

NOTE FOR FINANCE COMMITTEE

First Annual Progress Report of the Use of the Grant to Support the Assessment Development and Research Activities of the Hong Kong Examinations and Assessment Authority

PURPOSE

This paper informs Members of the progress of the use of the one-off grant to support the assessment development and research activities of the Hong Kong Examinations and Assessment Authority (HKEAA). This is the first report covering the period from March 2004 to February 2005.

BACKGROUND

2. On 27 February 2004, Members approved vide FCR(2003-04)65 a new commitment of \$136.7 million for providing a one-off grant to support the assessment development and research activities of HKEAA for five years from 2004 to 2009 (“the grant”). The Administration undertook to inform Members of the progress of the use of the funding through annual reporting.

3. The grant covers four categories of activities, namely –
- (a) assessment development;
 - (b) use of technology to improve public examinations;
 - (c) long-term regular guarding and comparison of students’ standards and performance; and
 - (d) strengthening support to teachers.

4. At the time when we sought funding approval from the Finance Committee, we noted that our public examination and assessment system needed improvements and the grant would be necessary, regardless of the way forward of

the proposed new academic structure for senior secondary education and higher education. The improvement measures of HKEAA could accommodate the necessary changes to pave way for the implementation of the new academic structure. Now that the Government has decided to implement the new academic structure starting from the 2009/10 school year, HKEAA will adjust the improvement measures accordingly to tie in with the implementation of the new academic structure.

MONITORING THE USE OF THE GRANT

5. In March 2004, the Education and Manpower Bureau signed a Letter of Agreement with HKEAA with details consistent with the proposal set out in FCR(2003-04)65. The letter specified the ambit of the assessment development and research activities to be undertaken by HKEAA. HKEAA has opened a separate bank account for the grant, kept separate accounts of the income and expenditure relating to the grant, and submitted to the Government separate audited financial statements of the grant as at end of August 2004.

6. Monitoring of the use of the grant has been conducted in accordance with the existing governance structure of HKEAA, which comprises the HKEAA Council and the three committees/boards under it, namely the Finance and General Purposes Committee (F&GPC), the Research Committee and School Examinations Board (SEB). The Research Committee and the SEB approve the technical proposals of the projects in their respective areas, as appropriate; and recommend reports of projects for approval by the HKEAA Council. The F&GPC monitors the use of the grant through regular reports of the financial position of the grant prepared by the HKEAA Secretariat. The F&GPC also recommends the master budget and annual audited financial statements of the grant for approval by the HKEAA Council.

PROGRESS OF THE USE OF THE GRANT

7. HKEAA reported the progress of the use of the grant as follows –

- (a) the progress of the activities supported by the grant as at 28 February 2005 was in line with the master timetable of the activities as set out in the Enclosure; and
- (b) the expenditure and commitment position of the grant as at 28 February 2005 as set out in the table below.

Encl.

/Category

Category	(1) Projected required funding as at 27 February 2004	(2) Actual expenditure as at 28 February 2005	(3) Amount Committed as at 28 February 2005	(4) Balance as at 28 February 2005 = (1) – (2) – (3)
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
(A) Assessment development	113.3	1.5	11.7	100.1
(B) Use of technology to improve public examinations	8.7	-	2.2	6.5
(C) Long-term regular guarding and comparison of students' standards and performance	11.0	0.6	0.1	10.3
(D) Strengthening support to teachers	11.8	0.3	1.3	10.2
Sub-total	144.8	2.4	15.3	127.1
Less: Estimated interest to be generated from the grant	(8.1)	(1.9) ^{Note}	-	(6.2)
Amount of approved grant	136.7	0.5	15.3	120.9

Note : \$1.9 million is the actual interest generated from the grant as at 28 February 2005.

8. As shown in the above table, about 12% of the total of the approved grant and estimated interest to be generated from the grant has been spent or committed. Spending of the grant since its approval is in accordance with the original plan. HKEAA expected that the rate of spending would increase commensurate with the various activities coming to full speed.

Activities	Quarters of the Year																				
	2004				2005				2006				2007				2008				2009
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1
(B) Use of Technology to improve the public examinations																					
B1 On-line marking – pilot study																					
B2 On-line delivery of public examinations – study																					
(C) Long-term regular guarding and comparison of students' standards and performance																					
C1 Introduction of standard benchmarking tests (selected subjects)																					
C2 Studies to compare the performance of candidates in public examinations (selected subjects) across years																					
C3 Comparability study between local and overseas English language examinations																					
(D) Strengthening the support to teachers																					
D1 Quantitative and qualitative feedback to schools – survey and pilot study																					
D2 Assessment training for teachers																					