

<b>Doc Type</b>	EFC
<b>Paper No</b>	88/95
<b>Title</b>	Reorganization of In-house Audit/Review Agencies
<b>CONTENTS</b>	<p>EFC 88/95</p> <p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Establishment and Finance Committee</p> <p>Reorganization of In-house Audit/Review Agencies</p> <p>PURPOSE</p> <p>This paper informs Members of a reorganization that will place the three in-house audit/review agencies of the Department, namely the Management Services Division, the Technical Audit Unit and the Internal Audit Section, under the command of the Director of Housing.</p> <p>BACKGROUND</p> <p>2. Under the current structure, the heads of the Management Services Division (MSD) and the Technical Audit Unit (TAU) are responsible to the Deputy Director/Administration, whereas the head of the Internal Audit Section (IAS) is working to the Assistant Director/Finance, also in Administration Branch.</p> <p>3. The work programmes, monitoring and decisions arising from these programmes are placed under the Steering Committee on Management Services studies (chaired by D of H), the Steering Group on Technical Audit (chaired by DDA) and the Deputy Director/Administration and Assistant Director/Finance in respect of internal audit in consultation with other Branch heads.</p> <p>REVIEW</p> <p>4. Towards the end of 1994, the Department initiated a review to rationalise its audit related activities. The findings indicated that there was a need for -</p> <p>(a) the MSD, TAU and IAS to operate with greater independence because these in-house agencies, by nature of work, also cover the Administration Branch;</p> <p>(b) better coordination of their studies to avoid possible overlaps and the same area being examined by different agencies within a close time frame; and</p> <p>(c) more importantly, a multi-disciplinary approach could be adopted, with joint efforts of the in-house audit/review agencies as and when appropriate for conducting future studies.</p> <p>5. Consequent upon the review, the Department decided that in order to strengthen the coordination of work among the in-house audit/review agencies, the MSD, TAU and IAS should be placed under the command of the Director of Housing. The terms of reference of these three agencies are -- set out at Annexes A to C, and the reorganization will take - effect from 1 October 1995. House-keeping of these agencies - will remain the responsibilities of the Administration - Branch.</p>

6. We recognise fully the need to provide a central steer to the work of these in-house agencies. A new Housing Department Steering Committee on Management and Audit Studies has been set up for this purpose. This steering committee will be chaired by the Director of Housing, and its membership will comprise the Deputy Directors, the Senior Assistant Directors and the heads of the in-house audit/review agencies. The terms of reference of the new -- Steering Committee is at Annex D.

-  
-  
-

#### CONSULTATION

7. Views on the restructuring proposal have been sought from the Director of Accounting Services, the Director of Management Services, Secretary for the Treasury and the Director of Audit. They have indicated support to these changes. It is not uncommon to have audit functions placed under the Chief Executive Officer of an organisation.

#### INFORMATION

8. This paper is issued for Members' information.

---0---0---0---

File Reference: HD/MSD/1/4/89 II

Date : 19 September 1995

[Back](#)