

Disaster Relief Fund

REPORT OF THE DIRECTOR OF AUDIT



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Audit Report To the President of the Legislative Council

I certify that I have examined and audited the financial statements of the Disaster Relief Fund set out on pages 60 to 65, which comprise the statement of assets and liabilities as at 31 March 2014, and the statement of receipts and payments for the year then ended, and a summary of significant accounting policies and other explanatory information.

Director of Accounting Services' responsibility for the financial statements

In accordance with section 16(1) of the Public Finance Ordinance (Cap. 2), 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 responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with section 12(1) of the Audit Ordinance (Cap. 122) and the Audit Commission auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used by the Director of Accounting Services, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements of the Disaster Relief Fund for the year ended 31 March 2014 are prepared, in all material respects, in accordance with the Public Finance Ordinance and section 11(1) of the Audit Ordinance.

David Sun
Director of Audit

28 October 2014

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

Disaster Relief Fund

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2014

	Note	2014 HK\$'000	2013 HK\$'000
Assets			
Investments with the Exchange Fund	3	<u>31,228</u>	<u>5,514</u>
Representing:			
Fund Balance			
Balance at beginning of year		5,514	6,651
Surplus/(Deficit) for the year		<u>25,714</u>	<u>(1,137)</u>
Balance at end of year		<u>31,228</u>	<u>5,514</u>

Notes 1 to 6 form part of these financial statements.

Martin SIU
Director of Accounting Services
15 August 2014



Disaster Relief Fund

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 HK\$'000	2013 HK\$'000
Cash and bank balances at beginning of year		-	-
Receipts	4	196,966	53,380
Payments	5	(171,252)	(54,517)
Surplus/(Deficit) for the year		25,714	(1,137)
Other cash movements	6	(25,714)	1,137
Cash and bank balances at end of year		-	-

Notes 1 to 6 form part of these financial statements.

Martin SIU
Director of Accounting Services
15 August 2014



Disaster Relief Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Purpose and Legislation

The Disaster Relief Fund provides a ready mechanism for Hong Kong to respond swiftly to international appeals for humanitarian aid in relief of disasters that occur outside Hong Kong. It was established with effect from 1 December 1993 by a Resolution (hereinafter referred to as the Resolution) passed by the Legislative Council under section 29(1) of the Public Finance Ordinance (Cap. 2) on the same date.

2. Accounting Policy

The accounts of the Disaster Relief Fund are kept on a cash basis. Transactions are recorded when moneys are received or paid.

3. Investments with the Exchange Fund

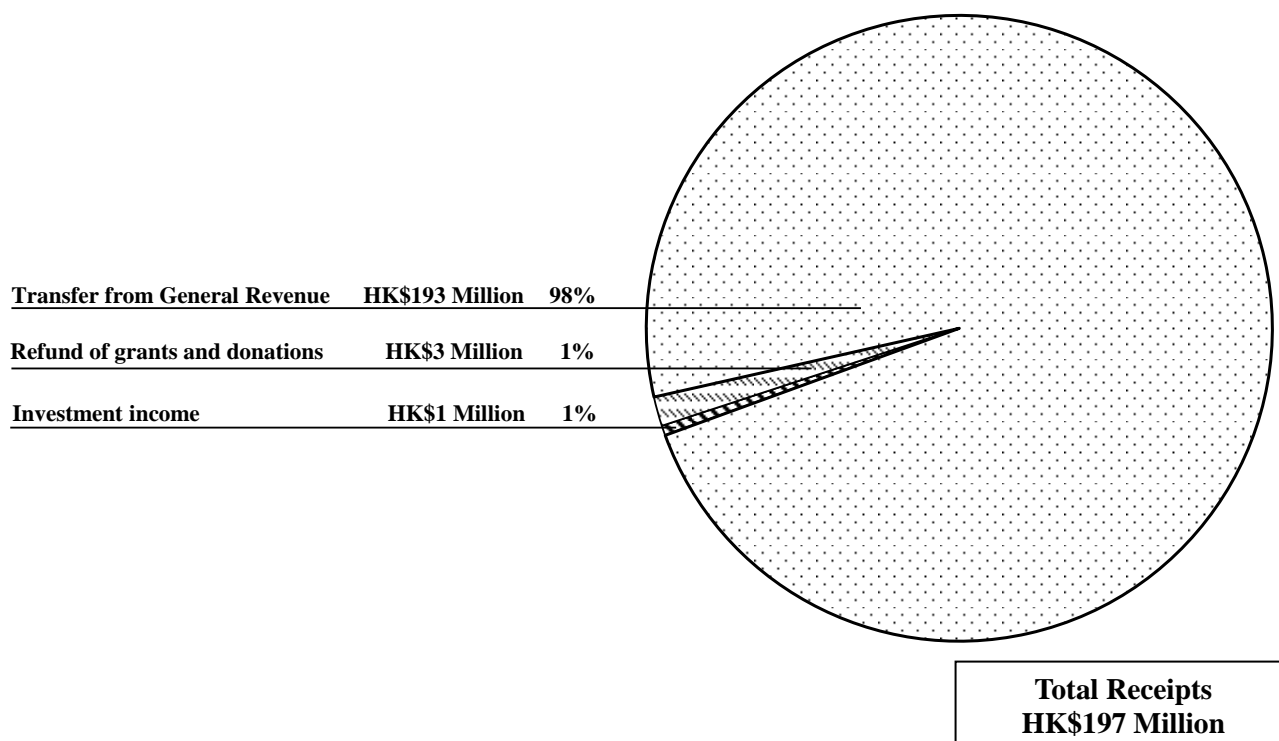
- (i) These are investments made under paragraph (i) of the Resolution.
- (ii) The investments represent the cost of investments together with the investment income received in the year being reported. Effective from 1 April 2007, the investment income is calculated on the basis of the average annual investment return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year Exchange Fund Notes for the previous year subject to a minimum of zero percent, whichever is the higher. The investment income for the year ended 31 March 2014 was HK\$1.07 million (2013: HK\$1.08 million).

4. Receipts

	2014		2013
	Original Estimate HK\$'000	Actual HK\$'000	Actual HK\$'000
Investment income			
Investments with the Exchange Fund	2,000	1,072	1,076
Transfer from General Revenue	43,000	193,000	52,000
Refund of grants	46	2,644	304
Donations	-	250	-
	45,046	196,966	53,380

Disaster Relief Fund

Analysis of Receipts for the year ended 31 March 2014

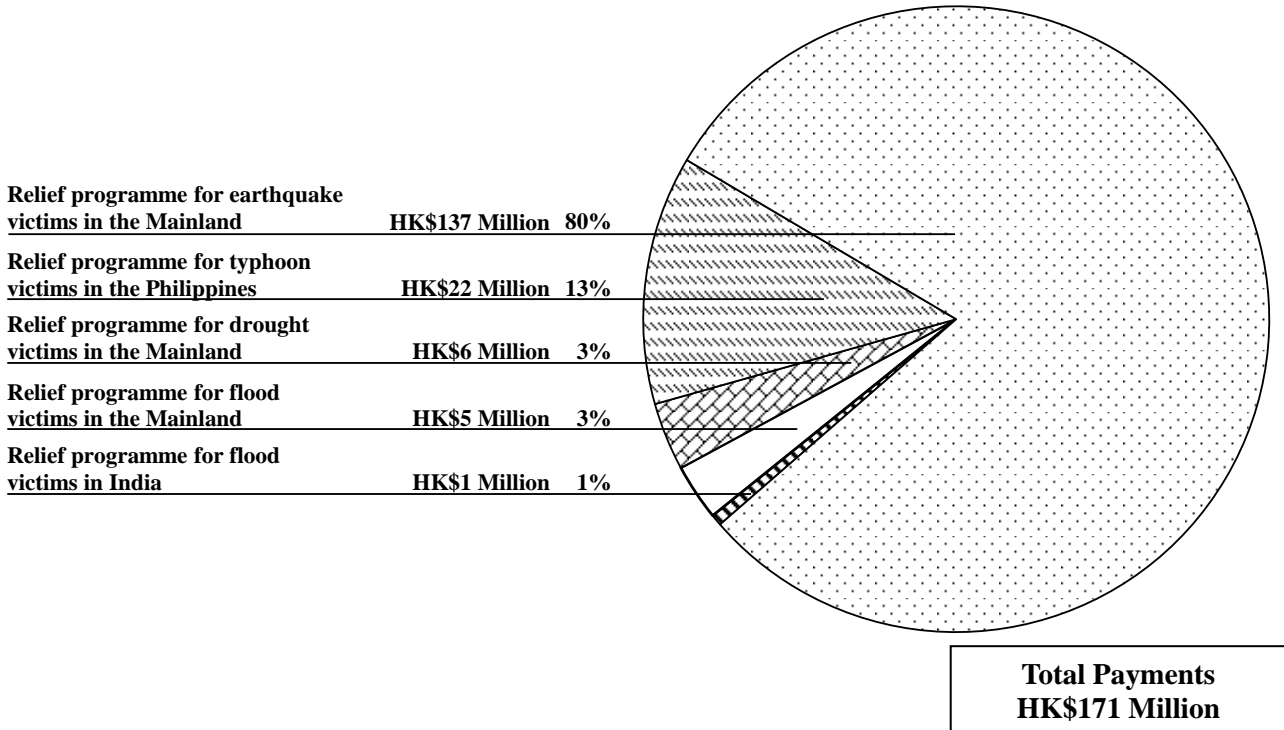


5. Payments

	2014		2013
	Original Estimate HK\$'000	Actual HK\$'000	Actual HK\$'000
Relief programme for			
earthquake victims in the Mainland	-	137,638	14,555
typhoon victims in the Philippines	-	21,592	14,332
drought victims in the Mainland	-	6,123	9,090
flood victims in the Mainland	-	4,735	10,040
flood victims in India	-	1,164	-
drought victims in Mali	-	-	3,000
drought victims in Niger	-	-	3,000
flood and hailstorm victims in the Mainland	-	-	500
	-	171,252	54,517

Disaster Relief Fund

Analysis of Payments for the year ended 31 March 2014



6. Other Cash Movements

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

	2014 HK\$'000	2013 HK\$'000
(Increase)/Reduction in Assets		
Investments with the Exchange Fund	<u>(25,714)</u>	<u>1,137</u>

Disaster Relief Fund

Receipts, Payments and Fund Balance for the years ended 31 March 2005 to 2014

HK\$Million

