

Report of the Director of Audit



Audit Commission

The Government of the Hong Kong Special Administrative Region

General Revenue Account

Independent Auditor's Report To the President of the Legislative Council

Opinion

I certify that I have examined and audited the financial statements of the General Revenue Account set out on pages 10 to 22, which comprise the statement of assets and liabilities as at 31 March 2020, and the statement of receipts and payments for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the General Revenue Account are prepared, in all material respects, in accordance with the Public Finance Ordinance (Cap. 2) and section 11(1) of the Audit Ordinance (Cap. 122).

Basis for opinion

I conducted my audit in accordance with section 12(1) of the Audit Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I have fulfilled the independence and other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Director of Accounting Services is responsible for the other information. The other information comprises all the information included in the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2020 published by the Treasury, other than the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Director of Accounting Services' responsibilities for the financial statements

In accordance with section 16(1) of the Public Finance Ordinance, the Director of Accounting Services is responsible for the compilation and supervision of the accounts of the Government of the Hong Kong Special Administrative Region, for the management of accounting operations and procedures, and for ensuring that all regulations, directions or instructions made or given under the Public Finance Ordinance relating thereto and in respect of the safe custody of public moneys and its accounting are complied with.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Revenue Account's internal control; and

- evaluate the appropriateness of accounting policies used by the Director of Accounting Services and the reasonableness of accounting estimates and related disclosures.

John Chu
Director of Audit

28 October 2020

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

General Revenue Account

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2020

(Expressed in Hong Kong dollars)

	Note	2020 \$'000	2019 \$'000
Assets			
Investments with the Exchange Fund	3	683,611,646	727,669,260
Deposits with banks	4	549,788	491,826
Cash and bank balances	5	3,206,426	4,509,675
Advances	6	4,668,832	3,255,025
Suspense Accounts	7	122,368	36,053
		692,159,060	735,961,839
Liabilities			
Deposits	8	(23,985,718)	(23,419,273)
Suspense Accounts	7	(69,476)	(88,477)
		(24,055,194)	(23,507,750)
		668,103,866	712,454,089
Representing:			
General Revenue Balance			
Balance at beginning of year		712,454,089	628,253,192
(Deficit)/Surplus for the year		(44,350,223)	84,200,897
Balance at end of year	9, 10	668,103,866	712,454,089

Notes 1 to 14 form part of these financial statements.

Charlix WONG
Director of Accounting Services
27 August 2020



General Revenue Account

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Expressed in Hong Kong dollars)

	Note	2020 \$'000	2019 \$'000
Cash and bank balances at beginning of year		4,509,675	4,226,983
Revenue	11	491,338,328	544,949,290
Expenditure	12	(535,688,551)	(460,748,393)
(Deficit)/Surplus for the year		(44,350,223)	84,200,897
Other cash movements	13	43,046,974	(83,918,205)
Cash and bank balances at end of year		3,206,426	4,509,675

Notes 1 to 14 form part of these financial statements.

Charlix WONG
Director of Accounting Services
27 August 2020



General Revenue Account

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars, unless otherwise stated)

1. Purpose and Legislation

- (i) The Public Finance Ordinance (Cap. 2) provides for the control and management of the public finances of Hong Kong and for incidental and connected purposes. The General Revenue Account records moneys raised or received for the purposes of the Government (except where provided otherwise in other Ordinances) and appropriations of expenditure in accordance with the Appropriation Ordinance and the Supplementary Appropriation Ordinance.
- (ii) The Statement of Assets and Liabilities and the Statement of Receipts and Payments of the General Revenue Account constitute the statement of the assets and liabilities and the annual statement of the receipts and payments of the Government as specified in section 11(1)(a) and (b) of the Audit Ordinance (Cap. 122). These Statements exclude the assets and liabilities and the receipts and payments of the Funds established under section 29 of the Public Finance Ordinance, viz Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund, Lotteries Fund and Bond Fund, for which separate financial statements are prepared.

2. Accounting Policies

- (i) The General Revenue Account is kept on a cash basis. Transactions are recorded when moneys are received or paid. The Statement of Assets and Liabilities does not include fixed assets, loans, investments other than those made under section 26 of the Public Finance Ordinance, and debtors and creditors other than those covered by sections 20, 21, 22, 23, 24, 27 and 30 of the Public Finance Ordinance.
- (ii) For the purposes of these financial statements, a contingent liability is defined as:
 - (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Government; or
 - (b) a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.
- (iii) Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Foreign currency balances are translated into Hong Kong dollars at weighted average cost.

3. Investments with the Exchange Fund

- (i) These are investments and deposits held under section 26 of the Public Finance Ordinance:

	2020 \$'000	2019 \$'000
Investments (Notes (ii) to (iv) below)	683,604,149	727,663,996
Deposits	7,497	5,264
	<u>683,611,646</u>	<u>727,669,260</u>

General Revenue Account

3. Investments with the Exchange Fund *(Continued)*

- (ii) The investments represent the cost of investments together with the investment income received in the year being reported.
- (iii) Pursuant to the Financial Secretary's decision announced in the 2016-17 Budget, as from 1 July 2016, a top-up allocation of \$4.8 billion was made from the General Revenue Account to the Future Fund. The Future Fund was established on 1 January 2016 as a notional savings account within the fiscal reserves. Together with the top-up allocation, it was placed with the Exchange Fund for securing higher investment returns over a ten-year investment period in accordance with an arrangement entered into with the Hong Kong Monetary Authority in December 2015. Investment return on the Future Fund placement is determined annually based on a composite rate (8.7% and 6.1% for the calendar years 2019 and 2018 respectively) computed on a weighted average basis with reference to the agreed rate under the Investment Portfolio (Note (iv) below) and the annual rate of return linked with the performance of the Long-Term Growth Portfolio. The Future Fund, together with investment return not received and compounded on an annual basis, is retained within the Exchange Fund until 31 December 2025 or upon decision of the Financial Secretary for withdrawal, whichever is the earlier. In respect of the General Revenue Account portion of \$4.8 billion, such accumulated investment return not received as revenue amounted to \$1.7 billion as at 31 December 2019 (*2018: \$1.15 billion*), including the investment return for the calendar year 2019 of \$0.55 billion (*2018: \$0.36 billion*).
- (iv) The part of the fiscal reserves outside the Future Fund (Note (iii) above) is referred to as Operating and Capital Reserves. Investment income on the Operating and Capital Reserves placement with the Exchange Fund is calculated, in accordance with an arrangement entered into with the Hong Kong Monetary Authority in 2007, on the basis of the average annual investment return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year government bond (replacing the three-year Exchange Fund Notes with effect from 1 January 2016) for the previous year subject to a minimum of zero percent, whichever is the higher. The rate of return for the calendar year 2019 was 2.9% (*2018: 4.6%*). The annual investment income is receivable on 31 December each year.

4. Deposits with Banks

These are Hong Kong dollar and foreign currency deposits placed with licensed banks in Hong Kong for investment under section 26 of the Public Finance Ordinance:

	2020 \$'000	2019 \$'000
Hong Kong dollar	71,450	90,421
Foreign currency	478,338	401,405
	<u>549,788</u>	<u>491,826</u>

5. Cash and Bank Balances

These balances cover cash in hand, in transit, with banks and agents, and with public officers for operating standing or special imprest accounts as provided under section 22 of the Public Finance Ordinance.

General Revenue Account

6. Advances

Advances are paid under the authority of warrants issued under section 20 of the Public Finance Ordinance for a variety of reasons and are either recoverable or chargeable to expenditure upon authority being given:

	2020 \$'000	2019 \$'000
Advances to Government officers	2,144,719	1,366,715
Expenditure on Vietnamese migrants (Note (i) below)	1,161,991	1,161,991
Payments on behalf of non-departmental public bodies, trading funds and non-statutory corporations wholly-owned by Government	690,403	441,760
Others	671,719	284,559
	<u>4,668,832</u>	<u>3,255,025</u>

- (i) The sum of \$1,161.991 million is the outstanding balance of expenditure on Vietnamese migrants recoverable from the United Nations High Commissioner for Refugees (UNHCR). The last repayment, amounting to \$3.865 million, was received in February 1998. In January 1998, the High Commissioner for Refugees informed the Government of the Hong Kong Special Administrative Region (HKSAR) that in the absence of further funding prospects, the repayment in February 1998 was the last reimbursement that the UNHCR could realistically foresee. If the UNHCR defaults on repayment of the outstanding advances, the Government of the HKSAR will not be able to enforce repayment through legal means as the UNHCR is immune from suit under the International Organizations and Diplomatic Privileges Ordinance (Cap. 190). Consequently, the full recovery of the amount due is doubtful.

During the financial year 2019-20, the Government of the HKSAR continued to pursue the repayment of the outstanding advances from the UNHCR and to urge it to make renewed efforts to look for donations with a view to settling the amount. So far, the Government of the HKSAR has not received any further repayments.

Efforts to press the UNHCR for early settlement of the outstanding advances will continue. The Government of the HKSAR takes note of the Public Accounts Committee's suggestion to the Panel on Security in March 2020 that the Government of the HKSAR should re-consider writing off the outstanding payment, and will carefully consider the suggestion.

7. Suspense Accounts

These Suspense Accounts are established under Resolutions passed by the Legislative Council under section 30 of the Public Finance Ordinance:

	2020 \$'000	2019 \$'000
Assets:		
Correctional Services Industries (Note (i) below)	26,857	28,759
Government Logistics Department — Unallocated Stores (Note (i) below)	95,432	7,243
The Financial Secretary Incorporated (Note (ii) below)	79	51
	<u>122,368</u>	<u>36,053</u>
Liabilities:		
The Special Coin (Note (iii) below)	(69,476)	(88,477)
Net balance	<u>52,892</u>	<u>(52,424)</u>

- (i) The balances on the Correctional Services Industries Suspense Account and the Government Logistics Department — Unallocated Stores Suspense Account represent the cost of stocks in hand.

General Revenue Account

7. Suspense Accounts *(Continued)*

- (ii) The balance on The Financial Secretary Incorporated Suspense Account represents the net amount arising from dealing with the regrant or renewal of Government Leases and managing the properties comprised therein.
- (iii) The balance on The Special Coin Suspense Account represents the unutilised balance of net proceeds arising from issuing and dealing with special and commemorative coins.

8. Deposits

These are moneys received from time to time from individuals or organisations under sections 23 and 24 of the Public Finance Ordinance for a variety of reasons and are in due course either repayable or transferable to General Revenue:

	2020 \$'000	2019 \$'000
Tax reserve certificates	14,794,836	14,671,210
Water deposits	1,929,726	1,896,033
Tenancy deposits	1,822,191	1,964,837
Tax overpayments	1,365,665	972,079
Legal aid deposits	1,072,622	1,066,115
Private works	383,273	354,930
Others	2,617,405	2,494,069
	23,985,718	23,419,273

9. Contingent Liabilities

As at 31 March 2020, the Government had the following contingent liabilities:

- (i) guarantee to the Hong Kong Export Credit Insurance Corporation for liabilities under contracts of insurance amounting to \$36,726 million (2019: \$37,289 million);
- (ii) guarantees provided under the SME Financing Guarantee Scheme — Special Concessionary Measures amounting to \$24,018 million (2019: \$18,275 million);
- (iii) guarantees provided under the SME Financing Guarantee Scheme — 90% Guarantee Coverage amounting to \$817 million (2019: Nil);
- (iv) legal claims, disputes and proceedings amounting to \$5,249 million (2019: \$7,981 million);
- (v) guarantees provided under the SME Loan Guarantee Scheme amounting to \$3,877 million (2019: \$4,104 million); and
- (vi) guarantees provided under the Special Loan Guarantee Scheme amounting to \$329 million (2019: \$449 million).

10. Commitments

The balances of non-recurrent and capital funding approvals that were unspent were as follows:

	2020 \$'000	2019 \$'000
Non-recurrent expenditure	77,021,523	68,522,334
Plant, vehicles and equipment	11,650,245	8,517,328
Capital subventions	2,733,934	2,610,303
Capital works	311,119	355,759
	91,716,821	80,005,724

General Revenue Account

11. Revenue

Analysis of total revenue by Head:

Head	2020				2019
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
1 Duties	10,765,768	11,390,578	624,810	5.8	10,635,632
2 General Rates	19,875,000	20,980,582	1,105,582	5.6	17,166,545
3 Internal Revenue					
Profits tax	159,600,000	155,900,322	(3,699,678)	(2.3)	166,619,646
Salaries tax	66,600,000	50,412,460	(16,187,540)	(24.3)	60,145,881
Stamp duties	76,000,000	67,197,968	(8,802,032)	(11.6)	79,978,723
Other internal revenue	34,935,000	32,218,384	(2,716,616)	(7.8)	34,752,040
	337,135,000	305,729,134	(31,405,866)	(9.3)	341,496,290
4 Motor Vehicle Taxes	9,198,140	7,218,830	(1,979,310)	(21.5)	9,432,181
5 Fines, Forfeitures and Penalties	1,539,831	1,800,770	260,939	16.9	2,836,758
6 Royalties and Concessions	3,503,244	3,202,674	(300,570)	(8.6)	3,500,655
7 Properties and Investments					
Income from Investments with the Exchange Fund (Note (i) below)	-	39,954,835	-	-	27,605,127
Others	-	25,050,403	-	-	18,557,364
	64,646,833	65,005,238	358,405	0.6	46,162,491
9 Loans, Reimbursements, Contributions and Other Receipts	59,878,316	59,982,409	104,093	0.2	93,050,345
10 Utilities	4,421,316	3,905,742	(515,574)	(11.7)	4,440,110
11 Fees and Charges	14,259,108	12,122,371	(2,136,737)	(15.0)	16,228,283
Total	<u>525,222,556</u>	<u>491,338,328</u>	<u>(33,884,228)</u>	(6.5)	<u>544,949,290</u>

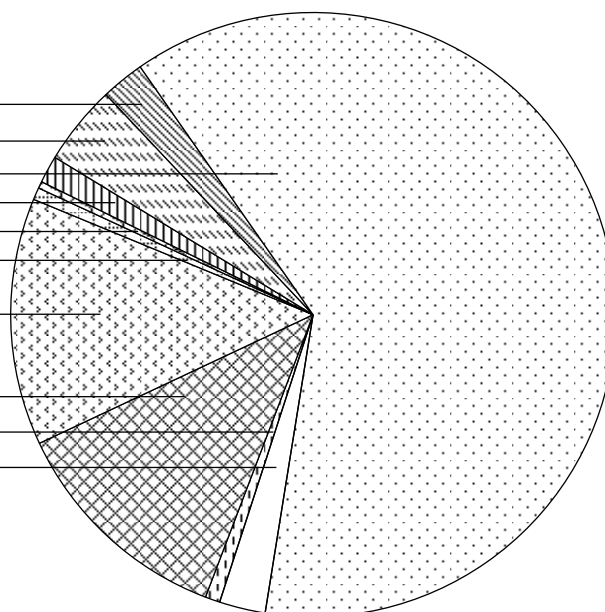
- (i) Pursuant to the Financial Secretary's directives, the investment incomes of the General Revenue Account for the calendar years 2014 and 2015 totalling \$40.99 billion (comprising \$14.84 billion for 2014 and \$26.15 billion for 2015), along with the investment incomes on other parts of the fiscal reserves for the two years, were set aside and retained within the Exchange Fund for the Housing Reserve, and not received in the respective financial years 2014-15 and 2015-16. The Housing Reserve was established in December 2014. As explained in the 2015-16 Budget Speech, the Housing Reserve is to provide financial resources to meet the ten-year public housing supply target. The investment income retained within the Exchange Fund earns the same rate of investment return as stipulated in Note 3(iv). The accumulated investment return was \$6.8 billion up to 31 December 2019 (2018: \$5.45 billion), including the investment return for the calendar year 2019 amounting to \$1.35 billion (2018: \$2.04 billion). As announced in the 2019-20 Budget Speech, the Housing Reserve would be brought back to the Government's accounts and recorded as investment income over four financial years from 2019-20 to 2022-23. At the same time, \$82.37 billion (the balance of the Housing Reserve as at 31 December 2018 which included \$46.44 billion from the General Revenue Account) was earmarked for public housing development.

During the financial year 2019-20, \$21.19 billion (2019: Nil) was brought back from the Housing Reserve to the General Revenue Account and recorded as investment income. As at 31 December 2019, the investment incomes and the accumulated investment return not received and recorded by the General Revenue Account and retained for the Housing Reserve totalled \$26.6 billion (2018: \$46.44 billion).

General Revenue Account

Analysis of Revenue for the year ended 31 March 2020

Duties	\$11.4 Billion	2%
General Rates	\$21.0 Billion	4%
Internal Revenue	\$305.7 Billion	62%
Motor Vehicle Taxes	\$7.2 Billion	2%
Fines, Forfeitures and Penalties	\$1.8 Billion	1%
Royalties and Concessions	\$3.2 Billion	1%
Properties and Investments	\$65.0 Billion	13%
Loans, Reimbursements, Contributions and Other Receipts (Including Transfers from Funds)	\$60.0 Billion	12%
Utilities	\$3.9 Billion	1%
Fees and Charges	\$12.1 Billion	2%



**Total Revenue
\$491.3 Billion**

12. Expenditure

Analysis of total expenditure by Head:

Head	2020		Over/(Under) the Estimate \$'000	Variance %	2019 Actual \$'000
	Original Estimate \$'000	Actual \$'000			
21 Chief Executive's Office	120,545	122,428	1,883	1.6	116,977
22 Agriculture, Fisheries and Conservation Department	1,821,273	1,698,910	(122,363)	(6.7)	1,604,858
25 Architectural Services Department	2,379,893	2,404,391	24,498	1.0	2,231,487
24 Audit Commission	182,882	186,468	3,586	2.0	177,274
23 Auxiliary Medical Service	107,321	98,110	(9,211)	(8.6)	95,936
82 Buildings Department	1,656,263	1,674,239	17,976	1.1	1,556,788
26 Census and Statistics Department	817,789	753,284	(64,505)	(7.9)	665,522
27 Civil Aid Service	124,004	115,194	(8,810)	(7.1)	112,147
28 Civil Aviation Department	1,157,484	1,146,785	(10,699)	(0.9)	1,062,930
33 Civil Engineering and Development Department	3,040,354	3,022,825	(17,529)	(0.6)	2,578,131
30 Correctional Services Department	4,228,478	4,308,750	80,272	1.9	4,061,087
31 Customs and Excise Department	4,943,961	4,559,470	(384,491)	(7.8)	4,135,699
37 Department of Health	13,300,751	12,005,663	(1,295,088)	(9.7)	10,229,445
92 Department of Justice	2,329,724	1,797,306	(532,418)	(22.9)	1,740,755
39 Drainage Services Department	2,935,378	2,959,561	24,183	0.8	2,828,600

General Revenue Account

12. Expenditure (Continued)

Head	2020				2019
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
42 Electrical and Mechanical Services Department	1,176,102	1,082,143	(93,959)	(8.0)	858,717
44 Environmental Protection Department	6,959,161	6,114,974	(844,187)	(12.1)	5,212,695
45 Fire Services Department	7,161,588	6,943,582	(218,006)	(3.0)	6,503,011
49 Food and Environmental Hygiene Department	8,434,909	8,424,324	(10,585)	(0.1)	7,551,598
46 General Expenses of the Civil Service	4,106,593	3,729,492	(377,101)	(9.2)	3,550,272
166 Government Flying Service	735,367	553,727	(181,640)	(24.7)	1,054,694
48 Government Laboratory	538,622	552,249	13,627	2.5	502,972
59 Government Logistics Department	568,389	565,127	(3,262)	(0.6)	540,544
51 Government Property Agency	2,227,077	1,987,288	(239,789)	(10.8)	1,963,245
143 Government Secretariat: Civil Service Bureau	733,778	653,488	(80,290)	(10.9)	619,882
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	3,171,327	3,108,084	(63,243)	(2.0)	2,238,919
55 Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	903,866	553,296	(350,570)	(38.8)	475,934
144 Government Secretariat: Constitutional and Mainland Affairs Bureau	766,755	736,891	(29,864)	(3.9)	679,064
138 Government Secretariat: Development Bureau (Planning and Lands Branch)	1,015,941	945,749	(70,192)	(6.9)	601,017
159 Government Secretariat: Development Bureau (Works Branch)	708,532	707,778	(754)	(0.1)	1,514,029
156 Government Secretariat: Education Bureau	67,944,609	69,898,677	1,954,068	2.9	67,645,260
137 Government Secretariat: Environment Bureau	1,795,931	1,751,085	(44,846)	(2.5)	360,449
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	872,510	749,915	(122,595)	(14.1)	522,094

General Revenue Account

12. Expenditure (Continued)

Head	2020				2019
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	305,311	1,046,061	740,750	242.6	304,738
139 Government Secretariat: Food and Health Bureau (Food Branch)	178,304	170,128	(8,176)	(4.6)	161,195
140 Government Secretariat: Food and Health Bureau (Health Branch)	71,181,690	73,558,265	2,376,575	3.3	65,282,861
53 Government Secretariat: Home Affairs Bureau	2,265,617	2,173,751	(91,866)	(4.1)	8,994,386
135 Government Secretariat: Innovation and Technology Bureau	751,008	501,667	(249,341)	(33.2)	402,888
155 Government Secretariat: Innovation and Technology Commission	820,794	725,068	(95,726)	(11.7)	677,900
141 Government Secretariat: Labour and Welfare Bureau	937,078	929,079	(7,999)	(0.9)	842,244
47 Government Secretariat: Office of the Government Chief Information Officer	806,504	838,089	31,585	3.9	769,490
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	1,030,663	30,957,106	29,926,443	2,903.6	785,528
96 Government Secretariat: Overseas Economic and Trade Offices	531,495	415,388	(116,107)	(21.8)	349,102
151 Government Secretariat: Security Bureau	819,927	815,471	(4,456)	(0.5)	702,046
158 Government Secretariat: Transport and Housing Bureau (Transport Branch)	337,151	335,452	(1,699)	(0.5)	301,694
60 Highways Department	4,175,667	3,839,784	(335,883)	(8.0)	3,289,940
63 Home Affairs Department	3,260,297	3,088,116	(172,181)	(5.3)	2,809,705
168 Hong Kong Observatory	381,364	378,386	(2,978)	(0.8)	338,248
122 Hong Kong Police Force	20,682,101	23,701,359	3,019,258	14.6	20,036,201
62 Housing Department	357,962	1,787,793	1,429,831	399.4	322,579
70 Immigration Department	6,152,753	6,080,854	(71,899)	(1.2)	5,109,614
72 Independent Commission Against Corruption	1,167,704	1,193,841	26,137	2.2	1,147,380
121 Independent Police Complaints Council	95,852	105,459	9,607	10.0	79,199

General Revenue Account

12. Expenditure (Continued)

Head	2020				2019
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
74 Information Services Department	545,982	565,681	19,699	3.6	521,502
76 Inland Revenue Department	1,721,902	1,701,845	(20,057)	(1.2)	1,605,078
78 Intellectual Property Department	185,778	189,824	4,046	2.2	177,484
79 Invest Hong Kong	144,307	144,629	322	0.2	143,986
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	48,349	47,506	(843)	(1.7)	37,206
80 Judiciary	2,109,451	1,936,161	(173,290)	(8.2)	1,801,888
90 Labour Department	2,062,711	1,940,063	(122,648)	(5.9)	1,978,118
91 Lands Department	3,017,840	3,104,740	86,900	2.9	2,753,754
94 Legal Aid Department	1,590,214	1,481,258	(108,956)	(6.9)	1,132,580
112 Legislative Council Commission	954,274	952,447	(1,827)	(0.2)	886,963
95 Leisure and Cultural Services Department	9,916,896	9,829,672	(87,224)	(0.9)	9,080,260
100 Marine Department	1,623,339	1,608,184	(15,155)	(0.9)	1,531,814
106 Miscellaneous Services	33,152,664	375,686	(32,776,978)	(98.9)	445,685
180 Office for Film, Newspaper and Article Administration	51,627	48,667	(2,960)	(5.7)	49,622
114 Office of The Ombudsman	122,055	127,419	5,364	4.4	121,546
116 Official Receiver's Office	223,201	216,915	(6,286)	(2.8)	335,660
120 Pensions	39,596,125	38,648,249	(947,876)	(2.4)	36,783,768
118 Planning Department	788,965	770,517	(18,448)	(2.3)	712,284
136 Public Service Commission Secretariat	27,694	28,469	775	2.8	27,442
160 Radio Television Hong Kong	1,021,055	1,041,651	20,596	2.0	1,037,585
162 Rating and Valuation Department	689,846	587,760	(102,086)	(14.8)	548,747
163 Registration and Electoral Office	796,430	738,093	(58,337)	(7.3)	410,120
169 Secretariat, Commissioner on Interception of Communications and Surveillance	25,158	22,146	(3,012)	(12.0)	23,845
170 Social Welfare Department	85,115,708	86,158,486	1,042,778	1.2	85,058,369
181 Trade and Industry Department	929,794	963,520	33,726	3.6	780,652
186 Transport Department	6,727,739	5,592,416	(1,135,323)	(16.9)	3,804,756
188 Treasury	432,932	444,082	11,150	2.6	413,063
190 University Grants Committee	22,500,710	44,102,745	21,602,035	96.0	22,888,646

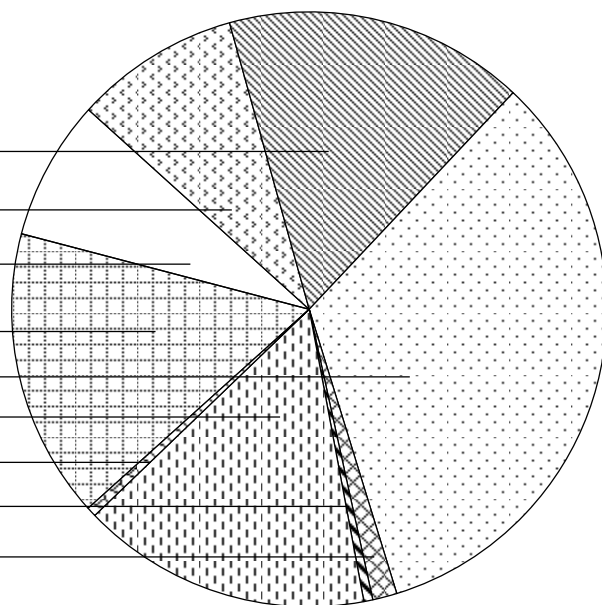
General Revenue Account

12. Expenditure (Continued)

Head	2020				2019
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
194 Water Supplies Department	8,674,551	8,763,553	89,002	1.0	8,475,139
173 Working Family and Student Financial Assistance Agency	18,717,089	17,929,797	(787,292)	(4.2)	6,281,861
	508,720,785	528,614,551	19,893,766	3.9	438,148,393
184 Transfers to Funds	7,074,000	7,074,000	-	-	22,600,000
Total	515,794,785	535,688,551	19,893,766	3.9	460,748,393

Analysis of Expenditure for the year ended 31 March 2020

Personal Emoluments	\$87.5 Billion	16%
Personnel Related Expenses	\$48.1 Billion	9%
Departmental Expenses	\$40.8 Billion	7%
Other Charges	\$84.4 Billion	16%
Recurrent Subventions	\$178.0 Billion	33%
Non-Recurrent Expenditure	\$84.4 Billion	16%
Plant, Equipment and Works	\$2.8 Billion	1%
Capital Subventions	\$2.6 Billion	1%
Transfers to Funds	\$7.1 Billion	1%



**Total Expenditure
\$535.7 Billion**

General Revenue Account

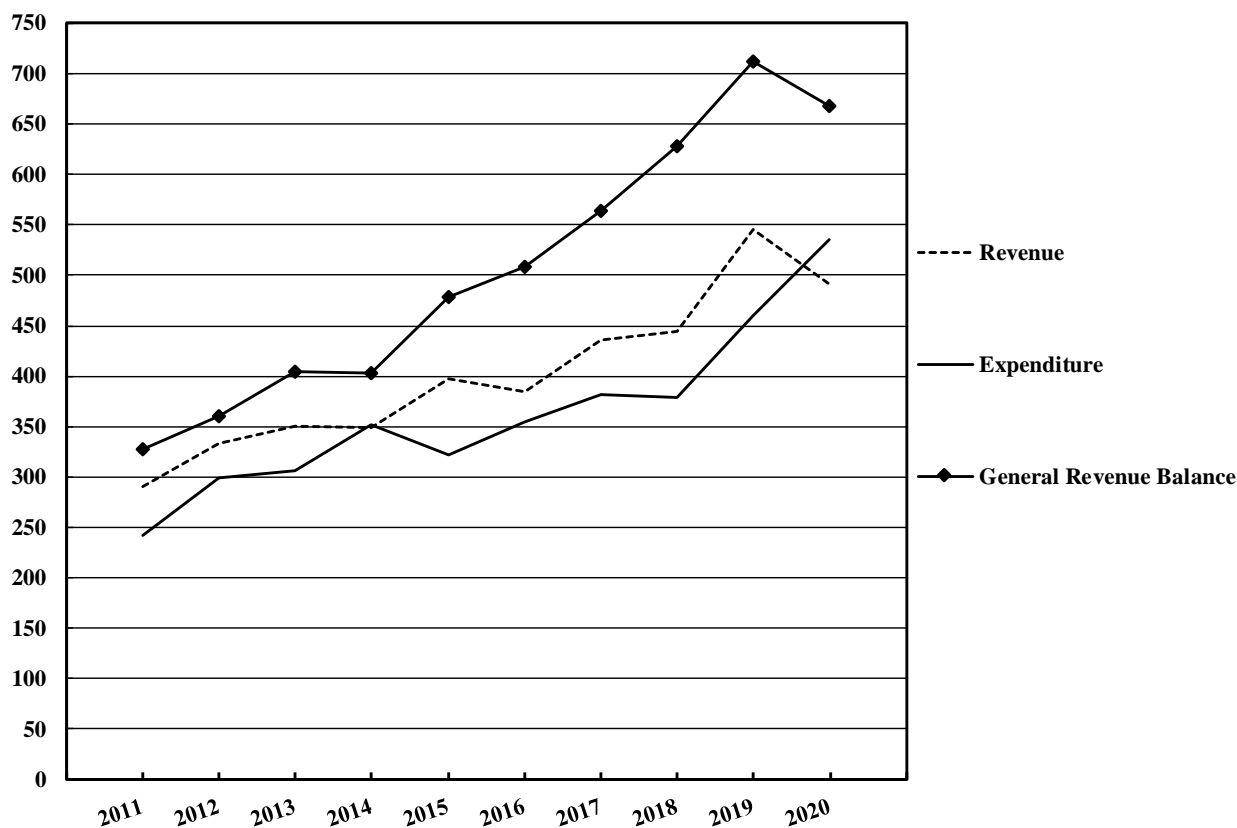
13. Other Cash Movements

These are cash movements arising from changes in other assets and liabilities:

	2020 \$'000	2019 \$'000
Reduction/(Increase) in Assets		
Investments with the Exchange Fund	44,057,614	(86,928,513)
Deposits with banks	(57,962)	40,927
Advances	(1,413,807)	(353,749)
Suspense Accounts	(86,315)	(3,539)
	42,499,530	(87,244,874)
Increase/(Reduction) in Liabilities		
Deposits	566,445	3,326,113
Suspense Accounts	(19,001)	556
	547,444	3,326,669
	43,046,974	(83,918,205)

Revenue, Expenditure and General Revenue Balance for the years ended 31 March 2011 to 2020

\$Billion



14. Comparative Figures

Certain comparative figures have been re-classified to conform with the presentation of the current year.