

The Audit Commission ("Audit") conducted a review of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications ("HKCAAVQ").

2. The Committee did not hold any public hearing on this subject. Instead, it asked for written response to its enquiries.

3. The Committee noted from paragraph 3.13 of the Director of Audit's Report ("Audit Report") that not all panel members engaged in the 20 accreditation exercises reviewed by Audit had submitted to the HKCAAVQ their declaration forms on conflicts of interest as required by the HKCAAVQ's guidelines. Paragraph 3.14 also revealed that some panel members had been appointed even though they might have a potential conflict of interest, and there was no documentary evidence showing the justifications for their appointment.

4. According to paragraph 3.18(b) of the Audit Report, the HKCAAVQ would revise the guidelines on appointment of specialists as panel members and the staff concerned would be reminded not to appoint specialists who had conflicts of interest with the operators. The Committee enquired:

- whether the HKCAAVQ would make it a mandatory requirement under its revised guidelines that specialists having conflicts of interest with the operators must not be appointed as panel members, and that all panel members must submit a declaration form on conflicts of interest to the HKCAAVQ; and
- if the requirements mentioned above would not be mandatory, how the HKCAAVQ could ensure that the situation of non-submission of declaration forms and appointment of panel members having conflicts of interest would not occur again.

5. The **Executive Director, HKCAAVQ** replied in his letter of 5 June 2012, in *Appendix 5*, that:

- the declaration of conflicts of interest by panel chairpersons and members of an HKCAAVQ accreditation panel was a mandatory

requirement under the Code of Conduct for Panels and practice of the HKCAAVQ;

- the HKCAAVQ would not appoint specialists with conflicts of interest as panel chairpersons or members. The appointment of all panels was approved by the Deputy Executive Director. Before formal appointment, the HKCAAVQ required prospective panel chairpersons and members to complete declaration forms, declaring that they did not foresee any potential conflicts of interest in engaging in the accreditation exercise and had read the HKCAAVQ Code of Conduct for Panels. Prospective panel chairpersons and members must return the declaration forms to the HKCAAVQ before their appointment. Staff of the HKCAAVQ would follow up on whether they had returned the declaration forms properly and on time;
- during the pre-accreditation exercise briefing, the Secretary of the Panel, a staff of the HKCAAVQ, would also ensure that the declaration forms were in place as a matter of practice. The HKCAAVQ had good reasons to suspect that the situation of non-submission of declaration forms occurred mainly as a result of misplaced documentation or filing errors relating to the declaration forms in the cases mentioned in the Audit Report. The HKCAAVQ assured that, in the future, there would be proper documentation on all matters related to declaration of conflicts of interest;
- under the current Code of Conduct for Panels, panel chairpersons and members were required to inform the HKCAAVQ of any possible conflicts of interest which might arise either before, during or following the accreditation activity, and make full disclosure of their interest to the HKCAAVQ at the earliest available opportunity. If a conflict of interest issue was identified in the course of an accreditation exercise, the panel chairperson or member involved must immediately put such issue before the panel and seek instruction. Depending on the circumstance, he/she might be required by the panel to withdraw from the exercise or be excused from the discussion and decision-making of a particular subject matter where the conflict of interest occurred. In some cases, where the conflict was considered to be slight or only tangibly possible, the panel chairperson or member involved might be allowed to continue in the panel's work; and

- the HKCAAVQ was revising the Code to give more specific advice to enhance staff's understanding of what constituted conflicts of interest. Examples would be developed into a database for reference. The HKCAAVQ expected that the revision would be completed by September 2012.

6. As stated in paragraph 4.8 of the Audit Report, Audit reviewed 10 notifications assessed by the HKCAAVQ in the period 2008-2009 to 2011-2012 (up to October 2011) and found that for 3 cases, there were delays by the operators in notifying the Education Bureau ("EDB") of the changes in the course registration details, with the delay ranging from four months to eight years. In this connection, the Committee asked whether the delay had affected any students who had enrolled in the registered courses concerned.

7. In his letter of 17 May 2012 in *Appendix 6*, the **Executive Director, HKCAAVQ** responded that:

- under the current system, a non-local course to be offered and taught in Hong Kong was required to be registered on the Non-local Higher and Professional Education Course Register ("Register") maintained by the Registrar of Non-local Higher and Professional Education Courses ("Registrar") of the EDB. Before such a non-local course was registered, the Registrar would usually seek advice from the HKCAAVQ which would assess whether a non-local course had met the registration criteria under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493) ("the Ordinance"). Amongst such criteria, one important aspect was that the non-local course to be offered and taught in Hong Kong must be of comparable standard as that in the home course offered and taught by the overseas institution;
- after registration, the operator was required under section 19 of the Ordinance to notify the Registrar within one month about any change in the course. Upon such notification, the HKCAAVQ was normally requested to advise the Registrar whether the change affected the meeting of the registration criteria of the course. The Registrar was the ultimate authority to determine whether the change affected the meeting of the registration criteria of the course; and
- the changes at issue were initiated by the overseas institutions offering the non-local courses in Hong Kong. When the HKCAAVQ conducted

assessments and asked the institutions about the changes, the institutions provided documentary evidence to confirm that the same changes took place in the comparable home courses. As a result, the Registrar was advised by the HKCAAVQ that the changes would not affect the meeting of the registration criteria of the courses in all the three cases.

8. The Committee also noted from paragraph 4.14 of the Audit Report that according to the service standard set by the HKCAAVQ, an assessment of a Continuing Education Fund ("CEF") course should be completed within eight weeks. However, Audit found that out of the 327 assessments completed by the HKCAAVQ on CEF courses in the period April 2008 to August 2011, 131 assessments had taken more than eight weeks to complete, and the average delay was about 6 weeks. The Committee asked whether any enrolled students of the CEF courses concerned had been affected.

9. The **Executive Director, HKCAAVQ** stated in his letter of 17 May 2012 that:

- a course provider could not promote its course as registered under CEF or enroll students who sought to obtain CEF subsidy before the course had gone through the assessment of the HKCAAVQ and received the approval of the Labour and Welfare Bureau for CEF registration. Therefore, the time required by the HKCAAVQ for course assessment would not directly affect any enrolled CEF learners; and
- in order to benefit the potential CEF learners who sought to enroll in CEF reimbursable courses with wider choices, the HKCAAVQ had streamlined the assessment process, substantially shortening the average assessment time to 6.7 weeks for the course applications received during the period between April 2011 and mid-January 2012.

10. The Committee notes the above replies of the Executive Director, HKCAAVQ and wishes to be kept informed of the progress made in implementing the various Audit recommendations.