

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Home Ownership Committee

**Re-appointment of Auditors for the
Management Fund Accounts of Tenants Purchase Scheme (TPS) Estates
(Phases 1 & 2) (including Maintenance Fund)
for the Year Ending 31 March 2001**

PURPOSE

The purpose of this paper is to seek Members' approval to -

- (a) the re-appointment of Klynveld Peat Marwick Goerdeler (KPMG) as auditors of the Tenants Purchase Scheme (TPS) Estates accounts; and
- (b) their professional audit fees.

BACKGROUND

2. The Housing Authority has the responsibility under the Building Management Ordinance and Deed of Mutual Covenants to keep proper accounts for the Management Funds on behalf of the owners of TPS estates, except where Owners' Corporations are formed and the property management responsibility is terminated. Separate accounts are maintained for each TPS estate and the audited annual accounts will be posted on the notice boards of each TPS estate for the information of owners. Being the Property Management Agency of the TPS Phases 1 & 2 estates, the Housing Authority is required to appoint Auditors for the Management Funds Accounts on behalf of the owners of the TPS estates.

3. Following on a restricted tender exercise in 1998, KPMG has been appointed as the auditor for the Management Fund Accounts of TPS Phases 1

and 2 estates since the financial year 1998/1999. The re-appointment is subject to annual review and endorsement of the Home Ownership Committee.

REVIEW

4. KPMG proposes an audit fee of HK\$25,000 plus outlays for each estate for the year ending 31 March 2001. The proposed fee is maintained at the same level as that for last year.

5. The total fees for the 12 TPS estates under management during the year ending 31 March 2001 is HK\$300,000 plus outlays.

RECOMMENDATION

6. As the previous audits have been carried out satisfactorily, it is **recommended** that KPMG be re-appointed as auditors for the Management Fund Accounts of Tenants Purchase Scheme Phases 1 & 2 estates for the year ending 31 March 2001, and be paid in accordance with the rates stipulated at the **Annex**.

PRESUMPTION

7. It is not thought that Members will object to the recommendation in paragraph 6. If no objection or request for discussion is received by the Committees' Secretary **by noon on 27 December 2000**, Members' approval will be presumed and appropriate action taken accordingly.

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