

**Consideration of the Director of Audit's reports** According to section 12 of the Audit Ordinance (Cap. 122), the Director of Audit shall, within the period of seven months after the close of the financial year (i.e. on or before 31 October), or such longer period as the Chief Executive may determine, prepare and submit to the President of the Legislative Council ("LegCo") a report on government accounts. Within the period of one month, or such longer period as the LegCo President may determine, after the receipt of the report from the Director of Audit, a copy of the report shall be laid before LegCo.

2. Moreover, in accordance with the Paper tabled in the Provisional LegCo on 11 February 1998 relating to Value for Money ("VFM") audits (in *Appendix 2*), the Director of Audit shall report his findings on VFM audits in LegCo twice each year.<sup>1</sup> Normally, the Director of Audit submits to the LegCo President the report on government accounts together with his first VFM audit report in late October each year, and copies of both reports are laid before LegCo in November each year.

3. According to Rules 72(9) and (10) of the Rules of Procedure of LegCo (in *Appendix 1*), the Public Accounts Committee shall normally make its report upon the report of the Director of Audit within three months of the date on which the Director of Audit's report is laid on the table of LegCo.

4. **Special arrangements for this Report** Given that the Sixth LegCo will stand prorogued from 30 October 2021, the Director of Audit cannot follow the usual practice as described above and submit his report on the Accounts of the Government for the year ended 31 March 2021 ("Report on Government Accounts") and his first VFM audit report (i.e. VFM Audit Report No. 77) to the LegCo President in late October 2021 for tabling in LegCo in November 2021. In the circumstances, the Director of Audit has, with the agreement of the LegCo President, the Public Accounts Committee and the Financial Services and the Treasury Bureau, advanced the submission of his Report on Government Accounts to the LegCo President to 10 September 2021 for its tabling in LegCo on 15 September 2021, so that the Public Accounts Committee can consider his Report on Government Accounts before

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<sup>1</sup> The first VFM audit report shall be submitted to the LegCo President within seven months of the end of the financial year (i.e. on or before 31 October), or such longer period as the Chief Executive may determine. Within one month, or such longer period as the LegCo President may determine, copies shall be laid before LegCo. The second VFM audit report shall be submitted to the LegCo President by 7 April each year, or such date as the Chief Executive may determine. By 30 April, or such date as the LegCo President may determine, copies shall be laid before LegCo.

the prorogation of the Sixth LegCo. As for VFM Audit Report No. 77, the Director of Audit has sought the Chief Executive's approval to defer its submission to the LegCo President until the Seventh LegCo but not later than 7 April 2022 (i.e. the deadline for submission of VFM Audit Report No. 78).

5. **The Committee's Report** This Report by the Public Accounts Committee corresponds with the Director of Audit's Report on Government Accounts, which was tabled in LegCo on 15 September 2021.

6. **Acknowledgements** The Committee wishes to record its appreciation of the support given by the Legal Adviser and the Clerk. The Committee is also grateful for the effort and professionalism demonstrated by the Director of Audit and his staff in completing his Report within the tight schedule.