REPORT 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 2025

October 2025

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Introduction

The Establishment of the Committee The Public Accounts Committee is established under Rule 72 of the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region.

2. **Membership of the Committee** The following Members are appointed by the President under Rule 72(3) of the Rules of Procedure to serve on the Committee:

Chairman	**:**	Hon SHIU Ka-fai, BBS, JP
Deputy Chairman	**:**	Hon Paul TSE Wai-chun, JP
Members	**:**	Hon YUNG Hoi-yan, JP Hon LUK Chung-hung, JP Hon Edmund WONG Chun-sek Hon Louis LOONG Hon-biu Hon Carmen KAN Wai-mun, JP
Clerk	**:**	Matthew LOO
Legal Adviser	**:**	Joyce CHAN

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, the Director of Audit shall report his findings on VFM audits in LegCo twice each year.[1] 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, 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 Seventh LegCo will stand prorogued from 24 October 2025, the Director of Audit cannot follow the aforesaid normal procedures to submit his report on the Accounts of the Government for the year ended 31 March 2025 ("Report on Government Accounts") and first VFM audit report (i.e. VFM Audit Report No. 85) to the LegCo President in late October 2025 for tabling in LegCo in November 2025. 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 and tabling of his Report on Government Accounts to September 2025, so that the Public Accounts Committee can consider his Report on Government Accounts and submit its report to LegCo before the prorogation. As for VFM Audit

[1] 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.

Report No. 85, the Director of Audit has obtained the Chief Executive's approval for deferring its submission to the LegCo President until the Eighth LegCo but not later than 7 April 2026 (i.e. the deadline for submission of VFM Audit Report No. 86).

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 submitted to the LegCo President on 12 September 2025 and tabled in LegCo on 25 September 2025. The observations of the Committee on the Director of Audit's Report are set out in Part 3 of this Report.

6. **Confidentiality undertakings by members of the Committee** To enhance the integrity of the Committee and its work, members 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 LegCo, unless the confidential classification has been removed by the Committee.

7. **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.

Part 3

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 2025

In considering 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 2025, the Committee noted that the Audit Commission found no material misstatements, individually or in aggregate, of the cash-based Government Accounts. Regarding irregularities and control weaknesses not involving material amounts that were identified during the course of audits, the Audit Commission had communicated these issues, together with its recommendations, to the relevant bureaux/departments for the taking of improvement measures.

SIGNATURES OF THE CHAIRMAN,
DEPUTY CHAIRMAN AND MEMBERS OF THE COMMITTEE

SHIU Ka-fai
(Chairman)

Paul TSE Wai-chun
(Deputy Chairman)

YUNG Hoi-yan

LUK Chung-hung

Edmund WONG Chun-sek

Louis LOONG Hon-biu

Carmen KAN Wai-mun

25 September 2025