HONG KONG SPECIAL ADMINISTRATIVE REGION

Audit Commission

Annual Report 2025-26

Audit Commission
Hong Kong
August 2026

AUDIT COMMISSION

ANNUAL REPORT 2025-26

Contents

Director's Message

The past year was defined by robust growth, new opportunities and broader connections. The remarkable progress was only made possible by the commitment and hard work of my team of talents at the Audit Commission, which I have been privileged to lead, serve and grow alongside for the last four years. Now, I am pleased to share with you our key accomplishments and milestones last year, which are presented in this Annual Report of the Audit Commission for the financial year 2025-26.

2. Our mission is to help the Government and public sector organisations enhance public sector performance and accountability. We achieve this mission by conducting regularity audits and value for money (VFM) audits.

3. Regularity audits are similar to financial audits in the private sector. In 2025-26, a total of 85 accounts were audited and certified, including all of the accounts of the Government, and the accounts of the Hong Kong Housing Authority, the Exchange Fund, five Trading Funds and more than 60 other funds. We also perform risk and compliance audits to help ensure that government systems/programmes are operating within the approved ambit and that the spending is incurred in accordance with laid-down policy objectives and conditions. As an integral part of our regularity audit work, risk and compliance audits supplement our normal certification audit work. It is important to mention that the Audit Ordinance, the key legislation on which our regularity audit is based, was revamped in 2025 such that the Ordinance would be in compliance with the Basic Law and the status of Hong Kong as a Special Administrative Region of the People's Republic of China.

4. VFM audits focus on providing independent information, advice and assurance about the economy, efficiency and effectiveness with which the auditees have discharged their functions. We take into account various factors such as materiality, timeliness, amount of public money and risk involved, value added in selecting subjects for VFM audits. We aim to make value-added recommendations to help the auditees achieve better VFM. In 2025-26, we issued a number of VFM audit reports that attracted considerable attention from the public. Apart from that, we hosted two VFM Audit Workshops during the year at the request of the Financial Secretary. Through sharing with the senior management of Government departments and public bodies our observations and experience from previous audit projects, we aimed to help them enhance the economy, efficiency and effectiveness with which they discharge their duties.

5. During the year, my colleagues and I took part in various audit congresses, meetings, events and seminars, which expanded our professional horizons and opened vital channels for networking and collaboration with our counterparts. In September and October 2025, I was privileged to join the People's Republic of China Delegation to the 9th Meeting of the International Organization of Supreme Audit Institutions Working Group on Big Data in Harbin and the 25th Congress of the International Organization of Supreme Audit Institutions in Sharm El Sheikh, Egypt respectively, in which I got to meet and exchange views with leaders of audit authorities from all over the world. Carrying forward the momentum of our ongoing collaborations, we continued to deepen our ties with our Mainland and Macao counterparts. In that connection, we received a delegation from the Guiyang Municipal Government in April 2025 and attended the China International Big Data Industry Expo 2025 in Guiyang in August 2025. With the assumption of office by Macao's new Commissioner of Audit, we took the occasion to engage in mutual visits with our Macao counterparts. These exchange platforms served as the bedrock upon which we build our continuous ascent to excellence. Interactions with experts from around the world offered us a vantage point to stay ahead of the industry, allowing us to learn and absorb audit practices and skills from across the globe. At the same time, these engagements would give a powerful boost to our corporate identity. That is why we seize every opportunity to reach out to the world and tell the good stories of China, Hong Kong and public sector auditing.

6. Since 2023, Auditors of the Commission have had the great privilege to take part in the United Nations (UN) audit projects as part of the delegation of the National Audit Office of the People's Republic of China (CNAO). I am honoured to share that five of our Auditors were granted the valuable chance to provide auditing services to the UN last year. Upon their completion of the training offered by the CNAO in Beijing, these Auditors were tasked with different UN audit assignments as members of the CNAO audit team in New York and Nairobi respectively. The UN placements were a rare experience for our young colleagues to gain first-hand exposure to global governance frameworks and learn from elite members of the auditing field from the Mainland and other parts of the world.

7. Apart from striving to provide quality auditing services, we also dedicate our efforts to building a caring and healthy community through youth and voluntary activities. In 2025-26, we were delighted to be on board again on the Education Bureau's "Business-School Partnership Programme" to support students in exploring career orientation. Throughout the year, we remained committed to voluntary services, working in close partnership with various parties, to serve people from all walks of life. In the future, we will continue to engage in youth and voluntary work to promote harmony and integration in society.

8. Professionalism, probity and people are the cornerstones of our success. That is why we accord high priority to the professional development of our staff. All year round, the Commission provided various training opportunities to our staff of all levels, such as national studies courses and in-house seminars, with a goal of encouraging and helping our staff deliver their full potential through training, learning and sharing.

9. I wish to express appreciation for the continuous support of the Public Accounts Committee of the Legislative Council to our work over the past year. I would also like to acknowledge with gratitude the full cooperation and assistance rendered by the auditees. Finally, I would like to extend my heartfelt thanks to my staff members for their unfailing support. Their dedication, resilience and professionalism have enabled the Commission to deliver quality audit services, which help enhance public sector performance and accountability. The year 2026 marks the beginning of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China (i.e. the National 15th Five-Year Plan). To proactively align with the national development strategies and seize the significant opportunities arising therefrom, the Hong Kong Special Administrative Region (HKSAR) is formulating its First Five-Year Plan for Economic and Social Development, which fills me with hope and anticipation. Looking ahead, I will continue my active role in leading Audit in serving the public through professional audit work, so as to help the HKSAR better integrate into and serve the overall national development.

Prof. LAM Chi Yuen Nelson, JP
Director of Audit
August 2026

Role and work of the Audit Commission

1. ***Independence.*** According to Article 58 of the Basic Law of the Hong Kong Special Administrative Region, a Commission of Audit shall be established in the Hong Kong Special Administrative Region (HKSAR). It shall function independently and be accountable to the Chief Executive.

2. ***Audit Ordinance.*** The Audit Ordinance (Cap. 122) (which was revamped in 2025 – see para. 18(b)(v) for details) provides for the duties and powers of the Director of Audit and for the auditing of and reporting on the public accounts. In the performance of his duties and the exercise of his powers under the Ordinance, the Director shall not be subject to the direction or control of any other person or authority. The certification audit work carried out under the Ordinance is generally known as regularity audit.

3. ***Reporting to the Legislative Council.*** According to the Audit Ordinance, the Director of Audit shall prepare and submit to the President of Legislative Council (LegCo) a report in respect of his examination and audit of the accounts of the Government. A copy of the report and certified statements shall be laid before LegCo. According to the Value for Money Audit Guidelines, the Director of Audit shall report his findings on Value for money (VFM) audits to LegCo twice a year.

4. ***Value for Money Audit Guidelines.*** VFM audits are carried out under a set of guidelines tabled in the Provisional Legislative Council by the Chairman of the Public Accounts Committee (PAC) in February 1998. The VFM Audit Guidelines were agreed between the PAC and the Director of Audit and accepted by the Government.

5. ***Public Accounts Committee.*** The PAC of LegCo considers the reports of the Director of Audit on the accounts of the Government, on such other accounts required to be laid before LegCo as the PAC may think fit, and on any matter incidental to the performance of the Director's duties or the exercise of his powers as the PAC may think fit. The PAC also considers VFM audit reports of the Director laid on the Table of LegCo.

6. ***Follow-up actions of the Audit Commission.*** The Audit Commission (Audit) has put in place a mechanism to monitor the development of VFM audit subjects included in the Director of Audit's Reports. For subjects selected for investigation by the PAC, Audit conducts an annual clearance exercise to inform the PAC of the latest developments of issues raised in the PAC's Reports. The PAC, in its reports, takes stock of the progress of the action taken by the Government on the PAC's recommendations, and offers the PAC's views on the action taken. The Government's response to the PAC's Report is contained in the Government Minute which is tabled in LegCo twice a year. For subjects not selected for investigation by the PAC, Audit directly calls for separate progress reports from the auditees concerned on a half-yearly basis, and reviews the latest developments. If the situation warrants, Audit may conduct follow-up audit reviews on issues raised in previous VFM audits. The review results are published in the Director of Audit's Report.

7. ***Organisation of the Audit Commission.*** Audit is made up of six Divisions, namely one Regularity Audit Division, four VFM Audit Divisions, and one Corporate Services Division. As at 31 March 2026, Audit had an establishment of 195 posts. There were 66 posts (34%) in the Auditor grade, 92 posts (47%) in the Examiner grade and 37 posts (19%) in the general and common grades.

Regularity audit

8. The aim of regularity audits is to provide 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 that they conform to accepted accounting standards. Regularity audits are carried out mainly under the Audit Ordinance and in accordance with the Audit Commission auditing standards.

9. Regularity audits are conducted in accordance with a programme of work, which is determined annually by the Director of Audit. Audit adopts a risk-based approach to the planning and conduct of regularity audit. Compared with private-sector auditors, we put more emphasis on the regularity and probity aspects due to the statutory duties of the Director of Audit under section 8 of the Audit Ordinance. We supplement our normal certification audit work with a programme of risk and compliance audits, which examines risks related to regularity, propriety and financial control.

The year under review

10. On 12 September 2025, the Director of Audit submitted the Report of the Director of Audit on the Accounts of the Government of the HKSAR for the year ended 31 March 2025 to the President of LegCo.

11. In 2025-26, a total of 85 accounts were audited and certified, i.e. all of the Government's accounts, and the accounts of the Hong Kong Housing Authority, the Exchange Fund, five Trading Funds and 68 other funds. Appendix A is a list of these 85 accounts.

12. Our regularity audit workload has been increasing because we have to cope with the additional workload arising from:

(a) ***Strengthening our risk and compliance audit programme.*** In view of the increase in the number of government systems/programmes that involved significant spending and transactions, Audit needs to carry out more in-depth reviews or risk and compliance audits on the systems/programmes. Attention has also been given to ensuring that the systems/programmes are operating within the approved ambit and that the spending is incurred in accordance with laid-down policy objectives and conditions. To help ensure regularity, propriety and controls, our efforts have been directed towards auditing/assessing the effectiveness of the bureaux/departments' preventive and detective controls, and follow-up and rectification processes of detected errors and irregularities; and

(b) ***New accounting and auditing standards.*** To maintain convergence with the international standards, the Hong Kong Institute of Certified Public Accountants continues to issue new and revised accounting and auditing standards from time to time. We have deployed resources to implement the new auditing requirements, and to ensure compliance with the new and revised accounting standards by the auditees in preparing their financial statements under accrual basis of accounting.

Value for money audit

13. The aim of VFM audits is to provide independent information, advice and assurance about the economy, efficiency and effectiveness with which the auditees (i.e. bureaux/departments of the Government, agencies, other public bodies, public offices or audited organisations) have discharged their functions.

14. VFM audits are carried out under the VFM Audit Guidelines. Like regularity audits, VFM audits are conducted in accordance with the Audit Commission auditing standards and a programme of work determined annually by the Director of Audit. Our VFM audits are generally planned and scheduled about one year in advance, after taking into account the availability of our resources as well as factors such as materiality, timeliness, amount of public money and risk involved, value added in selecting subjects for VFM audit. In conducting VFM audits under the VFM Audit Guidelines, the Director of Audit is entitled to exercise the powers given to him under the Audit Ordinance. However, he is not entitled to question the merits of the policy objectives, but he may question the economy, efficiency and effectiveness of the means used to achieve them.

The year under review

15. In 2025-26, two Director of Audit's Reports on the results of a total of 16 VFM audits had been completed. The Director of Audit's Report No. 84 comprising eight subjects was submitted to the President of LegCo in April 2025. In light of the prorogation of the seventh LegCo on 24 October 2025, the normal procedures for submitting the Director of Audit's Report No. 85 to the President of LegCo in October 2025 could not be adopted. Audit, with the agreement of the President of LegCo, PAC and the Financial Services and the Treasury Bureau (FSTB) and the approval of the Chief Executive, deferred the submission of the Report. The Report No. 85 comprising eight subjects was submitted to the President of LegCo in April 2026.

16. The PAC selected the following two subjects for public hearing:

(a) "Management of Mandatory Window Inspection Scheme by the Buildings Department" (Chapter 4 of Report No. 84); and

(b) "Street cleansing services" (Chapter 6 of Report No. 84).

The PAC also showed great interest in and investigated all of the remaining 14 chapters of the Director of Audit's Reports Nos. 84 and 85 by making written enquiries. The PAC examined at length a number of issues raised in these reports. The audit conclusions and recommendations were generally accepted by the PAC and the auditees. Like the VFM audit reports issued in past years, some audit subjects in these two reports hit the headlines of newspapers and were widely reported. In general, the media and the public were supportive of Audit's findings.

Corporate services

17. The Corporate Services Division of Audit is responsible for the provision of corporate services, which include overseeing matters relating to the PAC proceedings, departmental administration, the Director of Audit's Report production work, translation services, technical audit, quality assurance, external and press relations, executive support, training, grade and personnel management, local area network administration, information technology (IT) support, and other support services.

The year under review

18. In 2025-26, our work on corporate services included:

(a) ***Director of Audit's Report production work.*** The Director of Audit's Report No. 84 was tabled in LegCo in April 2025. Due to the prorogation of the seventh LegCo on 24 October 2025, the normal procedures for submitting the Report on Government Accounts and the Director of Audit's Report No. 85 to the President of LegCo in October 2025 and tabling the Reports in November 2025 could not be adopted. With the agreement of the President of LegCo, PAC and FSTB, the submission and tabling of the Report on Government Accounts was advanced to September 2025. The submission and tabling of the Director of Audit's Report No. 85 was deferred to April 2026. In accordance with the Value for Money Audit Guidelines (see para. 4), approval of the Chief Executive has been obtained for the deferral. The Director of Audit's Reports are available on our website at https://www.aud.gov.hk/eng/pubpr_arpt/rpt.htm;

(b) ***Support services.*** Our work in this area included:

(i) ***Review and updating of the Strategic Framework.*** The Strategic Framework was last updated in July 2025. It sets out Audit's Vision, Mission and Values (see Appendix B) and also outlines our strategic objectives, strategies and outcomes in five Key Result Areas. Our key targets and indicators are set out in Appendix C, while the Strategic Framework in full is available on our website at https://www.aud.gov.hk/pdf_e/strategic2025_e.pdf;

(ii) ***Media research.*** We conducted media research on a daily basis (e.g. compiling newspaper clippings) to keep in view possible audit issues reported in the media. We also collected useful feedback (e.g. media comments and views from the public) on our published VFM audit reports to identify areas of improvement;

(iii) ***IT support.*** Our Departmental IT Plan for the two-year period 2025-26 to 2026-27 was approved by the Director of Audit in September 2025. It was used to monitor the development of IT projects in Audit;

(iv) ***Environmental Report.*** Starting from 2001, an annual Environmental Report has been issued to help promote environmental protection. The Environmental Reports are available on our website at https://www.aud.gov.hk/eng/otherinfo/info_envrpt.htm; and

(v) ***Revamp of Audit Ordinance.*** The Audit Ordinance, enacted in 1971, provides for the appointment, tenure of office, duties and powers of the Director of Audit and for the auditing of and reporting on the public accounts. In August 2025, the Audit Ordinance was revamped. In addition to the renaming from "核數條例" to "審計條例" in Chinese, adaptation or amendment were made to references in or provisions of the Ordinance which were inconsistent with the constitutional status of the HKSAR, such that the Ordinance would be in compliance with the Basic Law and the status of Hong Kong as a Special Administrative Region of the People's Republic of China;

(c) ***Training and development.*** We made use of the services provided by the Civil Service College to meet the training needs of our staff. Staff were encouraged to apply for courses relevant to their work and personal needs.

Apart from that, Audit staff were offered the following training and development opportunities to keep abreast of the latest development in auditing techniques and broaden their horizons:

(i) ***In-house seminars/workshops.*** They are organised mainly to address the operational needs of Audit and the personal development of our staff. Held regularly throughout the year, these departmental training sessions cover a variety of areas including national studies (e.g. sharing by staff who participated in national studies programmes and events on the Mainland), auditing techniques and leadership enhancement. To further enhance the communication and exchange of views with fellow accountants, a seminar on matters of common concern in the accounting and auditing disciplines was given by the candidates of the Hong Kong Institute of Certified Public Accountants Council Election 2025 to our staff in October 2025;

(ii) ***Ministry of Finance's training programme for finance and accounting talent of the Greater Bay Area.*** At the invitation of the Ministry of Finance of the People's Republic of China, an Auditor was nominated to attend a three-year programme – "High-level Finance and Accounting Talent Quality Improvement Project (Guangdong-Hong Kong-Macao Greater Bay Area Advanced Class)" targeted for accounting professionals of the Greater Bay Area, who are required to attend a 20-day training each year. In 2025-26, the Auditor attended the training at Sun Yat-sen University and Xiamen National Accounting Institute; and

(iii) ***National Audit Office of the People's Republic of China secondment - United Nations audit assignments.*** Since 2023, our staff have had the honour to take part in audit assignments for the United Nations (UN) every year at the invitation of the National Audit Office of the People's Republic of China (CNAO). In the year under review, our Auditors again had the privilege to take part in five separate UN assignments, working as part of the CNAO audit teams in month-long field audits for different audit projects in New York and Nairobi respectively;

(d) ***External and press relations.*** Our work in this area included:

(i) ***Receiving a delegation of the Guiyang Municipal Government.*** In April 2025, a five-member delegation of Guiyang Municipal Government, led by Mr Wang Hong, Deputy Secretary of the Communist Party of China Guiyang Municipal Committee and the Mayor of the Guiyang Municipal Government, paid a visit to the Audit headquarters in the company of Mr Zhao Jinguang, Director of the Department of Administration and Finance, Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region and exchanged views with the Director of Audit and Audit officials on further strengthening friendship and cooperation between Guiyang and Hong Kong;

(ii) ***Receiving and visiting representatives from the Commission of Audit of Macao.*** In June 2025, a four-member delegation of the Commission of Audit of Macao, led by Ms Ao Ieong U, Commissioner of Audit of Macao, paid a visit to the Audit headquarters and was received by the Director of Audit and Audit officials. Two months after their visit, a four-member delegation of Audit, led by the Director of Audit, made a reciprocal visit to the Commission of Audit of Macao in August and was received by Ms Ao Ieong U and her officials. During the two occasions, the two parties swapped views on various issues, such as the selection of audit subjects, audit examinations and follow-up workflows, applications of big data and prospective plans for exchange. They also shared on the latest development in public auditing work in the two cities;

(iii) ***Participation in thematic expo.*** In August 2025, a Principal Auditor and an Auditor participated in the China International Big Data Industry Expo 2025 at the invitation of the Expo's organising committee. The Expo, hosted in Guiyang by the National Data Administration, was themed "*Data Drives Industrial Momentum, Intelligence Unlocks the Future*" and served as a premier platform for exchanges on latest development trends and technology frontiers in China's data sector;

(iv) ***Participation in international working group meeting.*** In September 2025, at the invitation of the CNAO, the Director of Audit, in the company of an Assistant Director of Audit and a Senior

Auditor, attended the 9th Meeting of the International Organization of Supreme Audit Institutions Working Group on Big Data in Harbin as representatives of the People's Republic of China. The Meeting, organised by the CNAO, was themed "*Partnering for New Advancement in Auditing in the AI Era*". In participating in the Meeting, Audit personnel gained up-to-date knowledge on the development of artificial intelligence and big data auditing, engaged in exchanges with industry experts from around the world, and got access to the latest audit technologies and practices;

(v) ***Participation in international conference.*** In October 2025, at the invitation of CNAO, the Director of Audit and a Senior Auditor attended the 25th Congress of the International Organization of Supreme Audit Institutions in Sharm El-Sheikh, Egypt as representatives of the People's Republic of China. The Congress was hosted by the Accountability State Authority of Egypt with the themes "*The Role of Supreme Audit Institutions in Auditing Central Banks and Government Activities during Financial and Economic Crises*" and "*Using Artificial Intelligence Techniques in Auditing*". During the Congress, the representatives delved into issues such as emerging technologies, finance and economics in the context of auditing. The dialogue covered, among others, experiences in the application of artificial intelligence in the auditing workflow, as well as the role and scope of work of audit institutions amid economic crises;

(vi) ***Participation in audit conference.*** In December 2025, Audit sent a four-member delegation, led by an Assistant Director of Audit, to attend the 8th Guangdong-Hong Kong-Macao Audit Conference 2025 at the invitation of the Audit Office of the Guangdong Province. The conference, held in Jiangmen city, was themed "*Empowerment by artificial intelligence and digital technologies in a local context – Innovative practices and high quality development of auditing in Guangdong, Hong Kong and Macao*". During the Conference, representatives from Guangdong, Hong Kong and Macao shared experiences and exchanged thoughts around the theme, with the common goal to contribute to our country's development through public sector auditing;

(vii) ***Hosting two VFM Audit Workshops.*** At the request of the Financial Secretary raised in the 2025-26 Budget, Audit organised

VFM Audit Workshops for the senior management of Government departments and public bodies, with an aim to foster the management's understanding and adoption of principles and best practices in fiscal prudence and optimal use of public money. Hosted on 17 December 2025 and 5 January 2026, the two workshops featured officers from various VFM Audit Divisions who shared audit findings and recommendations offered in previous audit work with case studies as examples. The two workshops were attended either in person or through live webcasting by about 830 participants, who came from more than 260 Government bureaux/departments and public bodies;

(viii) ***Participation in talks and delivery of speeches.*** Within the year, the Director of Audit actively participated in various functions, in which he shared thoughts with members of the public from different walks of life by giving speeches and interacting with them. For example, in May 2025, he served as the officiating guest in the graduation ceremony of St. Francis Xavier College and delivered a speech themed "*Serving Community with Knowledge and Action – Gentle and Resolute in Heart*" to the graduates;

(ix) ***Industry and public relations work.*** In 2025-26, the Director of Audit attended various events held by professional bodies and local organisations to show his support and dedication to the auditing industry and the community. For example, he attended the ACCA Hong Kong 75th Anniversary Annual Dinner in September 2025 and the CIMA Annual Conference Hong Kong 2025 in November 2025, in which he exchanged and shared views with professionals. In May 2025, he also showed support to athletes from the accounting and auditing industry by attending the CPA Sports Carnival 2025 (co-organised by the Hong Kong Institute of Certified Public Accountants and the Society of Chinese Accountants & Auditors) as an officiating guest. These events proved to be excellent opportunities for Audit to forge stronger bonds with the auditing community and the general public;

(x) ***Press relations work.*** During the year, Audit continued to strengthen its publicity effort to enhance its public image through increasing its media exposure. Several interviews with different press organisations were conducted, in which the Director of Audit promoted the work of Audit and told the good stories of both Hong Kong and public sector auditing;

(xi) ***Public engagement with social media.*** Audit's social media pages, such as Instagram and Facebook pages, have been one of the effective means in sharing information and the latest news of Audit. Over the year, Audit had been publishing posts regularly on social media platform, with an aim to enhance public's understanding on public auditing services as well as to help promote important initiatives and messages of the Government; and

(xii) ***Promotion of Legislative Council General Election.*** In November and December 2025, in concerted efforts with other Government departments, Audit assisted in promoting the Legislative Council General Election through various means and channels with an aim to encourage members of the public to cast their votes. Such efforts included producing promotional video, distributing promotional pamphlets and disseminating messages through Audit's social media platforms; and

(e) ***Voluntary and youth services.*** Audit has been keen to contribute to youth development and support the Government's appeal to the civil servants for active participation in charity and volunteer events. Last year, Audit engaged in a number of activities with a vision to assist young people and reach out to the community:

(i) in June 2025, a team of volunteers (including Audit staff and their family members) took part in a service event organised by the Hong Kong Physically Handicapped and Able-bodied (PHAB) Association, in which they joined the elderly and the physically disabled members of the i-Point District Support Centre (Southern) in making dumplings and celebrating the 28th anniversary of Hong Kong's return to the Motherland and the establishment of the HKSAR;

(ii) as a partner organisation of the Education Bureau's "Business-School Partnership Programme", Audit organised a "Work Experience Programme" in July 2025 for secondary school students. During the one-day career planning activity, Audit gave the students a hands-on public sector auditing experience which aimed to better equip them in navigating their way forward in further studies and career;

(iii) in October 2025, the Director of Audit led a team of Audit volunteers to visit the Ching Chung Rev. Hau Po Woon

Neighbourhood Elderly Centre, where they joined its elderly members to celebrate three upcoming occasions – the National Day, the Mid-Autumn Festival and the National Games. Our volunteers prepared games for the elderly, accompanied them in watching performances by students, and gave them gift packs to spread joy and blessings; and

(iv) in February 2026, some Audit staff and their family members volunteered at the Kowloon East PHAB Centre, where they spent time with members of the Centre to spread the message of social harmony and inclusion. In addition to playing games and making healthy dishes together, the volunteers and the Centre members also took the opportunity to celebrate Chinese New Year together and gave each other their heartfelt blessings.

Last year, we lived up to our corporate social responsibility through regular voluntary and charity work. From the Director to staff across ranks, we rolled up our sleeves for community visits and service projects. These hands-on experiences did more than just spread warmth — they enabled us to reach out further and listen to voices from all walks of life, which would help us better address public needs in our role as public auditors. In the days ahead, we will continue to join forces to bring our community closer together.

Looking ahead

19. As Audit approaches its 182nd anniversary, Hong Kong is formulating its First Five-Year Plan to proactively align with the National 15th Five-Year Plan. At this critical juncture of development, we are staying closer than ever to the pulse of both our nation and Hong Kong. By executing our role through professional, independent and quality public audit work, we strive to help the Government and public sector organisations enhance their performance and accountability while ensuring proper utilisation of public resources. It is through these efforts that we contribute to the prosperity, stability and long-term development of Hong Kong, which will grow to become an even more ideal and livable home for our people. To keep sharpening our edge, we will also dive deeper into professional exchanges with international and Mainland peers while upgrading our internal training and talent development on all fronts, so as to drive Audit to evolve with the times and attain "excellence in public sector auditing".

Appendix A
(para. 11 refers)

The 85 accounts certified in 2025-26

Accounts of the Government

(1) General Revenue Account

(2) Bond Fund

(3) Capital Investment Fund

(4) Capital Works Reserve Fund

(5) Civil Service Pension Reserve Fund

(6) Disaster Relief Fund

(7) Innovation and Technology Fund

(8) Land Fund

(9) Loan Fund

(10) Lotteries Fund

Trading Funds

(11) Companies Registry Trading Fund

(12) Electrical and Mechanical Services Trading Fund

(13) Land Registry Trading Fund

(14) Office of the Communications Authority Trading Fund

(15) Post Office Trading Fund

Other Funds

(16) Accounting and Financial Reporting Council

(17) AIDS Trust Fund

(18) Anti-epidemic Fund

(19) Bankruptcy Estate Account

(20) Brewin Trust Fund

(21) Chinese Temples Fund

(22) Companies Liquidation Account

(23) Competition Tribunal Suitors' Funds

(24) Correctional Services Children's Education Trust

(25) Correctional Services Department Welfare Fund

(26) Customs and Excise Service Children's Education Trust Fund

(27) Customs and Excise Service Welfare Fund

(28) Director of Social Welfare Incorporated

(29) District Court Suitors' Funds

(30) Education Scholarships Fund

(31) Emergency Relief Fund

(32) Environment and Conservation Fund

(33) Exchange Fund

(34) Fire Services Department Welfare Fund

(35)	Fisheries Development Loan Fund
(36)	General Chinese Charities Fund
(37)	Gifted Education Fund
(38)	Government Flying Service Welfare Fund
(39)	Grant Schools Provident Fund
(40)	Grantham Scholarships Fund
(41)	High Court Suitors' Funds
(42)	HKSAR Government Scholarship Fund
(43)	Hong Kong Court of Final Appeal Suitors' Funds
(44)	Hong Kong Housing Authority
(45)	Hong Kong Rotary Club Students' Loan Fund
(46)	Immigration Service Welfare Fund
(47)	Independent Commission Against Corruption Welfare Fund
(48)	J. E. Joseph Trust Fund
(49)	Kadoorie Agricultural Aid Loan Fund
(50)	Labour Tribunal Suitors' Funds
(51)	Lands Tribunal Suitors' Funds
(52)	Language Fund
(53)	Legal Aid Services Council
(54)	Li Po Chun Charitable Trust Fund

(55)	MacLehose Fund
(56)	Master in Lunacy Account
(57)	Minor Employment Claims Adjudication Board Suitors' Funds
(58)	Official Administrator's Account
(59)	Official Receiver in Bankruptcy Account
(60)	Official Receiver in Voluntary Arrangement Account
(61)	Official Solicitor's Accounts
(62)	Pneumoconiosis Ex Gratia Fund
(63)	Police Children's Education Trust
(64)	Police Education and Welfare Trust
(65)	Police Welfare Fund
(66)	Prisoners' Education Trust Fund
(67)	Prisoners' Welfare Fund
(68)	Qualifications Framework Fund
(69)	Quality Education Fund
(70)	Queen Elizabeth Foundation for the Mentally Handicapped
(71)	Research Endowment Fund
(72)	Samaritan Fund
(73)	Self-financing Post-secondary Education Fund
(74)	Sing Tao Charitable Foundation Students' Loan Fund

(75)	Sir David Trench Fund for Recreation
(76)	Sir Edward Youde Memorial Fund
(77)	Sir Robert Black Trust Fund
(78)	Small Claims Tribunal Suitors' Funds
(79)	Social Work Training Fund
(80)	Student Activities Support Fund
(81)	Subsidized Schools Provident Fund
(82)	Supplementary Legal Aid Fund
(83)	The Legislative Council Commission
(84)	The Secretary for Home and Youth Affairs Incorporated
(85)	Traffic Accident Victims Assistance Fund

Appendix B
(para. 18(b)(i) refers)

Vision, Mission and Values

OUR VISION

Excellence in public sector auditing

We strive for excellence in the provision of independent public sector audit services through commitment to professionalism and innovation.

OUR MISSION

To provide independent, professional and quality audit services in order to help the Government and public sector organisations enhance public sector performance and accountability in Hong Kong.

We achieve our Mission by:

- conducting regularity audits which provide the Legislative Council with a reasonable assurance that the accounts of the Government, trading funds and other funds are prepared in accordance with the applicable financial reporting framework; and

- conducting value for money audits which provide the Legislative Council with independent information, advice and assurance about the economy, efficiency and effectiveness with which any bureau/department of the Government, agency, other public body, public office, or audited organisation has discharged its functions.

OUR VALUES

We are committed to upholding a high standard of integrity and conduct in discharging our audit responsibilities. We share a set of values including *Professionalism*, *Probity* and *People-oriented*, which underpin all facets of our work including *Our services, Our culture and Our people*. These values and their related attributes, as illustrated below, define the way we conduct ourselves in all the work we do.

OUR VALUES

Upholding the rule of law We stand dedicated to duty, strive to uphold the rule of law and the administration of justice, and abide by all the requirements under the Basic Law, the National Security Law, the Safeguarding National Security Ordinance and other laws.	**Professionalism** We seek to achieve excellence by conducting our work with professional competence and expertise, in accord with the highest standards of ethics and proficiency.
Independence We strive to serve our purpose with equity and remain independent, objective, unbiased and free from undue influences in providing audit services.	**Innovation** We strive for innovative approaches and continuous improvements by accepting, promoting and sharing creative and innovative ideas.
Integrity We act with honesty and integrity. In conducting our work, we strive to maintain discretion, confidentiality, fairness and impartiality.	**Efficiency** We are always ready to evolve for constant progress. We respond and adapt swiftly to prevailing social issues and changes in the external environment, keeping our focus on the substantial outcome for the good of the people.
Passion to serve We provide quality audit services with passion in a bid to enhance public sector management. At the same time, we are committed to adding value to our services by constantly reviewing our work and use of resources.	**Accountability** We are committed to enhancing our economy, efficiency and effectiveness, and reporting our work to our stakeholders. We stand responsible for the decisions and actions taken in our official capacity and for the use of public resources.
Talent utilisation We are committed to creating a work environment which values our staff and helps them realise their full potential.	**Teamwork** We act on a "one government" mindset, bearing in mind the big picture when performing our duties. Whilst working as a team, we also ensure that each staff member has the opportunity to perform his or her best and contribute to the achievement of the visions and missions of the Government and the Commission.
Continuous development We are committed to developing our staff through offering mentoring and training, and engaging them in continuous learning and sharing, as a means to upkeep the vitality and energy of the team.	**People-oriented** We strive to gain understanding of social issues with a down-to-earth and pragmatic approach, keep a sharp sense on matters of concern to our stakeholders and accurately feel the pulse of society. At the same time, we endeavour to meet the needs and expectations of all our stakeholders.

Appendix C
(para. 18(b)(i) refers)

Key Targets and Indicators

	Unit	Target	2024-25 (Actual)	2025-26 (Revised Estimate)	2026-27 (Plan)
Regularity Audit					
Targets					
Number of Director of Audit's Reports submitted to LegCo	Report	1	1	1	1
Time required to certify the statements of accounts of the Government of the HKSAR after the end of each financial year	Month	7	7	7	7
Indicators					
Number of accounts certified	Account		86	85	85
Number of man-hours spent	Man-hour		101 964	106 306	110 324
Provision for regularity audit as percentage of total government expenditure	%		0.01	0.01	0.01
Value for Money Audit					
Targets					
Number of Director of Audit's Reports submitted to LegCo	Report	2	2	2	2
Number of VFM audit reports issued to audited bodies	Report	16	16	16	16
Indicators					
Number of man-hours spent	Man-hour		150 509	154 920	160 192
Provision for VFM audit as percentage of total government expenditure	%		0.017	0.017	0.016

Acronyms and abbreviations

Audit	Audit Commission
CNAO	National Audit Office of the People's Republic of China
FSTB	Financial Services and the Treasury Bureau
HKSAR	Hong Kong Special Administrative Region
IT	Information technology
LegCo	Legislative Council
PAC	Public Accounts Committee
PHAB	Physically Handicapped and Able-bodied
UN	United Nations
VFM	Value for money