

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

**AUD005**

Question Serial No.

3190

Head: 24 – Audit Commission      Subhead (No. & title):

Programme:                    (2) Value for Money Audit

Controlling Officer: Director of Audit

Director of Bureau:

Question:

The Panel on Economic Development of the Legislative Council passed a motion on 16 July 2009 which asked the Government to keep the promise, namely to conduct a value for money (VFM) audit on the Travel Industry Council of Hong Kong (TIC), made by Mr CHAU Tak-hay, the former Secretary for Commerce and Industry.

If the TIC does not fall within the audit scope of the Audit Commission because it is not a public-funded organisation, can the Director of the Audit put forward a proposal to the Government that the TIC be put under the Tourism Commission as a branch, and then conduct a formal audit review on it?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

According to the paper tabled in the Provisional Legislative Council on 11 February 1998 on the Scope of Government Audit in the Hong Kong Special Administrative Region — “Value for Money Audits”, audited organisations shall include:

- (a) any person, body corporate or other body whose accounts the Director of Audit is empowered under any Ordinance to audit;
- (b) any organisation which receives more than half of its income from public moneys (this should not preclude the Director from carrying out similar examinations in any organisation which receives less than half of its income from public moneys by virtue of an agreement made as a condition of subvention); and
- (c) any organisation the accounts and records of which the Director is authorised in writing to audit by the Chief Executive in the public interest under section 15 of the Audit Ordinance (Cap. 122).

2. At present, the Travel Industry Council of Hong Kong (TIC) does not meet the above conditions and is not subject to value for money audits by the Commission. Whether the TIC should become an audited organisation (i.e. be subject to value for money audits by the Commission) is a policy matter for the Administration.

Signature \_\_\_\_\_

Name in block letters      BENJAMIN TANG

Post Title      Director of Audit

Date      15.3.2010