

Cleaner Production Partnership Programme

Notes for Auditors

Pursuant to the funding agreement made between the Programme Secretariat of the Cleaner Production Partnership Programme and the funded companies (“Grantees”) in respect of each project under the Cleaner Production Partnership Programme (“Funding Agreement”) , the Grantees are required to submit an audited statement of expenditure (“audited statement”) of each funded project to the Programme Secretariat within a stipulated timeframe. The requirement to submit the audited statement is to assure the Government that:

- (a) the project funds were properly applied to the project and expended in accordance with the approved project proposal and budget annexed to the Funding Agreement; and
- (b) the Grantees have complied with the terms and conditions of the Funding Agreement (including the terms and conditions and requirements in the “Guide to Application for Funding Support for Hong Kong owned Factories”) in the administration, management and usage of the Cleaner Production Partnership Programme project.

These notes aim to provide guidance for Auditors of Grantees in conducting reasonable assurance engagements and in preparing auditors’ reports for each Cleaner Production Partnership Programme project.

2. In conducting a reasonable assurance engagement, the Auditors should perform such procedures¹ as they consider necessary in the circumstances and obtain all the information and explanations which they consider necessary in order to provide them with sufficient evidence to give their conclusion as to whether the Grantee has complied with, in all material respects, the requirements set by the Programme Secretariat and / or Government (including the requirements to keep proper books and records, to comply with the procurement procedures and to prepare proper audited statement), and all the terms and conditions of the Cleaner Production Partnership Programme funding, as specified in the following documents –

¹ The Auditors’ procedures would normally include:

- a. performing tests of transactions and of the existence, ownership and valuation of assets and liabilities, if any;
- b. obtaining an understanding of the accounting system and control in order to assess its adequacy as a basis for the preparation of the audited statement; and
- c. assessing significant estimates and judgements made by the Grantee in the preparation of the audited statement, and whether the accounting policies have followed the requirements of the Programme Secretariat, consistently applied and adequately disclosed.

- (a) the Funding Agreement made between the Programme Secretariat and the Grantee in respect of the project and the appendices thereto (which includes the approved project proposal and budget);
- (b) the relevant Guide to Application referred to in the funding agreement; and
- (c) all applicable instructions and correspondences issued by the Programme Secretariat and / or Government to the Grantee in respect of the project.

3. The Auditors should comply with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants². The following information is required in an auditors’ report prepared by the Auditors to be submitted to the Programme Secretariat –

- (a) the Auditors should state whether, in their conclusion, the Grantee has complied with, in all material respects, the requirements set by the Programme Secretariat and / or Government (including the requirements to keep proper books and records, to comply with the procurement procedures and to prepare proper audited statement of the project), and all the terms and conditions of Cleaner Production Partnership Programme, as specified in documents mentioned in paragraph 2 above;
- (b) if the Auditors are of the opinion that there exists any material non-compliance as identified in paragraph 3(a) above, they should make full disclosure and quantify the effects of such non-compliance in the auditors’ report; and
- (c) if the Auditors are of the opinion that a proper and separate set of books and records have not been kept by the Grantee for the project, or the procurement procedures for goods and services for the purposes of the project set by Programme Secretariat have not been followed or the audited statement have not been properly prepared, or if the Auditors fail to obtain all the information and explanations which are necessary for the purpose of their reasonable assurance engagement, they should make appropriate qualifications in their auditors’ reports.

² The Hong Kong Institute of Certified Public Accountants would expect its members to apply those relevant and applicable Standards set out in Hong Kong Standards on Auditing when performing “Reasonable Assurance Engagements”.

4. The Auditors should plan and conduct the reasonable assurance engagement to satisfy paragraphs 2 and 3 above. In case of any ambiguity regarding the terms and conditions contained in the Funding Agreement, Cleaner Production Partnership Programme Guide to Applications and rules and regulations governing Cleaner Production Partnership Programme projects, Auditors should seek clarification from the Programme Secretariat as appropriate. Any unreasonable reservation or denial of conclusion, for example, comments about ambiguity of Cleaner Production Partnership Programme guidelines or requirements, expressed by Auditors in the auditors' report, will be returned to Grantees for rectification before re-submission.

5. During the reasonable assurance engagements, may come across weaknesses/breakdown in internal control which are considered material. Auditors should bring to the Grantee's attention the details of such weaknesses/breakdown and provide the Grantee with their recommendations for improvement by setting them out in a letter to the Grantee. A copy of such letter should be sent to the Programme Secretariat for reference and action as appropriate.

6. Auditors are expected to follow the specimen auditors' report as attached at the Annex.

Programme Secretariat
Cleaner Production Partnership Programme
March 2026

Annex

SPECIMEN AUDITORS' REPORT AND STATEMENT OF EXPENDITURE UNDER THE CLEANER PRODUCTION PARTNERSHIP PROGRAMME

**[NAME of the PROJECT – APPLICATION NUMBER]
[FOR THE PERIOD FROM DD/MM/YYYY (COMMENCEMENT DATE) TO
DD/MM/YYYY (COMPLETION DATE)]**

AUDITORS' REPORT TO THE DIRECTORS OF [NAME OF THE ENTERPRISE]

Pursuant to the agreement made between the Programme Secretariat of the Cleaner Production Partnership Programme and [name of the company] and the “Guide to Application for Funding Support for Hong Kong-owned Factories” in respect of the project funded by the Cleaner Production Partnership Programme, we have performed a reasonable assurance engagement to report on whether [name of the enterprise] has complied with, in all material respects, the requirements set by the Programme Secretariat and / or the Government (including the requirements to keep proper books and records, to comply with the procurement procedures and to prepare proper audited statement of expenditure of [name of the project] (the “Project”) for the period from [commencement date of the project (DD/MM/YYYY)] to [completion date of the project (DD/MM/YYYY)] on pages to (the “Statement of Expenditure”), and all the terms and conditions of Cleaner Production Partnership Programme, as specified in the following documents:

- (a) the Funding Agreement made between the Programme Secretariat and [name of the enterprise] in respect of the Project and the appendices thereto (which includes the approved project proposal and budget);
- (b) the Cleaner Production Partnership Programme Guide referred to in the funding agreement; and
- (c) all applicable instructions and correspondences issued by the Programme Secretariat and / or the Government to [name of the enterprise] in respect of the Project.

Respective responsibilities of [name of the enterprise] and auditors

The Programme Secretariat and / or the Government require [name of the enterprise] to comply with the requirements set by them individually or collectively (including the requirements to keep proper books and records, to comply with the procurement procedures and to prepare proper audited Statement of Expenditure), and all the terms and conditions of Cleaner Production Partnership Programme, as specified in the documents mentioned in the above paragraph.

It is our responsibility to form an independent conclusion, based on our reasonable assurance engagement, and to report our conclusion to you.

Quality Control and Independence

Our firm applies the Hong Kong Standard on Quality Management 1, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Basis of conclusion

We conducted our reasonable assurance engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the HKICPA and the latest Notes for Auditors of Funded Companies issued in [to be inserted as appropriate] by the Programme Secretariat.

Our reasonable assurance engagement includes examination, on a test basis, of evidence relevant to [name of the enterprise]’s compliance with the requirements set by the Programme Secretariat and / or the Government (including the requirements to keep proper books and records, to comply with the procurement procedures and to prepare proper audited Statement of Expenditure), and all the terms and conditions of Cleaner Production Partnership Programme, as specified in the documents mentioned in the above first paragraph. It also includes an assessment of the significant estimates and judgements made by [name of the enterprise] in the preparation of the Statement of Expenditure, and of whether the accounting policies have followed the requirements of the Cleaner Production Partnership Programme, consistently applied and adequately disclosed.

We planned and performed our reasonable assurance engagement so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give our conclusion as to whether [name of the enterprise] has complied with, in all material respects, the requirements set by the Programme Secretariat (including the requirements to keep proper books and records, to comply with the procurement procedures and to prepare proper audited Statement of Expenditure), and all the terms and conditions of Cleaner Production Partnership Programme, as specified in the documents mentioned in the first paragraph above. In forming our conclusion, we also evaluated the overall adequacy of the presentation of information in the Statement of Expenditure. We believe that our reasonable assurance engagement provides a reasonable basis for our conclusion.

Conclusion

Based on the foregoing, in our opinion, [name of the enterprise] has complied with, in all material respects, the requirements set by the Programme Secretariat and / or the Government (including the requirements to keep proper books and records, to comply with the procurement procedures and to prepare proper audited Statement of Expenditure), and all the terms and conditions of Cleaner Production Partnership Programme, as specified in the documents mentioned in the first paragraph above.

Use of this report

This report is intended for filing by [name of the enterprise] with the Programme Secretariat and / or the Government, and is not intended to be, and should not be, used by anyone except the three parties herein mentioned for any other purposes.

[Name of the auditing firm]
Certified Public Accountants (Practising)
Hong Kong
[Date]

STATEMENT OF EXPENDITURE

**STATEMENT OF EXPENDITURE BY [NAME OF THE ENTERPRISE]
[NAME OF THE PROJECT – APPLICATION NUMBER]
[Commencement date of the project (DD/MM/YYYY) to [completion date of
the project (DD/MM/YYYY)]**

| Expenditure | (HK\$) |
|-----------------------------------|------------------|
| (I) Technology Consultancy | |
| [Name of expenditure item xx] | xxx,xxx |
| [Name of expenditure item xx] | xxx,xxx |
| | xxx,xxx |
| | |
| (I) Customised Items | |
| [Name of expenditure item xx] | xxx,xxx |
| [Name of expenditure item xx] | xxx,xxx |
| | xxx,xxx |
| | |
| | |
| Total Expenditure | x,xxx,xxx |
| | |

Approved and authorised for issue on behalf of [name of the enterprise] on [date] by

[Signature]

[Enterprise Chop]

Name:

Post Title: