

## **A. Introduction**

The Audit Commission ("Audit") conducted a review of the youth employment services.

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

## **B. Case management services**

3. According to paragraph 2.9 of the Director of Audit's Report ("Audit Report"), in the period 2009-2010 to 2011-2012 (up to 31 March 2012), only two training activities were organized by the Labour Department ("LD") for case managers of the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme ("YTPTS") each year; and many case managers were unable to enrol on the training activities due to high demand for training places.

4. According to paragraph 2.13 of the Audit Report, as at 31 March 2012, the Training and Career Plans for 2 746 (57%) trainees had not been submitted to the LD. There was no documentary evidence showing that the LD had ascertained the submission due dates or had taken follow-up action with the case managers. For the remaining 2 043 (43%) trainees who had submitted their Plans to the LD, the LD did not keep record of the submission due dates. The Plans for 527 (26%) of the 2 043 trainees were submitted after the due dates. For 89 of these 527 trainees, the Plans were submitted more than 180 days after the due dates.

5. According to paragraph 2.27(a) of the Audit Report, 3 755 (78%) of the 4 789 trainees of 2010-2011 who had completed the 12-month basic period as at 31 March 2012 had not yet been submitted the Case Review Reports to the LD.

6. The Committee enquired whether the problems referred to in paragraphs 2.9, 2.13 and 2.27(a) of the Audit Report were due to the lack of manpower of the LD in monitoring the YTPTS.

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7. The **Commissioner for Labour** replied in his letter of 30 November 2012 (in *Appendix 40*) that:

- regarding the problem referred to in paragraph 2.9 of the Audit Report, the LD would organize more training activities for case managers to facilitate their timely registration. More training sessions would be arranged where there was a need; and
- regarding the problems referred to in paragraphs 2.13 and 2.27(a) of the Audit Report, the LD would enhance the liaison with the training bodies to understand the difficulties encountered by the case managers and draw up measures to ensure that the case managers would submit the Training and Career Plan and Case Review Report in a timely manner. The LD would also enhance the computer system for issuing automatic reminders to training bodies to alert them to overdue cases, and ask them to explain or rectify.

8. The Committee noted from paragraph 2.18(a) of the Audit Report that most case managers (82%) spent less than 20 hours a year or on average less than half an hour a week with each trainee, which was much less than the suggested 70 hours. The Committee asked what actions would be taken by the LD to address the problem, such as whether the LD would refuse claims for service fees by the case managers concerned.

9. The **Commissioner for Labour** explained in the same letter that the case management service fees were remunerated on an hourly basis and the training bodies could only charge the LD for the actual number of service hours spent with the trainees. In other words, the case managers were not allowed to make claims and obtain payment from the LD for training hours unspent with the trainees.

10. According to paragraph 2.19 of the Audit Report, the LD estimated that for each programme year, the case managers would claim a total of 270 000 hours on case management services and the total amount of case management service fees would be \$17.55 million. However, up to August 2012, the LD only approved payment of \$1.56 million case management services fees for 19 500 hours (7% of 270 000 hours) for trainees of 2009-2010. The Committee enquired about the reason for such discrepancy.

11. The **Commissioner for Labour** replied in his letter that:

- whilst training bodies could claim service fees after completing the case management services, some of the claims would only become due in the following programme years. On the other hand, the need to revamp the payment procedures and to modify the computer system after the integration of the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme in 2009 had brought the LD significant workload;
- various measures had been adopted by the LD to expedite the processing of claims for case management service fees. As at 31 October 2012, 5 560 (96%) of the 5 779 claims received from the case managers had been processed; and
- the figure of 270 000 hours for trainees as quoted in the Audit Report was an estimate adopted for budgeting purpose for that programme year. The actual usage of case management services would depend on the trainees' actual needs and the case managers' professional assessment.

### **C. Workplace attachment and on-the-job training**

12. Workplace attachment and on-the-job training are vital elements of the YTPTS which help trainees to develop positive work attitude, establish good work habits, acquire work knowledge and interpersonal skills as well as to understand their abilities and potential. However, according to paragraph 4.5 of the Audit Report, during the period from 2005-2006 to 2011-2012 (up to 31 March 2012), less than 50% of the trainees under the YTPTS were engaged in workplace attachment or on-the-job training. The Committee enquired whether the LD had conducted any analysis to find out which types of trades or lines of work were more popular with trainees, so as to improve the engagement rate.

13. The **Commissioner for Labour** replied in his letter that:

- when young people enrolled on YTPTS as trainees, they would be asked to indicate their job preferences. The LD would then help them apply for workplace attachment and/or on-the-job training in those industries or occupations as far as possible;

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- the reason why the engagement rate of workplace attachment and on-the-job training had not been very high was because, nowadays, many options were open to the trainees; and
- in order to promote the trainees' participation in on-the-job training, in recent years, the LD had been enhancing their collaboration with employers in launching more training-cum-employment projects, especially in those trades or industries that young people express interest, such as Japanese style hairdressing and aircraft maintenance. Through such efforts, there was a steady rise in the engagement rate, from 32% in 2008-2009 to 38% in 2010-2011.

**D. Conclusions and recommendations**

14. The Committee notes the above replies of the Commissioner for Labour and wishes to be kept informed of the progress made in implementing the various recommendations made by the Audit.