

Chapter:	122	AUDIT ORDINANCE	Gazette Number	Version Date
		Long title		30/06/1997

To provide for the appointment, tenure of office, duties and powers of the Director of Audit and for the auditing of and reporting on the public accounts and the accounts of specified persons, bodies corporate and other bodies and for matters incidental thereto or connected therewith.

[10 December 1971] *L.N. 166 of 1971*

(Originally 66 of 1971)

Section:	1	Short title		30/06/1997
----------	---	--------------------	--	------------

This Ordinance may be cited as the Audit Ordinance.

Section:	2	Interpretation	32 of 2000	09/06/2000
----------	---	-----------------------	------------	------------

In this Ordinance, unless the context otherwise requires-
"accounting officer" (會計人員) means-

- (a) any public officer who is entrusted with-
 - (i) the collection, receipt, custody, issue or payment of public moneys;
 - (ii) the receipt, custody, issue, sale, transfer or disposal of, or the accounting for, any stamps, securities, stores or any other Government property; or
 - (iii) any monetary or financial responsibilities connected with or arising from his official duties; and
- (b) the head of the Department in which any such public officer is employed;

"Director" (署長) means the Director of Audit appointed under section 3; (Amended 19 of 1993 s. 2)

"President" (主席) means the President of the Legislative Council; (Added 19 of 1993 s. 2)

"public moneys" (公帑) means-

- (a) the general revenue; (Replaced 3 of 1983 s. 43)
- (b) any moneys (other than moneys in the accounts or constituting the funds specified in column 2 of Schedule 1) which are accounted for, in whole or in part, in the books or records of account of the Director of Accounting Services; and (Replaced 32 of 2000 s. 16)
- (c) any other moneys which the Governor may declare in writing to be public moneys for the purposes of this Ordinance.

Section:	3	Appointment of Director		30/06/1997
----------	---	--------------------------------	--	------------

(1) The Governor, with the prior approval of the Secretary of State, shall appoint a person to be the Director of Audit.

(2) The public officer who, at the date of commencement of this Ordinance, holds the office of Director of Audit in the Government shall be deemed to have been appointed under this section.

(3) No person who is appointed under this section as the Director of Audit shall, while he holds that office, hold any other office of emolument under the Crown in right of the Government of Hong Kong.

Section:	4	Tenure of office of Director		30/06/1997
----------	---	-------------------------------------	--	------------

(1) A person who is appointed under section 3 as the Director of Audit-

- (a) shall hold that office during good behaviour; and
- (b) may be-
 - (i) dismissed from that office; or
 - (ii) if he has not attained the normal age of retirement of public officers, required to retire from that office,

only by order in writing by the Governor made with the prior approval of the Secretary of State.

(2) Where a public officer is dismissed or required to retire from the office of Director of Audit under subsection (1) a full statement of the circumstances shall be made at the first opportunity to the Legislative Council.

Section:	4A	Salary of Director		30/06/1997
----------	----	---------------------------	--	------------

(1) Upon the commencement of this section the Governor shall, by order published in the Gazette, specify the rate of the salary of the Director, and thereafter the Governor may, from time to time, by order published in the Gazette, increase the rate with effect from such date as shall be specified in the order.

(2) The Director shall be entitled to a salary at the rate from time to time specified under subsection (1).

(3) The salary payable to the Director by virtue of this section shall be charged on and paid out of the general revenue.

(Added 35 of 1979 s. 2)

Section:	5	Director's employment as public officer		30/06/1997
----------	---	--	--	------------

Subject to section 4, the Director shall be employed subject to such Ordinances, Colonial Regulations, administrative rules and conditions of service as apply generally to public officers.

Section:	6	Filling of vacancy in office of Director		30/06/1997
----------	---	---	--	------------

When a vacancy occurs in the office of Director of Audit for any reason the Governor, with the prior approval of the Secretary of State, shall appoint another person under section 3 to hold that office.

Section:	7	Acting appointment to office of Director		30/06/1997
----------	---	---	--	------------

If, in the opinion of the Governor, the Director is unable to exercise his powers or perform the duties of this office during any period for any reason, the Governor shall appoint another person to act as the Director of Audit during that period.

Section:	8	Duties of the Director	32 of 2000	09/06/2000
----------	---	-------------------------------	------------	------------

(1) The Director shall-

- (a) examine, inquire into and audit the accounts of all accounting officers in respect of public moneys, stamps, securities, stores and any other Government property; and
- (b) examine, inquire into and audit the accounts, statements and records kept in respect of the accounts or funds specified in column 2 of Schedule 1 by the public officers specified opposite such accounts or funds. (Replaced 32 of 2000 s. 17)

(2) The Director shall satisfy himself that-

- (a) adequate directions and instructions have been given to ensure the due collection of public moneys or moneys in the accounts or constituting the funds specified in column 2 of Schedule 1 and that the Ordinances relating thereto and such directions and instructions have been duly observed by the public officers concerned therewith; (Amended 32 of 2000 s. 17)
- (b) all issues and payments of public moneys or moneys in the accounts or constituting the funds specified in column 2 of Schedule 1 were made in accordance with proper authority; (Amended 32 of 2000 s. 17)
- (c) all payments were properly chargeable and are supported by sufficient vouchers or proof of payment or otherwise properly accounted for;
- (d) the rules and procedures applied to the issue and payment of public moneys or moneys in the accounts or constituting the funds specified in column 2 of Schedule 1 are sufficient to secure an effective control over expenditure and that such rules and procedures have been duly observed by the public officers concerned therewith; (Amended 32 of 2000 s. 17)
- (e) any public moneys appropriated by the Legislative Council for a specified purpose and expended by a public officer have been expended in the due application of that purpose and in accordance with the

- authority under which the appropriation was made; and
- (f) adequate rules and procedures have been made to ensure the proper receipt, custody, issue, sale, transfer and disposal of, or the accounting for, any stamps, securities, stores and other Government property and that such rules and procedures have been duly observed by the public officers concerned therewith.

(3) The Director shall not be required to undertake any duty which is, in his opinion, incompatible with the duties imposed on him by this or any other Ordinance.

Section:	9	Powers of the Director	32 of 2000	09/06/2000
----------	---	-------------------------------	------------	------------

- (1) In the performance of his duties and the exercise of his powers under this Ordinance the Director may-
- (a) authorize in writing any public officer on his behalf to conduct any inquiry, examination or audit and require such public officer to report thereon to him:
- Provided that any such authority shall be subject to the concurrence of the head of the Department in which the public officer is employed;
- (b) require any public officer to give such explanation, or to furnish such information, as the Director may think fit in order to enable the Director to discharge his duties;
- (c) without payment of any fee, cause search to be made in, and extracts to be taken from, any book, document or record in any Government Department;
- (d) require any person whom he thinks fit to explain any matter relating to-
- (i) the receipt, expenditure or custody of public moneys or moneys in the accounts or constituting the funds specified in column 2 of Schedule 1; (Amended 32 of 2000 s. 18)
- (ii) the receipt, custody, issue, sale, transfer or disposal of, or the accounting for, any stamps, securities, stores or other Government property; or
- (iii) anything else which is, in the opinion of the Director, necessary for him to know for the due performance of his duties and the exercise of his powers under this Ordinance; and
- (e) report to the Secretary for Justice any matter which he thinks fit. (Amended L.N. 362 of 1997)

(2) In the performance of his duties and the exercise of his powers under this Ordinance, the Director and any public officer or other person authorized in writing by him shall have access to all records, books, vouchers, documents, cash, receipts, stamps, securities, stores and any other Government property in the possession of any public officer.

(3) In the performance of his duties and the exercise of his powers under this Ordinance the Director shall not be subject to the direction or control of any other person or authority.

Section:	10	Appointment of staff of the Director	32 of 2000	09/06/2000
----------	----	---	------------	------------

(1) The Governor may appoint other public officers to assist the Director in the performance of his duties and the exercise of his powers under this Ordinance.

(2) All members of the Director's staff shall be employed subject to such Ordinances, Colonial Regulations, administrative rules and conditions of service as apply generally to public officers.

(3) Subject to subsection (4), the Director may delegate any of his duties or powers under this Ordinance to any public officer. (Replaced 32 of 2000 s. 19)

(4) The Director may delegate his duties or powers under this Ordinance in respect of the certifying and reporting of accounts, other than the certifying and reporting of the accounts which are required to be transmitted to the Director by the Director of Accounting Services in accordance with section 11, to any public officer who is a member of his staff appointed to or acting in the rank and office not below that of a Principal Auditor and specified in Schedule 2 provided that any public officer so delegated shall, when signing an opinion or report, indicate beneath his signature the office he holds and the fact that he is signing on behalf of the Director. (Added 32 of 2000 s. 19)

Section:	11	Submission of annual accounts by the Director of Accounting Services to the Director		30/06/1997
----------	----	---	--	------------

(1) The Director of Accounting Services shall, within the period of 5 months, or such longer period as the Governor may determine, after the close of each financial year, transmit to the Director-

- (a) a statement of the assets and liabilities of the Government;

- (b) an annual statement of the receipts and payments by the Government; (Amended 17 of 1985 s. 2)
 - (c) a statement of the assets and liabilities of each fund, other than the Lotteries Fund, established in accordance with section 29 of the Public Finance Ordinance (Cap 2); (Replaced 45 of 1988 s. 2)
 - (d) a statement of the receipts and payments by each fund, other than the Lotteries Fund, established in accordance with section 29 of the Public Finance Ordinance (Cap 2); and (Replaced 45 of 1988 s. 2)
 - (e) such other statements as the Governor may specify from time to time. (Added 17 of 1985 s. 2)
- (2) (Repealed 45 of 1988 s. 2)

Section:	12	Examination and audit of annual statements by the Director and submission of report to the President		30/06/1997
----------	----	---	--	------------

- (1) On receipt of the statements referred to in section 11, the Director-
- (a) shall examine and audit the statements; and
 - (b) shall, within the period of 7 months after the close of the financial year, or such longer period as the Governor may determine, prepare and submit to the President of the Legislative Council a report in respect of his examination and audit of the statements and on any matter relating to the performance of his duties and the exercise of his powers under this Ordinance, together with- (Amended 60 of 1978 s. 3; 19 of 1993 s. 3)
 - (i) a copy of the statement of assets and liabilities of the Government, duly certified by him; (Amended 17 of 1985 s. 3)
 - (ii) a copy of the annual statement of the receipts and payments by the Government, duly certified by him;
 - (iii) a copy of each statement of assets and liabilities transmitted to him under section 11(1)(c), duly certified by him; and (Replaced 45 of 1988 s. 3)
 - (iv) a copy of each statement of receipts and payments transmitted to him under section 11(1)(d), duly certified by him. (Replaced 45 of 1988 s. 3)
- (2) Within the period of 1 month, or such longer period as the President may determine, after the receipt of the report and certified statements from the Director under subsection (1), a copy of the report and certified statements shall- (Amended 49 of 1984 s. 2; 19 of 1993 s. 3)
- (a) be laid before the Legislative Council; and
 - (b) be submitted to the Secretary of State. (Replaced 60 of 1978 s. 3)
- (2A) Within the period of 3 months, or such longer period as the President may determine, after the laying of the report and certified statements from the Director under subsection (2)(a), a copy of the report of the Public Accounts Committee of the Legislative Council shall-
- (a) be laid before the Legislative Council; and
 - (b) be submitted to the Secretary of State. (Added 49 of 1984 s. 2)
- (3) Without prejudice to subsections (1), (2) and (2A)- (Amended 49 of 1984 s. 2)
- (a) the Director may submit to the President of the Legislative Council at any time a special report on any matter incidental to the performance of his duties or the exercise of his powers under this Ordinance; and (Amended 60 of 1978 s. 3; 19 of 1993 s. 3)
 - (b) the procedure to be followed in respect of such report shall be in accordance with subsections (2) and (2A). (Replaced 49 of 1984 s. 2)

Section:	13	Director's report of serious irregularities to the President	32 of 2000	09/06/2000
----------	----	---	------------	------------

- (1) The Director shall report to the President of the Legislative Council any matter which- (Amended 60 of 1978 s. 4; 19 of 1993 s. 4)
- (a) constitutes, in the opinion of the Director, a serious irregularity in the accounting for-
 - (i) the receipt, expenditure or custody of public moneys or moneys in the accounts or constituting the funds specified in column 2 of Schedule 1; or (Amended 32 of 2000 s. 20)
 - (ii) the receipt, issue, custody, sale, transfer or delivery of any stamps, securities, stores or any other Government property; and
 - (b) comes to his notice in the performance of his duties or the exercise of his powers under this Ordinance.
- (2) The procedure to be followed in respect of a report to the President under subsection (1) shall be in accordance with section 12(2) and (2A). (Replaced 49 of 1984 s. 3. Amended 19 of 1993 s. 4)

Section:	14	Audit, examination or inquiry into the accounts of bodies corporate, etc. authorized by Ordinances		30/06/1997
----------	----	---	--	------------

(1) Where any Ordinance empowers the Director to audit, examine or inquire into the accounts of any person, body corporate or other body, the Director-

- (a) shall have in relation to such person, body corporate or other body, its members, officers and employees, the same discretion and powers as are conferred on him by sections 8 and 9 in relation to public moneys, stamps, securities, stores and any other Government property; and
- (b) may authorize in writing any person publicly carrying on the profession of accountant or any public officer to audit, examine or inquire into the records and accounts of such person, body corporate or other body and require the authorized accountant or public officer to report thereon to the Director in such manner as the Director may specify:

Provided that any such authority to a public officer shall be subject to the concurrence of the head of the Department in which the public officer is employed.

(2) Any person, body corporate or other body whose accounts have been audited, examined or inquired into under subsection (1) may be charged such fee (if any) as may be determined under section 17(1).

Section:	15	Audit, examination or inquiry into the accounts of persons, bodies corporate, etc. under the Governor's authority		30/06/1997
----------	----	--	--	------------

(1) Notwithstanding that he is not empowered by any Ordinance to audit, examine or inquire into the accounts of a person, body corporate or other body, the Director may audit, examine or inquire into the records and accounts of any person, body corporate or other body if-

- (a) he is authorized in writing to do so by the Governor in the public interest; and
- (b) in the opinion of the Director, such audit, examination or inquiry will not interfere with the due performance of his duties and the due exercise of his powers under this Ordinance.

(2) Where the Director undertakes under subsection (1) the audit, examination of, or inquiry into the records and accounts of any person, body corporate or other body, he-

- (a) shall have in relation to such person, body corporate or other body, its members, officers and employees the same discretion and powers as are conferred on him by sections 8 and 9 in relation to public moneys, stamps, securities, stores and any other Government property; and
- (b) may authorize in writing any person publicly carrying on the profession of accountant or any public officer to audit, examine or inquire into the records and accounts of such person, body corporate or other body and require the authorized accountant or public officer to report thereon to the Director in such manner as the Director may determine:

Provided that any such authority to a public officer shall be subject to the concurrence of the head of the Department in which the public officer is employed.

(3) Any person, body corporate or other body whose records and accounts have been audited, examined or inquired into under subsection (1) may be charged such fee (if any) as may be determined under section 17(1).

Section:	16	Director's certification of accounts and report of accounts of bodies corporate, etc.		30/06/1997
----------	----	--	--	------------

(1) Subject to the provisions of any other Ordinance, where the Director has audited, examined or inquired into the accounts of any person, body corporate or other body under section 14 or 15 he shall-

- (a) if he has audited the accounts of such person, body corporate or other body, submit to the Governor a statement of such accounts, duly certified by him; and
- (b) prepare such a report (if any) as he may think fit in respect of his audit, examination or inquiry into the accounts and submit such report (if any) to the Governor.

(2) If the Director so requests, the Governor shall authorize the Director to transmit to the President a copy of any certified statement of accounts or report submitted to the Governor under subsection (1), and the procedure to be followed in respect of such statement or report shall be in accordance with section 12(2) and (2A). (Replaced 19 of 1993 s. 5)

Section:	17	Fees to be determined by the Financial Secretary		30/06/1997
----------	----	---	--	------------

(1) Subject to the provisions of any other Ordinance, the fee (if any) charged for the audit, examination or inquiry into the accounts of any person, body corporate or other body undertaken by the Director under section 14 or 15 shall-

- (a) be determined by the Financial Secretary;
- (b) be payable by such person, body corporate or other body; and
- (c) be paid into the general revenue.

(2) Subject to the provisions of any other Ordinance, the fee (if any) payable to an authorized person for the audit, examination or inquiry into the accounts of any person, body corporate or other body under section 14(1)(b) or under section 15(2)(b) shall-

- (a) be determined by the Financial Secretary; and
- (b) be paid from the general revenue.

Section:	18	Amendment of Schedules	32 of 2000	09/06/2000
----------	----	-------------------------------	------------	------------

(1) The Financial Secretary may, by notice published in the Gazette, amend Schedule 1.

(2) The Director may, by notice published in the Gazette, amend Schedule 2.

(Added 32 of 2000 s. 21)

Schedule:	1	ACCOUNTS AND FUNDS SUBJECT TO AUDIT BY THE DIRECTOR	L.N. 163 of 2013	03/03/2014
-----------	---	--	------------------	------------

[sections 2, 8(1) & (2), 9(1),
13(1) & 18(1)]

Item	Accounts/Funds	Responsible public officer	Statutory provisions under which the account or fund is kept or operated or in which the account or fund is referred to
1.	High Court Suitors' Funds	Registrar of the High Court	Rule 4 of the High Court Suitors' Funds Rules (Cap 4 sub. leg. B).
2.	Official Receiver in Bankruptcy Account	Official Receiver	Section 91(1) of the Bankruptcy Ordinance (Cap 6).
3.	Bankruptcy Estate Account	Official Receiver	Section 128 of the Bankruptcy Ordinance (Cap 6).
4.	Official Administrator's Account	Registrar of the High Court in his capacity as the Official Administrator	Section 23A(1) of the Probate and Administration Ordinance (Cap 10).
5.	Labour Tribunal Suitors' Funds	Registrar of the Labour Tribunal	Rule 5 of the Labour Tribunal (Suitors' Funds) Rules (Cap 25 sub. leg. D).
6.	Companies Liquidation Account	Official Receiver	Section 293(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32). (Amended 28 of 2012 ss. 912 & 920)
7.	Independent Commission Against Corruption Welfare Fund	Commissioner of the Independent Commission Against Corruption	Section 17A of the Independent Commission Against Corruption Ordinance (Cap 204).
8.	District Court Suitors' Funds	Registrar of the District Court	Rule 4 of the District Court Suitors' Funds Rules (Cap 336 sub. leg. E).
9.	Small Claims Tribunal Suitors' Funds	Registrar of the District Court	Rule 5 of the Small Claims Tribunal (Suitors' Funds) Rules (Cap 338 sub. leg. D).
10.	Minor Employment Claims Adjudication Board Suitors'	Registrar of the Minor Employment Claims	Rule 8 of the Minor Employment Claims Adjudication Board (Suitors'

11.	Funds Master in Lunacy Account	Adjudication Board Registrar of the High Court in his capacity as the Master in Lunacy	Funds) Rules (Cap 453 sub. leg. C). Not applicable.
12.	World Refugee Year Loan Fund	Director of Agriculture and Fisheries	Not applicable.
13.	Official Receiver in Voluntary Arrangement Account	Official Receiver	Sections 2 (definition of "nominee") and 20H(1)(a)(ii) of the Bankruptcy Ordinance (Cap 6) and rules 122C(2)(i) and 122D(3) and (4) of the Bankruptcy Rules (Cap 6 sub. leg. A). (Added L.N. 64 of 2001) (Schedule 1 added 32 of 2000 s. 22)

Schedule:	2	SPECIFIED PUBLIC OFFICER	32 of 2000	09/06/2000
-----------	---	---------------------------------	------------	------------

[sections 10(4) & 18(2)]

1. Deputy Director of Audit
2. Assistant Director of Audit
3. Principal Auditor

(Schedule 2 added 32 of 2000 s. 22)