

## **NOTE FOR FINANCE COMMITTEE**

### **Second 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 second report covering the period from March 2005 to February 2006.

#### **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 the 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 explained that the grant was needed for HKEAA to carry out the assessment development and research activities to improve the public examinations, 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 is adjusting the improvement measures accordingly to tie in with the implementation of the new academic structure and has updated the master timetable of activities as set out in the Enclosure.

Encl.

#### **MONITORING THE USE OF THE GRANT**

5. In March 2004, the Education and Manpower Bureau signed a Letter of Agreement with the 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. The 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 annual audited financial statements of the grant. The last such financial statement submitted to the Government recorded the financial position as at the end of August 2005.

6. Monitoring of the use of the grant has been conducted in accordance with the existing governance structure of the HKEAA, which comprises the HKEAA Council and the three committees/boards under it, namely the Finance and Audit Committee (FAC), the Research and Development Committee (R&DC) and Public Examinations Board (PEB). The R&DC and the PEB 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 FAC monitors the use of the grant through regular reports of the financial position of the grant prepared by the HKEAA Secretariat. The FAC also recommends the master budget and annual audited financial statements of the grant for approval by the HKEAA Council.

**/PROGRESS .....**

**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 2006 was in line with the updated 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 2006 as set out in the table below.

Category	(1) Projected required funding as at 27 February 2004 (\$ million)	(2) Actual expenditure as at 28 February 2006 (\$ million)	(3) Amount Committed as at 28 February 2006 (\$ million)	(4)=(1)-(2)-(3) Balance as at 28 February 2006 (\$ million)
(A) Assessment development	113.3	9.8	15.5	88.0
(B) Use of technology to improve public examinations	8.7	0.6	2.2	5.9
(C) Long-term regular guarding and comparison of students' standards and performance	11.0	0.6	-	10.4
(D) Strengthening support to teachers	11.8	-	-	11.8
<b>Sub-total</b>	<b>144.8</b>	<b>11.0</b>	<b>17.7</b>	<b>116.1</b>
Less : Estimated interest to be generated from the grant	(8.1)	(4.8) <sup>Note</sup>	-	(3.3)
<b>Amount of approved Grant</b>	<b>136.7</b>	<b>6.2</b>	<b>17.7</b>	<b>112.8</b>

Note – \$4.8 million is the actual interest generated from the grant as at 28 February 2006.

8. As shown in the above table, about 17% of the total of the approved grant and estimated interest to be generated from the grant had been spent or committed as at end of February 2006. Notwithstanding steady progress of the various projects, actual spending in the period had been limited due to the need to recruit qualified staff, which has only been recently achieved. Moreover, specification for some projects under the four categories of activities required alignment with the updated schedule of development of the New Senior Secondary curriculum and assessment frameworks. Accordingly, the HKEAA expects that the rate of spending would pick up in the coming year.

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Education and Manpower Bureau  
August 2006



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>(B) Use of technology to improve the public examinations</b>																					
<b>B1</b> On-line marking – pilot study and implementation on selected subjects																					
<b>B2</b> On-line delivery of public examinations – study																					
<b>(C) Long-term regular guarding and comparison of students standards and performance</b>																					
<b>C1</b> Introduction of standard benchmarking tests (selected subjects)																					
<b>C2</b> Studies to compare the performance of candidates in public examinations (selected subjects) across years																					
<b>C3</b> Comparability study between local and overseas English language examinations																					
<b>(D) Strengthening the support to teachers</b>																					
<b>D1</b> Quantitative and qualitative feedback to schools – survey and pilot study																					
<b>D2</b> Assessment training for teachers																					