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**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 matters at all times unless the Committee decides to declassify the materials.

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

4. **Special arrangements for the Committee's Report** According to the arrangements for the submission of the Director of Audit's reports set out in the Paper on Scope of Government Audit in the Hong Kong Special Administrative Region – 'Value for Money Audits' tabled in the Provisional LegCo on 11 February 1998 (*Appendix 2*),<sup>1</sup> the submission of Report No. 78 of the Director of Audit on the results of value for money ("VFM") audits to the LegCo President was originally due in April 2022. In light of the fifth wave of the Coronavirus Disease 2019 epidemic, the Director of Audit, with the agreement of the LegCo President, the Committee and the Financial Services and the Treasury Bureau, deferred the submission of the VFM Audit Report No. 78 to no later than 31 October 2022 (i.e. the deadline for submission of the VFM Report No. 79). Approval of the Chief Executive was obtained for the deferral. Subsequently, the VFM Audit Report No. 78 was submitted together with the VFM Audit Report No. 79 to the LegCo President on 28 October 2022 for tabling in LegCo on 23 November 2022.

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<sup>1</sup> In accordance with the procedures, the Director of Audit shall report his findings on value for money audits in LegCo twice every year. The first 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 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.

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5.       **The Committee's Report**     This Report corresponds with the VFM Audit Report No. 78. VFM audits are conducted in accordance with the guidelines and procedures set out in the aforesaid Paper tabled in the Provisional LegCo on 11 February 1998 relating to VFM audits.

6.       **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 LegCo within three months of the laying of the Report of the Committee to which it relates.