

*Chapter 4: Innovation and Technology Commission:  
Efforts in promoting internationally accepted standards and conformity assessment services*

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The Audit Commission ("Audit") conducted a review on the efforts of the Innovation and Technology Commission ("ITC") in promoting internationally accepted standards<sup>1</sup> and conformity assessment<sup>2</sup> services.

2. ITC promotes internationally accepted standards and conformity assessment services to underpin technological development and international trade, and the development of the testing and certification ("T&C") industry in Hong Kong under its programme area "Quality Support". In September 2009, the Government set up the Hong Kong Council for Testing and Certification ("HKCTC") to advise it on the overall development strategies of the T&C industry. The work of ITC relating to quality support is carried out by the Hong Kong Accreditation Service ("HKAS"), the Product Standards Information Bureau ("PSIB"), the Standards and Calibration Laboratory ("SCL") and the Secretariat of HKCTC. In 2019-2020, the expenditure on the programme area "Quality Support" was \$145.5 million.

3. The Committee noted the following findings from the Director of Audit's Report No. 76 ("the Audit Report"):

Hong Kong Accreditation Service

- HKAS set a benchmark on the net increase in the number of accredited organizations each year to facilitate it to review the extent to which its objective of upgrading the standard of operation of conformity assessment bodies ("CABs") had been met. However, for three of the five years from 2015-2016 to 2019-2020, the benchmark set<sup>3</sup> had not been met;
- Audit examination of the 31 programmes under the three accreditation schemes of HKAS found that as at 31 December 2020, nine (29%) programmes had not more than two organizations accredited. Out of these nine programmes, two programmes had not granted accreditation to any organization since the programmes' commencement;

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<sup>1</sup> Standards (e.g. sets of guidelines, codes of practices and ways of delivering services) are consensus of doing things, specifications for products, test methods or materials.

<sup>2</sup> Conformity assessment involves a set of processes which demonstrate that specific requirements relating to a product, process, system, person or body are fulfilled. The main types of conformity assessment are testing, inspection and certification. A body that performs conformity assessment services is referred to as a conformity assessment body ("CAB").

<sup>3</sup> Please refer to Table 3 of paragraph 2.6 of the Audit Report for details.

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- Audit review of 20 reassessments<sup>4</sup> conducted by HKAS from 2016 to 2019 revealed that two (10%) reassessments were delayed for 28 days and 37 days respectively. As at 14 October 2020, there were 40 outstanding reassessments with delays, ranging from 7 to 651 days;
- Audit examined the websites of 15 of the 21 accredited organizations that terminated the accreditations for all or part of their accredited activities in 2019 and noted that four (27%) of them still displayed HKAS symbol and/or falsely claimed their accreditation status;
- HKAS had launched accreditation services for medical face masks and the coronavirus disease 2019 ("COVID-19") reverse transcription-polymerase chain reaction ("RT-PCR") testing since April 2020. Up to 28 February 2021, only two accreditation applications had been received from CABs for medical face masks, and no accreditation had been granted. As regards the accreditation for COVID-19 RT-PCR testing, only 5 (22%) of the 23 local COVID-19 RT-PCR testing institutions in the private sector recognized by the Government had applied and obtained the accreditation;

Product Standards Information Bureau and Standards and Calibration Laboratory

- the utilization of Product Standards Resource Centre ("PSRC")<sup>5</sup> was low. The number of visitors decreased by 10 (58.8%) from 17 in 2015 to seven in 2019;
- PSIB had not maintained inventory records for some inventory items kept in PSRC<sup>6</sup> and had not conducted inventory checks for PSRC, contrary to the requirements of the Stores and Procurement Regulations ("SPRs")<sup>7</sup> of the Government;

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<sup>4</sup> HKAS conducts reassessments for each accredited organization regularly to ensure that the standards required for continued accreditation are maintained. The Quality Procedures of HKAS stipulate that the reassessments should be conducted not later than four weeks after their due dates.

<sup>5</sup> PSRC maintains a repository of standards and standard-related publications for public reference free of charge.

<sup>6</sup> Please refer to paragraph 3.8(a) of the Audit Report for details.

<sup>7</sup> According to SPRs, books held on departmental charge and books maintained in departmental libraries should be accounted for in Inventory Sheet and Distribution Record (GF272) or Accession Register (GF39) as appropriate. In addition, annual inventory check should be conducted on inventory stores held by bureaux/departments.

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- PSIB had not devised a mechanism to determine which withdrawn/superseded standards had no reference value and should be disposed of;
- Audit examination of PSIB records revealed that no performance records were kept to substantiate the reported performance for two performance targets, namely "Issue of quotations for standards" and "Processing of orders for licensed reproduction of standards", in the Controlling Officer's Reports of ITC from 2015 to 2019;
- from 2016-2020, ITC did not conduct annual inventory checks for the inventory items of SCL,<sup>8</sup> contrary to the requirements of SPRs;
- as at 5 January 2021, 381 (33.4%) of 1 141 equipment items of SCL were overdue for scheduled calibration, with an average overdue period of 331.8 days;
- for 4 162 (59.1%) of 7 039 equipment items calibrated for customers from 2015 to 2020, SCL took more than 15 working days to collect the items from the customers for calibration;

Support for Hong Kong Council for Testing and Certification

- from 2016 to 2019, 12% to 35% of the non-official members<sup>9</sup> attended only one or none of HKCTC's council meetings each year;<sup>10</sup>
- from 2016-2017 to 2019-2020, 11% to 50% of the participants of HKCTC's exhibition programmes were CABs associated with council members, but no declarations of interests had been made by them when the work plans of such programmes were discussed and endorsed at council meetings; and

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<sup>8</sup> SCL operates ten laboratories with various types of equipment, parts and tools. In the period from 2015-2016 to 2019-2020, SCL incurred \$98.7 million on purchasing these items. As at 9 December 2020, SCL had 2 608 items of equipment, parts and tools.

<sup>9</sup> The Chairman and members of HKCTC comprise practitioners from the T&C sector, business sector, professional organizations and representatives of public bodies and government departments.

<sup>10</sup> In the period from 2016 to 2019, 12 council meetings were held (i.e. three meetings per year). In 2020, only two council meetings were held (through video conferencing) due to the outbreak of COVID-19.

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- from 2016-2017 to 2019-2020, HKCTC participated in 18 trade shows under its exhibition programmes, with a total cost of \$1.5 million. Audit examination of these programmes' participation records revealed that while over 300 CABs were invited, only two to five CABs applied for participation in each trade show, and only 12 CABs participated in one or more trade shows.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the operation of HKAS, the work of PSIB and SCL, support provided by ITC for HKCTC and the new accreditation services to help fight COVID-19. The replies from the **Commissioner for Innovation and Technology** and the consolidated replies from the **Secretary for Innovation and Technology** and the **Commissioner for Innovation and Technology** are in *Appendices 11* and *12* respectively.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.