

Head 24 — AUDIT COMMISSION

Controlling officer: the Director of Audit will account for expenditure under this Head.

Estimate 2025–26 **\$213.5m**

Establishment ceiling 2025–26 (notional annual mid-point salary value) representing an estimated 185 non-directorate posts as at 31 March 2025 reducing by two posts to 183 posts as at 31 March 2026..... **\$156.3m**

In addition, there will be an estimated 12 directorate posts as at 31 March 2025 and as at 31 March 2026.

Controlling Officer's Report

Programmes

The Commission operates independently from the Government. Its programmes are:

<p>Programme (1) Regularity Audit Programme (2) Value for Money Audit</p>	<p>These programmes provide an independent check on the Government and complement the programmes in Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).</p>
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Detail

Programme (1): Regularity Audit

	2023–24 (Actual)	2024–25 (Original)	2024–25 (Revised)	2025–26 (Estimate)
Financial provision (\$m)	75.2	77.8	76.8 (–1.3%)	79.4 (+3.4%)
				(or +2.1% on 2024–25 Original)

Aim

2 The aim is to provide the Legislative Council (LegCo) with an overall assurance that the Government's financial and accounting transactions and those of funds of a public or quasi-public nature are proper and conforming to the accepted accounting standards.

Brief Description

3 The Commission audits the accounts of all government bureaux, departments and offices, and the accounts of the Hong Kong Housing Authority, the Exchange Fund, the trading funds and funds established under section 29 of the Public Finance Ordinance (Cap. 2). The Commission also audits non-government fund accounts and subvention expenditure. A total of 86 accounts were certified in 2023–24, and the number of accounts to be certified in both 2024–25 and 2025–26 will be 86. The provision spent on regularity audit was about 38 per cent of the total provision for the Commission in 2023–24. This proportion will be about 37 per cent in both 2024–25 and 2025–26.

4 The key performance measures in respect of regularity audit are:

Targets

	Target	2023–24 (Actual)	2024–25 (Revised Estimate)	2025–26 (Plan)
Director of Audit's Reports submitted to LegCo	1	1	1	1
time required to certify the statements of accounts of the Government of the Hong Kong Special Administrative Region after the end of each financial year (months).....	7	7	7	7

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Indicators

	2023–24 (Actual)	2024–25 (Revised Estimate)	2025–26 (Estimate)
accounts certified	86	86	86
man-hours spent	98 019	104 764	109 827
provision for regularity audit as percentage of total government expenditure (%)	0.010	0.010	0.011
providing assurance on combined actual expenditure and revenue in accounts audited (\$ billion).....	2,444	N.A.#	N.A.#

Not possible to estimate.

Matters Requiring Special Attention in 2025–26

5 During 2025–26, the Commission will continue to enhance the research work on industry practices and audit methodology in line with the latest international standards.

Programme (2): Value for Money Audit

	2023–24 (Actual)	2024–25 (Original)	2024–25 (Revised)	2025–26 (Estimate)
Financial provision (\$m)	122.9	132.2	133.1 (+0.7%)	134.1 (+0.8%)
				(or +1.4% on 2024–25 Original)

Aim

6 The aim is to provide LegCo with independent information, advice and assurance about the economy, efficiency and effectiveness with which any bureau, department or office of the Government, agency, public body, public office or audited organisation has discharged its functions.

Brief Description

7 The Commission conducts value for money audit on the performance of the audited bodies to ensure that their functions are discharged economically, efficiently and effectively, with reports submitted to LegCo twice a year. The provision spent on value for money audit was about 62 per cent of the total provision for the Commission in 2023–24. This proportion will be about 63 per cent in both 2024–25 and 2025–26.

8 The key performance measures in respect of value for money audit are:

Targets

	Target	2023–24 (Actual)	2024–25 (Revised Estimate)	2025–26 (Plan)
Director of Audit's Reports submitted to LegCo	2	2	2	2
value for money audit reports issued to audited bodies	16	16	16	16

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Indicators

	2023–24 (Actual)	2024–25 (Revised Estimate)	2025–26 (Estimate)
man-hours spent	142 690	160 153	165 969
provision for value for money audit as percentage of total government expenditure (%)	0.017	0.017	0.018
no. of recommendations accepted for implementation	545	N.A.#	N.A.#

Not possible to estimate.

Matters Requiring Special Attention in 2025–26

9 During 2025–26, the Commission will continue to closely monitor the development of various government programmes and keep in view the need to conduct value for money studies which help enhance public sector performance and accountability. To ensure resources are allocated to audit areas which are worth pursuing, the Commission will continue to select subjects for review based on the established audit criteria, including materiality and timeliness.

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ANALYSIS OF FINANCIAL PROVISION

	2023–24 (Actual) (\$m)	2024–25 (Original) (\$m)	2024–25 (Revised) (\$m)	2025–26 (Estimate) (\$m)
Programme				
(1) Regularity Audit	75.2	77.8	76.8	79.4
(2) Value for Money Audit.....	122.9	132.2	133.1	134.1
	198.1	210.0	209.9 (—)	213.5 (+1.7%)
				(or +1.7% on 2024–25 Original)

Analysis of Financial and Staffing Provision

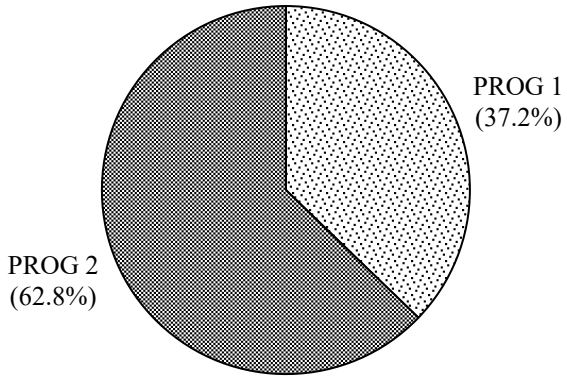
Programme (1)

Provision for 2025–26 is \$2.6 million (3.4%) higher than the revised estimate for 2024–25. This is mainly due to the increased requirement for personal emoluments and personnel related expenses, partly offset by the decreased requirement for departmental expenses and a decrease of one post in 2025–26.

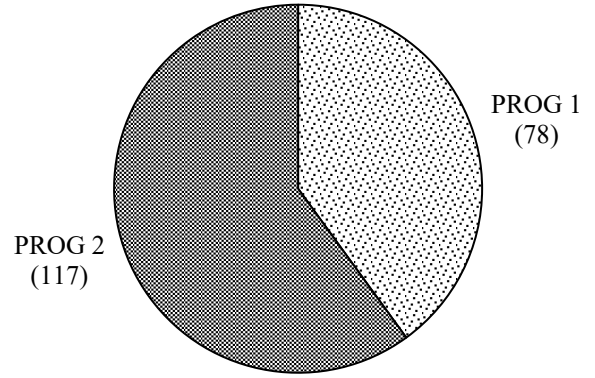
Programme (2)

Provision for 2025–26 is \$1.0 million (0.8%) higher than the revised estimate for 2024–25. This is mainly due to the increased requirement for personal emoluments and personnel related expenses, partly offset by the decreased requirement for departmental expenses and a decrease of one post in 2025–26.

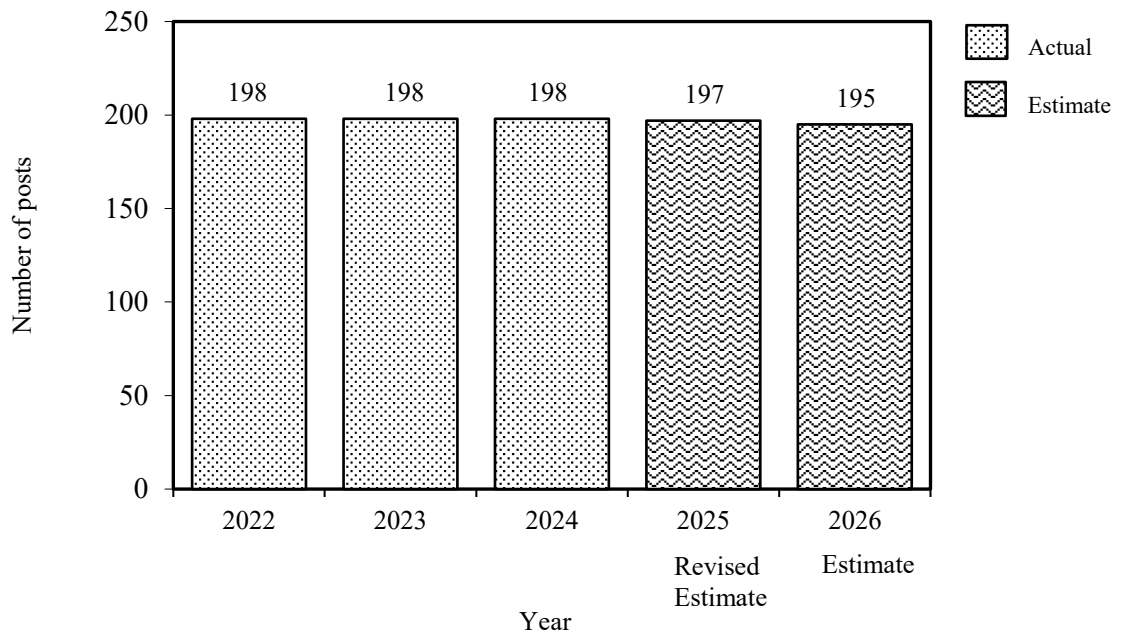
*Allocation of provision
to programmes
(2025-26)*



*Staff by programme
(as at 31 March 2026)*



*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2023–24	Approved estimate 2024–25	Revised estimate 2024–25	Estimate 2025–26	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	198,097	210,035	209,913	213,549
	Total, Recurrent.....	198,097	210,035	209,913	213,549
	Total, Operating Account	198,097	210,035	209,913	213,549
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	Total Expenditure	198,097	210,035	209,913	213,549
		<u>198,097</u>	<u>210,035</u>	<u>209,913</u>	<u>213,549</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2025–26 for the salaries and expenses of the Audit Commission is \$213,549,000. This represents an increase of \$3,636,000 over the revised estimate for 2024–25 and \$15,452,000 over the actual expenditure in 2023–24.

Operating Account

Recurrent

2 Provision of \$213,549,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Audit Commission.

3 The establishment as at 31 March 2025 will be 197 posts. It is expected that there will be a decrease of two posts in 2025–26. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2025–26, but the notional annual mid-point salary value of all such posts must not exceed \$156,338,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2023–24 (Actual) (\$'000)	2024–25 (Original) (\$'000)	2024–25 (Revised) (\$'000)	2025–26 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	165,643	175,014	174,944	178,260
- Allowances	2,471	2,386	3,027	2,300
Personnel Related Expenses				
- Mandatory Provident Fund contribution	570	833	744	673
- Civil Service Provident Fund contribution	13,937	15,721	15,671	17,421
Departmental Expenses				
- Remuneration for special appointments	4,339	4,348	4,446	4,455
- General departmental expenses	11,137	11,733	11,081	10,440
	198,097	210,035	209,913	213,549