

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

AUD001

Question Serial No.

1713

Head: 24 - Audit Commission

Subhead (No. & title):

Programme: (2) Value for Money Audit

Controlling Officer: Director of Audit

Director of Bureau:

Question :

- (a) Please advise this Council whether the Audit Commission has carried out any value for money audits on the Complaints Against Police Office (CAPO) under the Hong Kong Police Force in 2007-08. If yes, whether the expenditure of the CAPO under the Hong Kong Police Force is in compliance with the value for money standards? If not, please explain in detail the standards adopted by the Audit Commission in deciding whether to conduct value for money audits of government departments.
- (b) Last year, the Audit Commission expressed that it would take into account the opinions of members of the public and public expectations in deciding to conduct value for money audits of government departments. In this regard, please advise this Council whether the Audit Commission knows that members of the public, various bodies and the Legislative Council are concerned about the work of the CAPO for years, and hopes that the Audit Commission would carry out value for money audits on the CAPO. If yes, what are the reasons for not conducting value for money audit on the CAPO?

Asked by: Hon. TO Kun-sun, James

Reply:

- (a)(i) The Audit Commission did not conduct any value for money audit on the Complaints Against Police Office (CAPO) in 2007-08. The CAPO is a division of the Hong Kong Police Force. Its revised estimate of \$47.8 million accounted for about 0.4% of the total revised estimate of the Hong Kong Police Force in 2007-08.
- (ii) The Audit Commission adopts a selective approach for conducting value for money audits of government expenditure. A strategic planning exercise is carried out annually to determine the priority and timing of value for money audits. The strategic planning exercise covers various audit areas such as government bureaux and departments, subvented organisations and some statutory bodies, including the CAPO under the Hong Kong Police Force. With limited resources, the Commission has to take into account factors such as materiality, risk, timeliness, auditability, public interest and value-added in selecting and prioritising value for money audit subjects for detailed investigation.

- (b) The Audit Commission notes that members of the public, various bodies and the Legislative Council are concerned about the work of the CAPO. Given the wide spectrum of the activities of the Government, the Commission will continue to select subjects for review based on established audit criteria within the resources available. The Commission will keep in view the CAPO's activities and the concerns about its work on an ongoing basis, and conduct a value for money audit on the CAPO when the situation so warrants.

Name in block letters	<u>BENJAMIN TANG</u>
Post Title	<u>Director of Audit</u>
Date	<u>25.3.2008</u>