

*Observations of the Public Accounts Committee on the Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2015*

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The Committee noted that the following new information has been included in the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2015 with a view to increasing transparency as follows:

- a new disclosure for outstanding commitments (i.e. approved project estimates less actual expenditure) has been included in the Cash-based Accounts for 2015, with comparative figures for 2014 (Note 13);

<b>Cash-based Consolidated Account</b>	<b>2015</b>	<b>2014</b>	<b>Decrease</b>
Commitments	\$417.1 billion	\$462.0 billion	\$44.9 billion

and

- a note has been introduced to the Cash-based Consolidated Account to disclose the \$27.49 billion income from the investments with the Exchange Fund for the calendar year 2014, which was set aside and retained within the Exchange Fund as provision for Housing Reserve and not paid to the Government pursuant to the Financial Secretary's directive in December 2014. The Housing Reserve is to provide financial resources to meet the 10-year public housing supply target. Accordingly, the amount had not been recognized as revenue in the accounts of the Government for the year ended 31 March 2015 (Note 3).

<b>Cash-based Consolidated Account</b>	<b>2015</b>	<b>2014</b>	<b>Increase</b>
Investments with the Exchange Fund: Investments	\$838.2 billion	\$766.9 billion	\$71.3 billion