reports.

7. Moreover, in his reply dated 21 May 2021 to the Committee's request for supplementary information on Chapter 1 of the Audit Report,² the Director of Immigration reassured the Committee that the Immigration Department would pay due attention to the requirement that government departments should avoid making public responses to the Director of Audit's reports before the holding of public hearings by the Committee, and would ensure that there would be no recurrence of similar incident.

8. **The Committee's Report** This Report by the Public Accounts Committee corresponds with the Audit Report which was tabled in the Legislative Council on 28 April 2021. Value for money audits are conducted in accordance with the guidelines and procedures set out in the Paper on Scope of Government Audit in the Hong Kong Special Administrative Region - 'Value for Money Audits' which was tabled in the Provisional Legislative Council on 11 February 1998. A copy of the Paper is attached in *Appendix 2*.

9. **The Government's Response** The Government's response to the Committee's Report is contained in the Government Minute, which comments as appropriate on the Committee's conclusions and recommendations, indicates what action the Government proposes to take to rectify any irregularities which have been brought to notice by the Committee or by the Director of Audit and, if necessary, explains why it does not intend to take action. It is the Government's stated intention that the Government Minute should be laid on the table of the Legislative Council within three months of the laying of the Report of the Committee to which it relates.

² The reply letter dated 21 May 2021 from the Director of Immigration is in *Appendix 5* to this Report.