

# **CHAPTER 8**

## **Education Bureau**

### **The Language Fund**

**Audit Commission  
Hong Kong  
3 April 2017**

*This audit review was carried out under a set of guidelines tabled in the Provisional Legislative Council by the Chairman of the Public Accounts Committee on 11 February 1998. The guidelines were agreed between the Public Accounts Committee and the Director of Audit and accepted by the Government of the Hong Kong Special Administrative Region.*

Report No. 68 of the Director of Audit contains 8 Chapters which are available on our website at <http://www.aud.gov.hk>

Audit Commission  
26th floor, Immigration Tower  
7 Gloucester Road  
Wan Chai  
Hong Kong

Tel : (852) 2829 4210  
Fax : (852) 2824 2087  
E-mail : [enquiry@aud.gov.hk](mailto:enquiry@aud.gov.hk)

# THE LANGUAGE FUND

## Contents

	<b>Paragraph</b>
<b>EXECUTIVE SUMMARY</b>	
<b>PART 1: INTRODUCTION</b>	1.1
Background	1.2 – 1.13
Audit review	1.14
General response from the Government	1.15
Acknowledgement	1.16
<b>PART 2: MANAGEMENT OF INITIATIVES</b>	2.1
Management of support measures to schools and teachers	2.2 – 2.21
Audit recommendations	2.22
Response from the Government	2.23
Management of language education community projects	2.24 – 2.34
Audit recommendations	2.35
Response from the Government	2.36
Management of R&D projects	2.37 – 2.39
Audit recommendations	2.40
Response from the Government	2.41

	<b>Paragraph</b>
<b>PART 3: GOVERNANCE AND ADMINISTRATIVE ISSUES</b>	3.1
Governance of SCOLAR	3.2 – 3.11
Audit recommendations	3.12
Response from the Government	3.13
Administrative issues	3.14 – 3.24
Audit recommendations	3.25
Response from the Government	3.26
 <b>PART 4: LANGUAGE PROFICIENCY OF STUDENTS AND WORKING ADULTS</b>	 4.1
Language proficiency of students	4.2 – 4.4
Audit recommendations	4.5
Response from the Government	4.6
Language proficiency of working adults	4.7 – 4.10
Audit recommendation	4.11
Response from the Government	4.12

<b>Appendices</b>	<b>Page</b>
A : Functions and compositions of SCOLAR WGs (28 February 2017)	62
B : SCOLAR Secretariat: Organisation chart (extract) (31 December 2016)	63
C : Allocation of funding to initiatives analysed by languages (March 1994 to June 2016)	64
D : Allocation of funding to initiatives analysed by nature (March 1994 to June 2016)	65
E : List of 17 international business English examinations aligned to HKWEB (30 June 2016)	66
F : Acronyms and abbreviations	67



# THE LANGUAGE FUND

## Executive Summary

1. The Language Fund (LF) was set up in March 1994 and held in trust by the Permanent Secretary for Education Incorporated as the Trustee to provide financial support for initiatives aiming at improving Hong Kong people's proficiency in Chinese (including Putonghua) and English languages. The Standing Committee on Language Education and Research (SCOLAR) was established in 1996 to advise the Government on the use of the LF and language education issues in general. SCOLAR is supported by the SCOLAR Secretariat, which is the Language Education and SCOLAR Section of the Education Bureau (EDB).

2. In the 23-year period from February 1994 to February 2017, the Finance Committee of the Legislative Council (LegCo) approved seven capital injections into the LF totalling \$8,000 million. For the first six injections (\$3,000 million in total), both the principal and accrued interest were used to support initiatives funded by the LF. For the seventh injection, \$5,000 million was injected into the LF in the form of seed capital to provide a stable stream of investment income to facilitate a longer term strategic planning and development for language education.

3. Initiatives funded by the LF can be classified by nature into three broad categories: (a) support measures to schools and teachers; (b) language education community projects; and (c) research and development (R&D) projects. In the 22-year period from the establishment of the LF in March 1994 to June 2016, the Trustee of the LF approved \$3,703 million to fund 544 initiatives. As at 30 June 2016, the actual expenditure of these 544 initiatives was \$2,754 million. In October 2016, the Audit Commission (Audit) commenced a review of the LF.

### Management of initiatives

4. *Management of support measures to schools and teachers.* In the period from March 1994 to June 2016, the Trustee approved \$2,978 million for 47 initiatives to support schools and teachers. Audit examined the management and achievements of five key initiatives, which accounted for \$2,226 million (75%) of

## Executive Summary

---

the total approved funding of \$2,978 million. Audit found a number of areas for improvement, including:

- (a) in July 2007, the Trustee approved funding of \$225 million to launch the Scheme to Support Schools in using Putonghua to teach the Chinese Language Subject. This six-year pilot scheme aimed to assist schools in the implementation of using Putonghua as the medium of instruction for teaching the Chinese Language subject (PMIC), and a total of 160 schools (132 primary schools and 28 secondary schools) participated in the Scheme. For the four years beginning from 2008/09 academic year (all years mentioned hereinafter refer to academic years), 40 schools were selected each year to participate in the pilot scheme. The funds were disbursed primarily as grants for schools to help teachers implement their school plans on using PMIC and attend relevant professional development programmes. In 2012, the SCOLAR Secretariat commissioned an evaluative study of the Scheme. Among the 160 participating schools, only four schools that participated in the last phase of the six-year pilot scheme were selected for the study. The findings were inconclusive as to whether using PMIC was more effective than using Cantonese as the medium of instruction. The study recommended that more resources and assistance should be given to facilitate the implementation of using PMIC. It has been more than 16 years since the Government adopted the long-term vision of using PMIC for all schools. Further research that provides more conclusive findings is needed;
  
- (b) to support secondary schools in strengthening the teaching and learning in English, in February 2006 and October 2010, \$880 million and \$323 million were earmarked for the English Enhancement Scheme (EES) and the Refined English Enhancement Scheme (REES) respectively. From 2006/07 to 2013/14, 439 secondary schools participated in the EES over an eight-year period (3 schools subsequently withdrew) and from 2010/11 to 2013/14, 386 secondary schools participated in the REES over a four-year period (1 school subsequently withdrew). The funds were used to purchase teaching and learning materials, and employ additional teachers and assistants. The EES and the REES were administered by the Education Commission and Planning Division (ECPD) of the EDB, instead of by the SCOLAR Secretariat. Audit noted that the ECPD had neither provided implementation information nor submitted the evaluation report of the EES and the REES to SCOLAR. According to the evaluation report, 177 (41%) schools participated in the EES and



## Executive Summary

---

175 (45%) schools participated in the REES did not show satisfactory performance in meeting the pledged targets;

- (c) to prepare primary school students for their needs of learning English in secondary schools, an allocation of \$270 million was approved in January 2010 for the English Enhancement Grant Scheme (EEGS), a four-year grant scheme that lasted from 2010/11 to 2013/14. Audit examined 20 EEGS projects and found that there were delays in the submission of progress reports and final reports, and delays in the return of unspent funds. In addition, many targets set were not easily measurable; and
- (d) in February 2003 and March 2005, a total of \$528 million was earmarked for the Professional Development Incentive Grant Scheme for Language Teachers (PDIGS). Since 2004/05, all new language teachers are required to have qualifications recommended by SCOLAR. Serving language teachers who joined the teaching profession before 2004/05 without the recommended qualifications are encouraged to acquire the relevant qualifications as soon as possible. In this regard, the PDIGS was launched under the LF in 2003/04 to provide financial incentive to encourage language teachers to pursue recognised programmes of studies for enhancing their subject knowledge and pedagogy in the language they taught. Audit noted that the number of applications for the PDIGS has been decreasing since its launch. As at 30 June 2016, \$311 million (59%) of the \$528 million earmarked for the PDIGS remained unspent (paras. 2.2, 2.4 to 2.16, 2.18, 2.19 and 2.21).

5. *Management of language education community projects.* Through language education community projects, the LF aims to promote the importance of language education through nurturing closer partnership and forming stronger alliance with various stakeholders such as non-governmental organisations, private sectors and the community at large. In the period from March 1994 to June 2016, the Trustee approved \$558 million for 378 language education community projects. The funding represented 15% of the total approved funding of \$3,703 million for the period. Up to 30 June 2016, of the \$558 million, \$536 million was approved for 345 promotional projects (which were fully-funded by the LF) and \$22 million for 33 sponsorship projects (which were partially-funded by the LF). Audit found that: (a) of 63 project reports submitted by project grantees for ten completed promotional projects, 45 (71%) were submitted late. The delays were over

## Executive Summary

---

3 months (94 days) on average, ranging from 3 to 432 days. In one project (a writing programme), among the awards given out were 26 book coupons issued by a publisher, who was related to the grantee. The face values of the 26 coupons were then charged by the grantee to the project vote. Audit noted that the project agreement did not stipulate the measures to be taken by the grantee in managing related party transactions. In four of the ten projects examined by Audit, there were non-compliances of procurement requirements stipulated in the project agreement; and (b) over the years, sponsorship projects have not been popular for a variety of reasons (paras. 2.24, 2.29 to 2.32 and 2.34).

6. *Management of R&D projects.* In the period from March 1994 to June 2016, the Trustee approved \$167 million for 119 R&D projects, representing 5% of the total approved funding of \$3,703 million. Starting from March 2014, apart from the top-down approach, SCOLAR has also adopted a bottom-up approach of inviting applications for R&D projects. Each application for bottom-up R&D projects was assessed by three members of the Vetting Committee by each completing a standard vetting form indicating whether or not to recommend the application for funding approval. Audit examined all the 24 projects approved from March 2014 to June 2016. Audit found that in one project applying for funding of \$7.5 million, the three members of the Vetting Committee recommended the project for approval, but their recommendations were subject to reservations or conditions on making the budget more realistic and providing further justification of certain expenditures. There was no documentary evidence showing that the SCOLAR Secretariat had taken follow-up action on the reservations. Measures are needed to distinguish and deal with qualified recommendations (paras. 2.37 to 2.39).

### Governance and administrative issues

7. *Governance of SCOLAR.* As at 30 November 2016, SCOLAR comprised a non-official chairman, 12 non-official members and six ex-officio members. The term of each SCOLAR membership is two years. The current term of membership is from 1 July 2015 to 30 June 2017. Since July 2015, SCOLAR has adopted a two-tier reporting system to manage conflicts of interest. Audit found a number of areas for improvement, including: (a) the SCOLAR Secretariat only sent Declaration Forms to members after the commencement of the term. Nine members returned the Forms more than 30 days after the commencement of the term; (b) the annual declaration for the second year of the current term should have been returned by 1 July 2016. However, up to 31 January 2017, four members had

## Executive Summary

---

not returned the declarations; and (c) for the five SCOLAR meetings held between 1 July 2015 and 31 October 2016, the average attendance rate of the 19 members was 74%. However, the attendance rates of four members were below 50% (paras. 3.2 to 3.6, 3.8 and 3.9).

8. ***Administrative issues.*** In January 2014, the LF received the seventh fund injection of \$5,000 million and in March 2014 placed the entire amount with the Exchange Fund (see para. 2). To make use of the injection of \$5,000 million, the EDB identified six strategic areas and proposed short-term initiatives and medium-and-long-term initiatives under each strategic area. In November 2015 and July 2016, the EDB reported to LegCo the progress of the planning and implementation of the initiatives. Audit noted that: (a) the EDB did not report the impact and achievements of the initiatives. Up to January 2017, no performance indicators had been developed to monitor the effectiveness of the LF; (b) after an initiative was approved, the funding allocated would be earmarked to a project account. Any unused balance of the earmarked funding would be ploughed back to support other initiatives after the completion of the initiative and the closure of the project account. As at 30 June 2016, there were 68 initiatives recorded as “ongoing” in the project database. Audit examination revealed that 13 (19%) of the 68 initiatives had been completed/terminated. Of these 13 initiatives, 6 had been completed/terminated for over 1 year and their unspent balance amounted to \$61.1 million; and (c) there is a need to identify and fund more worthwhile initiatives. Audit found that the amount of funding approved by the LF to support new initiatives decreased from \$159 million in 2014 (from March to December) to \$7 million in 2016 (from January to June). The interest income of \$513.3 million earned from the Exchange Fund far exceeded the actual funding of \$262 million approved for the period from March 2014 to June 2016 (paras. 3.14, 3.16, 3.19 to 3.21 and 3.24).

### Language proficiency of students and working adults

9. ***Language proficiency of students.*** The EDB uses the Territory-wide System Assessment (TSA) and the Hong Kong Diploma of Secondary Education Examination (HKDSEE) to assess the Chinese and English language proficiency of students at Primary 3, Primary 6, Secondary 3 and Secondary 6. According to the TSA results in the period from 2007 to 2016, over 20% and over 30% of Secondary 3 students did not meet the basic competencies in Chinese Language and English Language respectively. For the HKDSEE, there were about 15% and 20% of Secondary 6 students who did not attain “Level 2” or above in Chinese Language

## Executive Summary

---

and English Language (i.e. the minimum language requirement for articulation to sub-degree programmes) respectively in 2016. On the other hand, since the Hong Kong Certificate of Education Examination was discontinued in 2012, no tools have been available to measure the Putonghua proficiency of students (paras. 4.2 to 4.4).

### Audit recommendations

10. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Secretary for Education should:**

#### *Management of support measures to schools and teachers*

- (a) **take measures to improve evaluation studies (such as the scope and the timing) for future LF schemes with a view to enhancing the applicability of their findings (para. 2.22(a));**
- (b) **in relation to the use of PMIC, consider ways to facilitate schools adopting PMIC to implement the recommendations of the evaluative study of the PMIC Support Scheme, and conduct research which would provide more conclusive findings, and determine the way forward (para. 2.22(b));**
- (c) **ensure that management information (e.g. the implementation progress and effectiveness) of LF schemes not administered by the SCOLAR Secretariat is reported to SCOLAR on a regular basis (para. 2.22(c));**
- (d) **strengthen the project monitoring of future LF schemes (para. 2.22(d));**
- (e) **take measures to encourage more applications for the PDIGS (para. 2.22(e));**
- (f) **review the level of funding earmarked for the PDIGS (para. 2.22(f));**

## Executive Summary

---

### *Management of language education community projects*

- (g) take measures to ensure timely submission of project reports by grantees (para. 2.35(c));
- (h) take measures to ensure that expenditures charged to projects are proper (para. 2.35(d));
- (i) take measures to ensure that the grantees comply with the procurement requirements (para. 2.35(e));
- (j) take further measures to enhance the appeal of sponsorship projects (para. 2.35(g));

### *Management of R&D projects*

- (k) take measures to ensure that recommendations subject to reservations or conditions, especially those concerning project costs, are clarified and followed up (para. 2.40(a));
- (l) document the results of the follow-up action to support the recommendations of the Vetting Committee (para. 2.40(b));

### *Governance of SCOLAR*

- (m) take measures to ensure that Declaration Forms on conflicts of interest are submitted by members in a timely manner (para. 3.12(a));
- (n) take measures to improve the attendance rates of SCOLAR members with low attendance records (para. 3.12(b));

## Executive Summary

---

### *Administrative issues*

- (o) **step up efforts in developing suitable performance indicators for the LF and provide more details of the effectiveness of the LF in the progress reports to LegCo (para. 3.25(a));**
- (p) **expedite the closure of project accounts of completed/terminated initiatives with a view to releasing unspent earmarked funding to support other new initiatives (para. 3.25(b));**
- (q) **endeavour to identify and fund more worthwhile initiatives with a view to enhancing the language proficiency of Hong Kong people (para. 3.25(d));**

### *Language proficiency of students*

- (r) **monitor the Chinese and English language proficiency of students and, if necessary, seek advice from SCOLAR on the improvement measures (para. 4.5(a)); and**
- (s) **seek advice from SCOLAR on the development of a set of assessment instruments for gauging Putonghua proficiency of students (para. 4.5(b)).**

## Response from the Government

11. The Government generally agrees with the audit recommendations.

## **PART 1: INTRODUCTION**

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

### **Background**

1.2 The Language Fund (LF) was set up in March 1994 with an initial allocation of \$300 million, held in trust under the Permanent Secretary for Education Incorporation Ordinance (Cap. 1098). The Permanent Secretary for Education Incorporated is the Trustee of the LF (Trustee). The LF provides financial support for initiatives aiming at improving Hong Kong people's proficiency in Chinese (including Putonghua) and English languages.

1.3 The LF is operated in accordance with a Trust Deed, which sets out the following:

- (a) ***Ambit.*** The Trustee should apply the LF to:
  - (i) support, directly or indirectly, proficiency in the use of the Chinese (including Putonghua) and English languages by the people of Hong Kong; and
  - (ii) fund programmes, projects, research, textbooks, reference materials, teaching aids, language teachers, language experts, educationalists, education and training institutions, courses, training, publications and publicity directed towards the enhancements in the use of Chinese (including Putonghua) and English languages by the people of Hong Kong; and
- (b) ***Grant disbursement principles.*** Disbursements from the LF have to observe the following principles:
  - (i) equal importance should be given to improving proficiency in Chinese and English;

## **Introduction**

---

- (ii) a balance should be maintained between meeting the specific needs of schools and those of the community at large;
- (iii) for school children, emphasis should be put on increasing opportunities for language learning, in particular through extra-curricular activities;
- (iv) innovative ideas and learner-friendly, pragmatic approaches should be encouraged; and
- (v) a positive attitude towards learning and acquiring proficiency in the languages should be cultivated.

### ***Standing Committee on Language Education and Research***

1.4 The Standing Committee on Language Education and Research (SCOLAR) was established in 1996 to advise the Government on the use of the LF and language education issues in general. Its terms of reference are to:

- (a) advise the Trustee on policies and procedures governing the operation of the LF, and to provide such assistance as the Trustee may require to support, directly or indirectly, the enhancement of the language proficiency of the community;
- (b) advise on the overall policy on language education, including the medium of instruction;
- (c) advise on the setting of language standards, including general goals for language learning at different levels of education and specific language attainment targets at each stage of education, and measures to be adopted to attain such standards;
- (d) identify research and development (R&D) projects which are necessary for the enhancement of language proficiency and language in education, and to implement or oversee the satisfactory completion of such projects;



- (e) co-ordinate all R&D activities relating to language proficiency by relevant agencies, monitor their progress, evaluate their effectiveness, and make recommendations to the Government accordingly; and
- (f) develop and promote a public education and information programme in respect of language proficiency issues.

### *Organisation structure of SCOLAR*

1.5 SCOLAR members are appointed by the Secretary for Education under the delegated authority of the Chief Executive of the Hong Kong Special Administrative Region. The current term of the membership is from 1 July 2015 to 30 June 2017. As at 30 November 2016, SCOLAR comprised a non-official chairman, 12 non-official members and six ex-officio members (Note 1).

1.6 The term of each SCOLAR membership is two years. SCOLAR has established eight working groups (WGs) to assist its work (see Appendix A). SCOLAR members are free to join the WGs at the beginning of the membership term.

1.7 SCOLAR is supported by the SCOLAR Secretariat, which is the Language Education and SCOLAR Section of the Education Bureau (EDB). The SCOLAR Secretariat is headed by an Assistant Secretary of the EDB. As at 31 December 2016, the SCOLAR Secretariat had a staff establishment of 39. The organisation chart of the SCOLAR Secretariat is shown at Appendix B.

---

**Note 1:** *Non-official members are appointed on an ad personam basis. They are either from the education sector or from the community at large. The six ex-officio members are a Deputy Secretary for Education, the Chairperson of the Committee on Professional Development of Teachers and Principals, the Secretary-General of the Hong Kong Examinations and Assessment Authority or his representative, and the Chairperson of three of the Committees of the Curriculum Development Council, namely the Committee on Chinese Language Education, the Committee on English Language Education and the Committee on Early Childhood Education.*

## Introduction

---

### *Capital injections*

1.8 In the 23-year period from February 1994 to February 2017, the Finance Committee (FC) of the Legislative Council (LegCo) approved seven capital injections into the LF totalling \$8,000 million (see Table 1).

**Table 1**

**Capital injections into the LF approved by the FC  
(February 1994 to February 2017)**

<b>Round</b>	<b>Date</b>	<b>Amount (\$ million)</b>	} \$3,000 million
1	February 1994	300	
2	February 2001	200	
3	February 2003	400	
4	March 2005	500	
5	January 2006	1,100	
6	June 2010	500	
7	January 2014	5,000	
<b>Total</b>		<b>8,000</b>	

*Source: EDB records*

1.9 For the first six rounds of injection (\$3,000 million in total), both the principal and accrued interest were used to support initiatives funded by the LF. For the seventh round of injection, the LF changed its financing mode. The \$5,000 million was injected into the LF in the form of seed capital to provide a stable stream of investment income to facilitate a longer term strategic planning and development for language education. Expenditure is met by the investment returns of the LF. In March 2014, the LF placed the \$5,000 million with the Exchange Fund managed by the Hong Kong Monetary Authority for six years, during which the principal amount cannot be withdrawn.

### *Initiatives funded by LF*

1.10 Initiatives funded by the LF can be classified by nature into three broad categories:

- (a) ***Support measures to schools and teachers.*** The LF provides funding for support measures to schools and teachers. Examples of initiatives include:
  - (i) the Scheme to Support Schools in using Putonghua to teach the Chinese Language Subject. The Scheme aimed to assist schools in using Putonghua as the medium of instruction for teaching the Chinese Language subject (PMIC). The Scheme is hereinafter referred to as PMIC Support Scheme; and
  - (ii) the Professional Development Incentive Grant Scheme for Language Teachers (PDIGS);
- (b) ***Language education community projects.*** The LF aims to promote the importance of language education through nurturing closer partnership and forming stronger alliance with various stakeholders such as non-governmental organisations, the private sectors and the community at large; and
- (c) ***R&D projects.*** The LF supports R&D projects with a view to facilitating the formulation of language education policies by focusing on areas such as language use, teaching approaches and resources development.

1.11 Initiatives funded by the LF can also be classified into four categories according to languages:

- (a) promotion of Chinese;
- (b) promotion of English;
- (c) promotion of cross-languages (i.e. Chinese and English); and
- (d) promotion of Putonghua.

## Introduction

---

1.12 Upon approval of the injection of \$5,000 million into the LF in January 2014, with a view to further enhancing the Chinese (including Putonghua) and English language proficiency of students and the workforce of Hong Kong, SCOLAR identified six strategic areas and deliberated short-term initiatives and medium-and-long-term initiatives under each of the six strategic areas. The six strategic areas are:

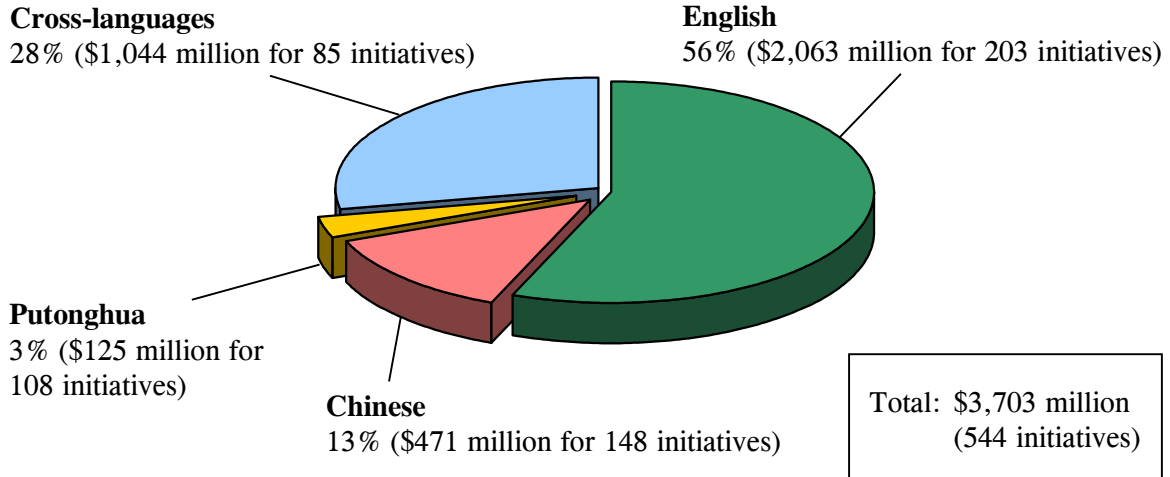
- (a) facilitating effective language education policy formulation and implementation through initiating longitudinal research and comparative studies in local and international settings;
- (b) strengthening support of language learning in Chinese and English in very early years;
- (c) enhancing professional preparation and continuing development of language teachers;
- (d) catering for learner diversity, including the needs of non-Chinese speaking students;
- (e) creating and nurturing a facilitating language learning environment for students in and beyond school settings through partnership with relevant stakeholders, in particular the community; and
- (f) raising language proficiency of Hong Kong's workforce in response to the changing language landscape.

Short-term initiatives were implemented in 2014 and 2015. The implementation of some of the medium-and-long-term initiatives started in 2016.

1.13 In the 22-year period from the establishment of the LF in March 1994 to June 2016, the Trustee approved \$3,703 million to fund 544 initiatives. As at 30 June 2016, the actual expenditure of these 544 initiatives was \$2,754 million. Of the 544 initiatives, 482 (89%) were completed, 55 (10%) were ongoing and 7 (1%) were terminated. Figures 1 and 2 show the distribution of initiatives categorised by languages and by nature respectively. Appendices C and D show the allocations of funding in the period from March 1994 to June 2016 analysed by languages and by nature respectively.

Figure 1

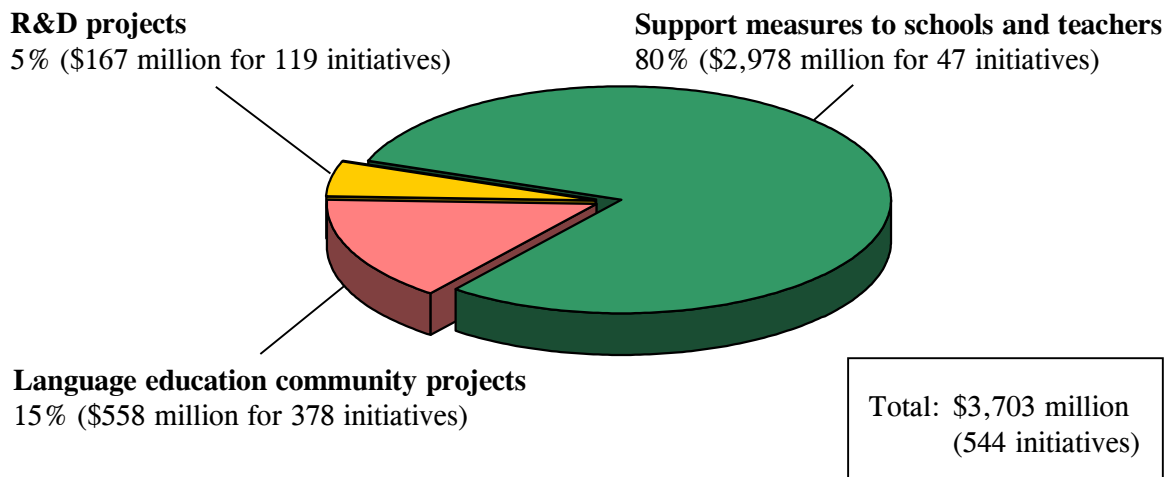
**Analysis of approved funding of initiatives by languages  
(March 1994 to June 2016)**



Source: *Audit analysis of EDB records*

Figure 2

**Analysis of approved funding of initiatives by nature  
(March 1994 to June 2016)**



Source: *Audit analysis of EDB records*

## **Introduction**

---

### **Audit review**

1.14 In October 2016, the Audit Commission (Audit) commenced a review of the LF. The review has focused on the following areas:

- (a) management of initiatives (PART 2);
- (b) governance and administrative issues (PART 3); and
- (c) language proficiency of students and working adults (PART 4).

Audit has found room for improvement in the above areas and has made a number of recommendations to address the issues.

### **General response from the Government**

1.15 The Secretary for Education generally agrees with the audit recommendations and will consider appropriate follow-up actions. He fully appreciates Audit's efforts in conducting the review and making recommendations to help improve the operation of the LF.

### **Acknowledgement**

1.16 Audit would like to acknowledge with gratitude the full cooperation of the staff of the EDB during the course of the audit review.

## **PART 2: MANAGEMENT OF INITIATIVES**

2.1 This PART examines the management of the initiatives funded by the LF. Audit found room for improvement in the following areas:

- (a) management of support measures to schools and teachers (paras. 2.2 to 2.23);
- (b) management of language education community projects (paras. 2.24 to 2.36); and
- (c) management of R&D projects (paras. 2.37 to 2.41).

### **Management of support measures to schools and teachers**

2.2 The LF provides funding for support measures to schools and teachers. In the period from March 1994 to June 2016, the Trustee approved \$2,978 million for 47 initiatives to support schools and teachers (see Figure 2 in para. 1.13). Audit examined the management and achievements of five key initiatives and identified areas for improvement (see Table 2). The total approved funding (\$2,226 million) of the five initiatives accounted for 75% of the total approved funding (\$2,978 million) for support measures to schools and teachers.

## Management of initiatives

---

Table 2

**Five key initiatives for support measures to schools and teachers  
examined by Audit  
(30 June 2016)**

<b>Initiative</b>	<b>Duration (Academic year)</b>	<b>Approved funding (\$ million)</b>	<b>Actual expenditure (\$ million)</b>	<b>Number of beneficiaries</b>
PMIC Support Scheme	6 years (2008/09 to 2013/14)	225	202	132 primary schools and 28 secondary schools
English Enhancement Scheme (EES)	8 years (2006/07 to 2013/14)	880	722	439 secondary schools
Refined English Enhancement Scheme (REES)	4 years (2010/11 to 2013/14)	323	319	386 secondary schools
English Enhancement Grant Scheme (EEGS)	4 years (2010/11 to 2013/14)	270	229	475 primary schools
PDIGS (Note)	13 years (Since 2003/04)	528	217	8,252 teachers
Total		2,226	1,689	

Source: EDB records

Note: The PDIGS is an ongoing project. The amount of actual expenditure shown in this Table was the position up to 30 June 2016.



### *PMIC Support Scheme*

2.3 Since November 2000, the Curriculum Development Council (Note 2) has stated that using PMIC is the Council's long-term goal. Three studies relating to using PMIC funded by the LF and the Quality Education Fund (Note 3) were completed in 2002. The studies found that:

- (a) students who learned Chinese Language in Putonghua showed improvement in Putonghua proficiency and were better in Chinese writing than their counterparts who learned the subject in Cantonese; and
- (b) there was no conclusive evidence to support the argument that students' general Chinese competence would be better if they learned Chinese Language in Putonghua.

In June 2003, SCOLAR completed a review on the Government's language education policies and measures, and published the report "Action Plan to Raise Language Standards in Hong Kong" (2003 Report). According to the 2003 Report, SCOLAR believed that using PMIC would help improve students' Chinese writing and Putonghua proficiency, and foresaw the growing use of written Chinese and Putonghua in both the official and business arenas. In the Report, SCOLAR stated that it endorsed the Curriculum Development Council's long-term vision to use PMIC. SCOLAR supported the recommendation of incorporating Putonghua learning elements into the Chinese Language Education Curriculum as one entity and in the long term adopting PMIC. In view of the inconclusive findings of studies, the Report stressed that the Government should better understand the conditions necessary for schools to make a successful switch to Putonghua and prevent possible negative outcomes, before formulating a firm policy and implementation timetable for all schools to adopt PMIC.

---

**Note 2:** *The Curriculum Development Council is a free-standing advisory body appointed by the Chief Executive to give advice to the Government on matters relating to curriculum development for the local school system.*

**Note 3:** *The Quality Education Fund was established in January 1998. It mainly caters for worthwhile non-profit-making initiatives within the ambit of basic education, i.e. kindergarten, primary, secondary and special education.*

## Management of initiatives

---

2.4 *Launching of the PMIC Support Scheme.* SCOLAR commissioned a research study in the period from 2004 to 2006 to identify factors that were conducive to the implementation of using PMIC. Based on the research findings (Note 4), in July 2007, the Trustee approved funding of \$225 million to launch a six-year pilot PMIC Support Scheme, which started from 2008/09 academic year (unless otherwise specified, all years mentioned in this Audit Report refer to academic years starting in September of a year and ending in August of the following year). The Scheme aimed to assist schools in the implementation of using PMIC. Details of the Scheme are as follows:

- (a) the Support Scheme was carried out on a pilot basis in four years as four phases providing support to a maximum of 40 primary/secondary schools in each phase. In each of the four phases from 2008/09 to 2011/12, 40 schools were selected;
- (b) schools applying for the PMIC Support Scheme were vetted by a panel for their readiness to introduce or expand the use of PMIC. The panel was chaired by a SCOLAR member and comprised representatives from the EDB and the education sector. Only schools which had already possessed the basic preconditions or with viable plans would receive support; and
- (c) each selected school received support for three consecutive years. For example, the last batch selected in 2011/12 received support for the years from 2011/12 to 2013/14.

From 2008/09 to 2013/14, a total of 160 schools (132 primary schools and 28 secondary schools) participated in the Scheme. The funding spent was \$202 million, of which \$54 million was used for the provision of non-cash support measures (e.g. professional advice rendered by Mainland teaching experts to help the schools implement their plans on using PMIC) and \$148 million was used for the supply teacher grant which provided grants for schools to help teachers implement their school plans on using PMIC as well as to attend relevant professional development programmes.

---

**Note 4:** *The study identified six factors which would be conducive to the implementation of using PMIC, including: (a) teacher qualifications; (b) attitudes and strategies of school management; (c) language environment; (d) students' learning ability; (e) arrangements for curriculum, teaching methods and teaching materials; and (f) support for learning and teaching.*

2.5 *Evaluation of implementation of the PMIC Support Scheme.* In order to examine the issues of concerns in the course of implementing the use of PMIC, for ensuring the teaching effectiveness of the Chinese Language subject, the SCOLAR Secretariat implemented various measures to evaluate the PMIC Support Scheme. Annual surveys with participating schools and interviews of school heads and teachers of participating schools were conducted. The SCOLAR Secretariat also commissioned a tertiary education institution in March 2012 to conduct a longitudinal evaluative study to examine the process of, and the changes and impacts brought to the participating schools by the implementation of PMIC. The cost incurred for the study was \$1.42 million. The study adopted a case-study approach and selected four participating schools (two primary schools and two secondary schools) with different school backgrounds and experiences of implementing PMIC. The study also examined the effects of using PMIC by comparing the performance of students who studied Chinese Language subject in Putonghua and those in Cantonese. The report of the study was accepted by SCOLAR in October 2015. With respect to students' performance, the findings were inconclusive and reflected that PMIC had no negative impacts on the studying of Chinese Language subject of the students of the selected schools. In response to Audit's enquiry, in March 2017, the EDB said that:

- (a) the findings reflected that the PMIC Support Scheme had enhanced the platform for knowledge sharing of the teaching teams and helped teachers internalise the pedagogical knowledge of PMIC;
- (b) in general, PMIC classes performed better than classes using Cantonese as the medium of instruction for teaching the Chinese Language subject (CMIC). Taking into account the different entry points of students, it would be inappropriate to conclude that PMIC was more effective. Students' performance under PMIC and CMIC varied in different domains (listening, speaking, reading and writing) and stages of schooling. At junior secondary levels, CMIC classes performed better in speaking whilst PMIC classes outperformed CMIC classes in reading. Senior primary students in PMIC classes also performed better in writing whereas junior secondary students in CMIC classes fared better in writing;
- (c) SCOLAR advised the EDB to consolidate and disseminate good practices of schools under the PMIC Support Scheme through different platforms; and

## Management of initiatives

---

- (d) the EDB informed LegCo in July 2016 that schools might consider whether PMIC should be adopted and the pace of implementation. The EDB would continue to give schools assistance and support for teaching the Chinese Language subject irrespective of whether the schools' medium of instruction was Putonghua or Cantonese, and to explore feasible options to enhance teachers' confidence and competence in PMIC.

2.6 *Need to draw lessons from the evaluative study.* Among the 160 participating schools, only four schools (two primary schools and two secondary schools) that participated in the last phase (i.e. from 2011/12 to 2013/14) were selected for the evaluative study. Limitations of the study were spelt out in the report of the study:

- (a) as only four schools were covered, the findings in the study might not be applicable to all schools implementing the use of PMIC;
- (b) the study was approved in March 2012. As such, the research team could only select schools participating in the last phase as study objects. There were limitations in the findings; and
- (c) all the four schools covered in the study assigned students to classes using PMIC based on the students' examination and interview results. Although students of PMIC classes were found performing better, after taking into account the different entry points of those students, it would be inappropriate to conclude that using Putonghua was more effective than using Cantonese to teach the Chinese Language subject.

Audit considers that the SCOLAR Secretariat needs to draw lessons from this study and improve the design and conduct of future evaluative studies. For example, the findings could have been more widely applicable, if the scope of the evaluative study covered more than only four schools. Moreover, as the evaluative study covered the last batch of schools, the results could only be available after the completion of the PMIC Support Scheme. If the evaluative study was conducted at an earlier stage, improvements could have been made to the Scheme in view of the findings of the study.

2.7 *Need to facilitate the implementation of using PMIC by schools and conduct more research to provide more conclusive findings on the effectiveness of using PMIC.* To facilitate the implementation of using PMIC by schools, the report of the evaluative study recommended that:

- (a) SCOLAR should consider publishing case studies of implementation of using PMIC for experience sharing by local teachers;
- (b) schools should deploy teachers with good subject and pedagogical knowledge in Chinese Language and Putonghua, and ability to teach classes using PMIC;
- (c) schools should commit sufficient resources for implementing the use of PMIC. School leaders should make appropriate arrangements to create room for setting up mechanisms which facilitate collaborative lesson planning, peer observations, feedback and experience sharing among teachers, so as to promote knowledge transfer and continuing professional development of the teaching force;
- (d) schools should provide supportive measures to enhance teachers' Putonghua proficiency, enabling them to provide appropriate language modeling, as well as guidance and constructive feedback for students; and
- (e) training courses for teachers should be improved to enable them to have a deeper and more comprehensive understanding on the use of PMIC.

While the EDB will continue to pursue the long-term vision of using PMIC for all schools, schools may use either Cantonese or Putonghua as the medium of instruction to teach the Chinese Language subject having regard to their own circumstances. According to the surveys conducted by SCOLAR, in the period from 2008/09 to 2015/16, the percentages of primary schools and secondary schools using PMIC had increased from 56% to 72% and from 32% to 37% respectively. While the EDB has disseminated good practices of schools under the PMIC Support Scheme and explored feasible options to enhance teachers' confidence and competence in PMIC, the EDB needs to consider ways to facilitate schools that choose to adopt PMIC to implement the recommendations of the evaluative study. Furthermore, according to the EDB, as the evaluative study only focused on examining the specific cases among the schools participated in the PMIC Support Scheme, there were limitations of its findings which might not be deemed as the

## Management of initiatives

---

ultimate conclusion on the subject of using PMIC. It has been more than 16 years since the Government adopted the long-term vision of using PMIC for all schools. Over the years, researches carried out were not conclusive on the effectiveness of using PMIC. According to the EDB, it was probably because there were many factors affecting the efficacy of using PMIC. To shed light on the matter, the SCOLAR Secretariat needs to assist SCOLAR in making use of the LF to conduct further research to provide more conclusive findings on using PMIC.

### *Schemes to support schools in teaching and learning English*

2.8 The LF funded the following schemes to support schools in strengthening the teaching and learning of English:

- (a) ***EES for secondary schools.*** In February 2006, \$880 million was earmarked for the EES, which aimed to strengthen the learning and teaching of English. Under the EES, eligible schools might apply in 2006 and 2007 to implement school-based English enhancement measures. Eligible schools comprised all public-sector secondary schools, secondary schools under the Direct Subsidy Scheme and special schools offering ordinary secondary curriculum. Approved schools using Chinese as the medium of instruction (CMI) generally received not more than \$3 million over a period of six years. They were required to commit to adopting the CMI mode for the entire duration of the Scheme. Approved schools using English as the medium of instruction (EMI) received about \$0.5 million in total over a period of six years. A total of 439 secondary schools (including three schools that withdrew from participation subsequently) participated in the EES and received funding of \$722 million. All school-based measures funded under the EES were completed by the end of 2013/14;
- (b) ***REES for secondary schools.*** Since the implementation of the Fine-tuning the Medium of Instruction for Secondary Schools in 2010/11, schools are no longer bifurcated into CMI and EMI schools. Against this background, \$323 million was earmarked in October 2010 for the implementation of the REES. The REES aimed at supporting schools to build on the foundation of the EES to adjust and refocus their plans to put in place their school-based fine-tuned medium of instruction arrangements. Schools eligible for the EES were also eligible for joining the REES. Under the REES, each approved school received not more

than \$1 million over a period of two years. A total of 386 secondary schools (including one school that withdrew from participation subsequently) participated in the REES and received funding of \$319 million. All school-based measures funded under the REES were completed by the end of 2013/14; and

- (c) *EEGS for primary schools.* In January 2010, an allocation of \$270 million from the LF was approved for the EEGS. The EEGS aimed at preparing students of primary schools for their needs of learning English in secondary schools. Under the EEGS, all aided (including special schools with primary section adopting ordinary school curriculum), government or Direct Subsidy Scheme primary schools were eligible to apply for a grant of not more than \$0.5 million to be disbursed over a period of two years for developing school-based English enhancement measures. The EEGS started in 2010/11 and all school-based measures were completed by the end of 2013/14. A total of 475 primary schools participated in the EEGS and received funding of \$229 million.

2.9 For all the three schemes, applicant schools were required to submit, among others, a holistic school-based plan covering strategy, implementation plans and expected targets of the projects. A panel comprising language education experts and representatives from the EDB was formed to assess applications and give advice on the appropriateness and feasibility of the enhancement measures (e.g. purchase of teaching and learning materials, employment of additional teachers and teaching assistants, and hire of services for conducting learning activities) proposed by each school. Successful schools were required to sign with the Government a performance contract in which the schools pledged qualitative and quantitative targets to be achieved within a specified timeframe.

### *Management of EES and REES*

2.10 Following the launch of the EES and the REES, the Trustee agreed in February 2006 and October 2010 that the Education Commission and Planning Division (ECPD) of the EDB, instead of the SCOLAR Secretariat, would be responsible for the administration of the EES and the REES respectively, including the release of fund to project grantees (i.e. approved schools), monitoring of project progress and conducting evaluation of the schemes.

## **Management of initiatives**

---

2.11 *Need to regularly report to SCOLAR progress information on the implementation of LF schemes.* When the ECPD was made responsible for the administration of the EES and the REES, no arrangements were made between the SCOLAR Secretariat and the ECPD on the reporting requirements to SCOLAR. Audit noted that:

- (a) the ECPD had not reported progress information to SCOLAR on the implementation of the schemes, such as the number of applications received, number of approved applications, and amount of funding approved; and
- (b) in December 2015, the ECPD completed an evaluation on the EES and the REES. Up to November 2016, the ECPD had not submitted any evaluation report to SCOLAR.

2.12 The evaluation on the EES and REES was completed in 2015 by the ECPD. The evaluation included self-evaluation by the schools. Based on self-evaluation by the schools and evaluation by the EDB, 177 (41%) of 436 schools participated in the EES (excluding 3 schools that subsequently withdrew) and 175 (45%) of 385 schools participated in the REES (excluding 1 school that subsequently withdrew) did not show satisfactory performance in meeting the pledged targets vis-a-vis objectives of the schools. The total funding earmarked for the two schemes was \$1,203 million and the actual funding disbursed was \$1,041 million. Audit noted that SCOLAR was not informed of the implementation progress and effectiveness of the EES and REES. In view of the significant amount of funding involved, Audit considers that it is important that SCOLAR was informed of the implementation progress and effectiveness of the schemes. The SCOLAR Secretariat needs to ensure that the management information (e.g. implementation progress and effectiveness) of all schemes including those not administered by the Secretariat is reported to SCOLAR regularly.

### ***Management of EEGS***

2.13 To prepare primary school students for their needs of learning English in secondary schools, an allocation of \$270 million was approved in January 2010 for the EEGS, a four-year grant scheme that lasted from 2010/11 to 2013/14. Audit examined the SCOLAR Secretariat's management of EEGS projects and identified areas for improvement, as detailed in paragraphs 2.14 to 2.16.



2.14 *Submission of progress reports and final reports not timely.* According to the EEGS application guidelines and the performance contract signed between the schools and the Government, participating schools were required to submit a progress report within three months after the first year of implementation and a final report (including the financial statement) within three months after completion of the project. Audit examined project files of 20 (4.2%) of the 475 projects (total amount of grant was \$9 million, involving 18 progress reports and 20 final reports) and found that some reports were submitted late (see Table 3):

- (a) for 4 (22%) of the 18 progress reports, the delays were more than 30 days, ranging from 59 to 206 days (averaging 105 days); and
- (b) for 1 (5%) of the 20 final reports, the delay was 65 days.

For future schemes, the SCOLAR Secretariat needs to take measures to ensure that the progress reports and final reports are submitted by participating schools on time as far as possible so that more timely evaluation of the projects can be conducted.

**Table 3**

**Late submission of progress reports and final reports  
by participating schools of EEGS  
(July 2013 to February 2015)**

Delay	Progress report		Final report	
	Number	Percentage	Number	Percentage
No delay	11	61%	18	90%
≤30 days	3	17%	1	5%
31 days to 90 days	3	17%	1	5%
91 days to 180 days	0	0%	0	0%
181 days to 210 days	1	5%	0	0%
Total	18	100%	20	100%

*Source: Audit analysis of EDB records*

## Management of initiatives

---

2.15 *Late return of unspent funds.* Grants of not more than \$0.5 million were disbursed to each participating school over a period of two years. According to the performance contract, participating schools shall return to the Government the unspent funds upon project completion. Each participating school was required to submit a final report within three months after project completion. After it had accepted the final report of the project, the SCOLAR Secretariat issued an email to the participating school asking it to return the unspent funds. All the 20 projects examined by Audit had unspent funds, ranging from \$6,000 to \$103,372. Audit noted that the unspent funds of five projects were returned in a timely manner. The returns of unspent funds by the remaining 15 (75%) projects (see Table 4) took an average of 95 days (ranging from 28 days to 169 days) after the final report submission due date. For future schemes, the Secretariat needs to take measures to ensure the timely return of unspent funds (e.g. speeding up the acceptance of final report, and stepping up follow-up action on late return).

**Table 4**

**Time taken to return unspent funds by participating schools of EEGS  
(February 2014 to April 2015)**

<b>Number of days from the final report submission due date</b>	<b>Number of projects</b>	<b>Total amount (\$)</b>
≤ 50 days	2	24,409
51 days to 100 days	7	170,823
101 days to 150 days	4	138,089
151 days to 200 days	2	118,643
Total	15	451,964

*Source: Audit analysis of EDB records*

2.16 *Many targets set by schools were not easily measurable.* In the circular memorandum issued by the EDB to schools inviting them to apply for grants under the EEGS, the EDB stated that schools applying for the EEGS should submit an implementation plan which sets out, among others, targets to be attained, which should preferably be measurable. Schools were also required to include in their proposals methods of progress monitoring and evaluation for ascertaining whether

the targets could be met. These targets were included as part of the terms and conditions of the performance contract signed between the school and the Government. The schools were required to submit final reports, including their evaluation of measures. Audit examination of the 20 projects revealed that few targets set by the schools were measurable (one example of measurable targets was “future Territory-wide System Assessment (TSA) results for reading and writing would show improvement”). Many targets set were not easily measurable (one example of targets that were not easily measurable was “students would show improvements in their reading and writing skills”). In September 2015, when reporting the review findings of the EEGS to SCOLAR, the SCOLAR Secretariat remarked that the findings of schools’ self-evaluations were mostly qualitative in nature and might not provide conclusive indicators with respect to the degree of value-added of the EEGS. For future schemes, the Secretariat needs to assist participating schools in setting targets that could better measure effectiveness as far as possible. The EDB informed Audit in March 2017 that taking into account the experience, in preparing for the launch of new grant scheme, the SCOLAR Secretariat would consider assisting schools in preparing their school-based implementation plan with targets, which should preferably be measurable.

### ***PDIGS***

2.17 In the 2003 Report (see para. 2.3), SCOLAR recommended that language teachers should be proficient in the language they taught, well grounded in knowledge and understanding of the language, and conversant with the latest theories and practices in language teaching and learning. SCOLAR considered that the possession of either of the following qualifications (known as “SCOLAR requirements”) was essential to ensuring adequate preparation of language teachers in proficiency, subject knowledge and pedagogy:

- (a) a Bachelor of Education degree majoring in the relevant language subject;  
or
- (b) a first/higher degree majoring in the relevant language subject and a Postgraduate Diploma in Education or Postgraduate Certificate in Education majoring in that language subject.

## Management of initiatives

---

2.18 Since 2004/05, all new language teachers have been required to meet the SCOLAR requirements. Serving language teachers who joined the teaching profession before 2004/05 without the recommended qualifications are encouraged to acquire the relevant qualifications as soon as possible. In this regard, the PDIGS was launched under the LF in 2003/04 to provide financial incentive to encourage language teachers to pursue recognised programmes of studies for enhancing their subject knowledge and pedagogy in the language they taught. Under the PDIGS, each approved language teacher may receive 50% of the tuition fee up to a maximum of \$50,000 upon successful completion of the approved programme. In February 2003 and March 2005, a total of \$528 million (\$226 million and \$302 million respectively) was earmarked for the PDIGS. In the period from September 2003 to June 2016, the PDIGS spent \$217 million. A total of 8,252 teachers received subsidies under the PDIGS.

2.19 *Decreasing number of applications.* In 2003/04, when the PDIGS was first launched, there were more than 3,000 applications. An additional injection for this Scheme was approved by the FC in 2005. Since then, the number of applications has been decreasing (see Table 5). To encourage more applications, SCOLAR modified the PDIGS in 2009 (e.g. relaxed the eligibility for application). Furthermore, with a view to increasing the attractiveness of the PDIGS and to aligning with the increase in the costs of programmes, the maximum subsidy for each applicant was increased from \$30,000 to \$50,000 in September 2014.

**Table 5**

**Decreasing number of applications for PDIGS  
(2003/04 to 2015/16)**

Year	Number
2003/04	3,164
2004/05	2,421
2005/06	1,843
2006/07	1,038
2007/08	440
2008/09	321
2009/10	238
2010/11	157
2011/12	89
2012/13	28
2013/14	17
2014/15	13
2015/16 (up to June 2016)	15
Total	9,784

*Source: EDB records*

2.20 ***Need to take measures to encourage more applications under PDIGS.*** Audit noted that the SCOLAR Secretariat had informed schools of updates of the PDIGS, including the relaxation of the eligibility criteria and the upward adjustment of the maximum grant. Nonetheless, as shown in Table 5, the increase in the maximum subsidy in September 2014 did not help improve the number of applications. In 2015/16, there were 15,246 language teachers who joined the teaching profession before 2004/05. Of them, 4,252 (28%) did not possess the qualifications outlined by SCOLAR in paragraph 2.17. Audit analysed these teachers by age groups and found that many of them could be teaching for many more years to come (see Table 6). Pursuing a recognised programme of studies for enhancing the subject knowledge and pedagogy of the language they teach would be useful to them in carrying out their work. The SCOLAR Secretariat needs to consider taking measures to encourage more applications for the PDIGS.

Table 6

**Age groups of language teachers not meeting SCOLAR requirements  
(2015/16)**

Age group	Number of teachers
< 40	491 (11.6%)
40 to 44	1,131 (26.6%)
45 to 49	1,003 (23.6%)
50 to 54	907 (21.3%)
55 to 59	618 (14.5%)
> 59	102 (2.4%)
Total	4,252 (100%)

*Source: Audit analysis of EDB records*

In March 2017, the EDB informed Audit that a questionnaire survey with the school heads had been conducted in late 2016 to seek their views on the PDIGS. Moreover, the SCOLAR Secretariat was preparing a review of the PDIGS.

2.21 *Need to review the level of unspent earmarked amount.* As at 30 June 2016, \$311 million (59%) of the \$528 million earmarked for the PDIGS remained unspent. Even if the 4,252 language teachers who did not meet the SCOLAR requirements would apply for the PDIGS and each application was subsidised with the maximum amount of \$50,000, the total funding required would be \$213 million ( $\$50,000 \times 4,252$ ), i.e. still \$98 million (31.5%) less than the unspent amount of \$311 million. Audit considers that the SCOLAR Secretariat needs to review the level of unspent funding earmarked for the PDIGS with a view to releasing excessive earmarked funding to the LF for support of other new initiatives. In March 2017, the EDB informed Audit that in the coming review of the PDIGS, the SCOLAR Secretariat would recommend trimming down the level of the approved funding.

## **Audit recommendations**

- 2.22 **Audit has recommended that the Secretary for Education should:**
- (a) **take measures to improve evaluation studies (such as the scope and the timing) for future LF schemes with a view to enhancing the applicability of their findings;**
  - (b) **in relation to the use of PMIC:**
    - (i) **seek advice from SCOLAR and consider ways to facilitate schools adopting PMIC to implement the recommendations of the evaluative study of the PMIC Support Scheme; and**
    - (ii) **conduct research which would provide more conclusive findings, and determine the way forward;**
  - (c) **ensure that management information (e.g. the implementation progress and effectiveness) of LF schemes not administered by the SCOLAR Secretariat is reported to SCOLAR on a regular basis;**
  - (d) **strengthen the project monitoring of future LF schemes by taking measures to:**
    - (i) **ensure the timely submission of project reports (e.g. progress reports and final reports) by participating schools;**
    - (ii) **ensure that unspent funds are returned to the Government in a timely manner; and**
    - (iii) **assist schools in setting measurable targets as far as possible;**
  - (e) **take measures to encourage more applications for the PDIGS; and**
  - (f) **review the level of funding earmarked for the PDIGS with a view to releasing excessive funding to the LF for support of other new initiatives.**

### Response from the Government

2.23 The Secretary for Education generally agrees with the audit recommendations. He has said that:

- (a) while the case-study approach could provide detailed and contextual information for understanding the different processes, strengths and issues of schools under different conditions that could become references for schools with similar contexts, noting the limitations, the SCOLAR Secretariat will consider ways to improve the design of evaluative studies for future LF schemes with a view to enhancing the applicability of the study findings;
- (b) SCOLAR has advised the EDB and the EDB has agreed to consolidate and disseminate good practices of schools under the PMIC Support Scheme through different platforms. The EDB will also liaise with teacher education institutions to explore feasible options to enhance teachers' confidence and competence in PMIC;
- (c) the SCOLAR Secretariat will continue to collect relevant data to monitor the implementation of PMIC in schools in Hong Kong;
- (d) the SCOLAR Secretariat will work with relevant parties to ensure appropriate reporting of schemes to SCOLAR;
- (e) the SCOLAR Secretariat will consider appropriate measures to ensure timely submission of project reports by participating schools;
- (f) the SCOLAR Secretariat will consider appropriate measures to ensure that unspent funds are returned to the Government in a timely manner;
- (g) in the course of preparing for the new grant scheme, the SCOLAR Secretariat has considered assisting schools in preparing their school-based implementation plan including setting targets to be attained (preferably measurable);



- (h) the SCOLAR Secretariat will consider appropriate measures to encourage applications for the PDIGS; and
- (i) the SCOLAR Secretariat is planning for a scheduled review of the PDIGS. Subject to the findings, the SCOLAR Secretariat will consider recommending trimming down the level of the approved funding.

### Management of language education community projects

2.24 Through language education community projects, the LF aims to promote the importance of language education through nurturing closer partnership and forming stronger alliance with various stakeholders such as non-governmental organisations, private sectors and the community at large. In the period from March 1994 to June 2016, the Trustee approved \$558 million for 378 language education community projects. The funding represented 15% of the total approved funding of \$3,703 million for the period (see Figure 2 in para. 1.13). These projects can be classified into:

- (a) **Promotional projects.** These projects are fully-funded by the LF with specific themes determined by SCOLAR (e.g. a project to organise a reading carnival in 2014/15 aiming at fostering local primary and secondary school students' interest in reading and using English for pleasure). Open-call exercises are conducted annually to invite organisations (including for-profit and not-for-profit organisations, government departments and education institutions) to submit project proposals. Up to 30 June 2016, \$536 million had been approved for 345 promotional projects; and
- (b) **Sponsorship projects.** These projects are partially-funded by the LF. For each project, the LF may fund up to 40% of the project budget or \$1 million (whichever is lower). Before 2015/16, organisations submitted proposals to SCOLAR for approval on a case-by-case basis. Starting from 2015/16, open-call exercises have been conducted annually to invite proposals. Up to 30 June 2016, \$22 million had been approved for 33 sponsorship projects.

### *Management of promotional projects*

2.25 Applications for promotional projects are first assessed by the SCOLAR Secretariat, followed by the vetting of either the WG on Promotion of English or the WG on Promotion of Chinese. Applications recommended by the WG will be submitted to SCOLAR for endorsement and then the Trustee for approval. The SCOLAR Secretariat will arrange the signing of the project agreement between the Trustee and the grantee. The Secretariat monitors the progress of the projects. In the period from January 2012 to June 2016, the Trustee approved 68 promotional projects. Of the 68 projects, 42 were completed. Audit examined the management of 10 (23.8%) of the 42 completed projects and found areas for improvement.

2.26 *Need to promulgate guidelines on checks and visits.* According to the Work Manual of the LF, to monitor project progress, the SCOLAR Secretariat should conduct:

- (a) *Spot checks.* Such checks should be carried out particularly on large-scale projects covering a long duration; and
- (b) *Surprise visits.* Such visits should be made at appropriate intervals and visit reports should be prepared for supervisory review.

2.27 Audit examined the records of ten completed projects. Audit found that no spot checks or surprise visits were conducted for the ten projects. According to the SCOLAR Secretariat, spot checks and surprise visits were no longer conducted. Instead, the SCOLAR Secretariat conducted observation visits. No database was maintained to record the details of observation visits conducted. The visit records were kept in individual project files. There was no readily available management information on the number of visits conducted, the projects selected for visits, and the frequency and the dates of visits. Table 7 summarised the observation visits conducted for the ten projects. Audit considers that the SCOLAR Secretariat needs to update the Work Manual and promulgate guidelines on observation visits. The Work Manual should specify the selection criteria and the frequency that observation visits should be carried out.

Table 7

**Observation visits conducted for  
ten promotional projects examined by Audit  
(September 2012 to July 2014)**

Project	Nature of project	Project duration (Day)	Approved amount (\$)	Number of visits
A	Chinese writing workshops and competition for students	370	770,000	2
B	English learning through ball games and reading activities for students	360	500,000	1
C	Putonghua learning through a carnival on environmental protection for students	210	320,000	1
D	English literature learning through reading activities for students	360	2,070,000	1
E	Putonghua workshops on workplace communication for adults	360	290,000	4
F	To teach non-Chinese speaking children on learning Chinese characters and Chinese writing through storytelling, songs and role-playing	360	240,000	4
G	English film viewing and reading sessions for students	350	310,000	1
H	Putonghua public speaking competition for students	180	820,000	4
I	English workshops for students	390	910,000	1
J	To arouse the non-Chinese speaking children's interest in learning Chinese characters or vocabularies through games, creative arts and crafts	400	110,000	3

Source: *Audit analysis of EDB records*

**2.28 *Need to take measures to ensure timely submission of project reports.***

Project grantees are required to submit project reports, namely progress reports, an end-of-project report, and financial reports in accordance with a reporting schedule stipulated in the project agreement. The reporting intervals vary by projects. Project grants are paid by instalments to grantees. The first instalments are paid to grantees upon signing of the project agreements. Subsequent instalments are paid to grantees after the SCOLAR Secretariat is satisfied with the reports submitted by them.

## Management of initiatives

2.29 Of the ten projects examined by Audit, the project grantees were required to submit a total of 63 project reports (21 progress reports, 10 end-of-project reports and 32 financial reports). Audit analysed the date of report submissions and found that 45 (71%) of the 63 reports were submitted late. The delays were over 3 months (94 days) on average, ranging from 3 to 432 days (see Table 8). For example, for project B, the grantee was required to submit reports on four occasions (on 24 December 2013, 25 April 2014, 25 July 2014 and 3 October 2014). However, despite repeated reminders issued by the SCOLAR Secretariat, the grantee only submitted all the reports to the Secretariat in one go on 3 November 2014. To facilitate the monitoring of project progress by the SCOLAR Secretariat, Audit considers that the SCOLAR Secretariat needs to take measures to ensure that reports are submitted in a timely manner.

**Table 8**

**Delays in submission of project reports by grantees of  
ten promotional projects examined by Audit  
(January 2013 to December 2015)**

Project	Project duration	Number of reports submitted	Number of reports submitted late	Range of delays (Average)
A	370 days	4	4 (100%)	33 to 135 days (85 days)
B	360 days	8	8 (100%)	31 to 314 days (160 days)
C	210 days	6	4 (67%)	8 to 17 days (14 days)
D	360 days	8	4 (50%)	11 to 16 days (14 days)
E	360 days	7	5 (71%)	22 to 63 days (46 days)
F	360 days	4	0 (0%)	N.A.
G	350 days	8	4 (50%)	3 to 28 days (13 days)
H	180 days	6	6 (100%)	8 to 231 days (110 days)
I	390 days	8	8 (100%)	17 to 432 days (197 days)
J	400 days	4	2 (50%)	7 days (7 days)
Overall		63	45 (71%)	3 to 432 days (94 days)

Source: Audit analysis of EDB records

2.30 *Need to ensure that related party transactions are properly approved.* Funds of \$0.77 million were approved for Project A to organise a writing programme (see Table 7 in para. 2.27). Among the awards given to the outstanding contributors of proses were 26 book coupons issued by a publisher. The grantee and the publisher were two companies in the same company group. The grantee charged the total face value of \$9,100 for the 26 coupons to the project vote. The face value of each coupon ranged from \$200 to \$1,000. Audit noted that the project agreement did not stipulate the measures to be taken by the grantee in managing such related party transactions (e.g. seeking approval from the Secretariat in advance). Audit considers that the SCOLAR Secretariat needs to take measures to ensure that such transactions are properly approved.

2.31 *Need to step up measures against non-compliance with procurement requirements.* The project agreement stipulated the procurement requirements that should be adopted by project grantees. According to the agreement:

- (a) for purchase that is:
  - (i) less than \$5,000, no quotation is needed;
  - (ii) \$5,000 to \$50,000, more than one quotation should be obtained;
  - (iii) over \$50,000 to \$1,300,000, at least five quotations should be obtained; and
  - (iv) over \$1,300,000, tenders should be raised; and
- (b) cash payment should not be made in excess of \$1,000.

2.32 In checking the financial reports submitted by the project grantees, the SCOLAR Secretariat may inspect the grantees' vouchers to substantiate the nature of expenditure. Audit reviewed the records of inspections made by the Secretariat and noted that the Secretariat found non-compliances of procurement requirements in four of the ten projects (projects A, B, D and H), as follows:

## Management of initiatives

- (a) three projects (projects A, B and H) did not comply with the quotation requirements. Single quotation was obtained for each procurement of the projects (see Table 9); and
- (b) one project (project D) made a cash payment of \$3,620 for the printing expenses of project material.

**Table 9**

**Non-compliance with quotation requirements**

Project	Product/service	Procurement amount	Quotation requirement not complied with
A	Rental of venue for activity	\$12,000	More than one quotation
B	Video production	\$83,000	At least five quotations
	Souvenir	\$69,000	
		\$10,350	More than one quotation
		\$12,350	
	Reader/log book with worksheet	\$35,500	
Balls	\$26,660		
H	Rental of venue for activity	\$69,100	At least five quotations

*Source: Audit analysis of EDB records*

*Remarks: Single quotation was obtained for each of the eight procurements.*

The SCOLAR Secretariat raised queries with the four project grantees on the reasons for the non-compliance. Explanations given by the grantees were that the procurements were made from their designated suppliers or the procurements were urgent and there was no time to obtain quotations. Audit considers that the Secretariat needs to devise measures to ensure that the grantees comply with the procurement requirements (e.g. issuing verbal or written warnings to repeated or serious offenders).

2.33 *Need to promulgate measures for evaluation of projects.* The end-of-project reports submitted by project grantees were self-evaluation in nature. The Work Manual of the LF stated that:

- (a) apart from self-evaluation conducted by grantees, the SCOLAR Secretariat might also undertake an independent evaluation of the projects; and
- (b) the Secretariat should initiate an independent evaluation for:
  - (i) projects that have project duration longer than one year;
  - (ii) projects with approved grant exceeding \$1 million; and
  - (iii) projects that have a potential for wide dissemination.

Of the ten projects examined by Audit, one (project D) was over \$1 million and three (projects A, I and J) were over one year (see Table 7 in para. 2.27). However, no independent evaluations of these projects were conducted by the Secretariat. In March 2017, the EDB informed Audit that:

- (a) the criteria of undertaking independent evaluation were mainly for R&D projects on language learning and enhancing the learning environment;
- (b) for language education community projects, programme partners were required to conduct evaluation and collect feedback from participants. The projects were also monitored by the SCOLAR Secretariat through various reports and visits. WGs had been set up to plan and oversee the projects; and
- (c) the suitability of conducting independent evaluation for recent language education community projects was subject to review.

### *Management of sponsorship projects*

2.34 *Need to take measures to enhance the appeal of sponsorship projects.* Before 2015/16, the LF did not call for applications for sponsorship projects. Organisations which would like to seek the LF's support submitted proposals to SCOLAR for approval on a case-by-case basis. Over the years, sponsorship projects have not been popular for a variety of reasons. For the three years from 2012/13 to 2014/15, there were only 15 applications for sponsorship projects (an average of 5 applications per year). Starting from 2015/16, an open-call exercise has been conducted annually to invite proposals aiming to attract more partners from the community. To promote sponsorship projects, the commencement of open-call exercises have been announced via different channels, including newspapers, the SCOLAR website and the Government online portal. Audit noted that the number of applications increased to seven and 12 for 2016/17 and 2017/18 respectively. The SCOLAR Secretariat needs to monitor the community's interest in the sponsorship projects and consider taking further measures to enhance their appeal.

### **Audit recommendations**

2.35 **Audit has recommended that the Secretary for Education should:**

#### *For promotional projects*

- (a) **ensure that the requirements promulgated in the Work Manual relating to checks and visits are up-to-date;**
- (b) **update the Work Manual to promulgate guidelines on observation visits, specifying:**
  - (i) **the selection criteria and the frequency for visits; and**
  - (ii) **the requirement to conduct supervisory review on the visit results;**
- (c) **take measures to ensure timely submission of project reports by grantees;**



- (d) **take measures to ensure that expenditures charged to projects are proper;**
- (e) **take measures to ensure that the grantees comply with the procurement requirements;**
- (f) **ensure that the requirements promulgated in the Work Manual relating to independent project evaluation are up-to-date and are complied with; and**

*For sponsorship projects*

- (g) **take further measures to enhance the appeal of sponsorship projects.**

## **Response from the Government**

2.36 The Secretary for Education generally agrees with the audit recommendations. He has said that:

*For promotional projects*

- (a) the SCOLAR Secretariat will ensure that the requirements promulgated in the Work Manual relating to checks and visits are up-to-date;
- (b) in carrying out observation visits for promotional projects, the SCOLAR Secretariat considers several factors such as the nature of an activity, experience of a programme partner, potential impacts of an activity, etc. The SCOLAR Secretariat will consider updating the Work Manual to promulgate clearer guidelines on the conduct and supervision of observation visits;
- (c) the SCOLAR Secretariat will consider measures to ensure timely submission of project reports by grantees;
- (d) the SCOLAR Secretariat will consider measures to ensure that expenditures charged to promotional projects are proper;

## Management of initiatives

---

- (e) the SCOLAR Secretariat will consider measures to ensure that the grantees of promotional projects comply with the procurement requirements;
- (f) the SCOLAR Secretariat will ensure that the requirements promulgated in the Work Manual relating to independent project evaluation are up-to-date and are complied with; and

### *For sponsorship projects*

- (g) the SCOLAR Secretariat will consider taking measures to further enhance the appeal of sponsorship projects.

## Management of R&D projects

2.37 One of the terms of reference of SCOLAR is to identify R&D projects which are necessary for the enhancement of language proficiency and language in education, and to implement or oversee the satisfactory completion of such projects (see para. 1.4(d)). In the period from its establishment in March 1994 to June 2016, the Trustee approved \$167 million for 119 R&D projects, representing 5% of the total approved funding of \$3,703 million (see Figure 2 in para. 1.13). Of these 119 R&D projects, 86 (72%) were approved in the period from 1994 to 2002. In March 2014, with the new injection of \$5,000 million into the LF, conducting more longitudinal research and comparative studies was identified as one of the six strategic areas of the LF (see para. 1.12(a)).

2.38 R&D projects can be classified into the following two types:

- (a) ***Top-down R&D projects.*** The scope and duration of top-down R&D projects are determined by SCOLAR. Open or restricted tender exercises are conducted. Proposals are assessed by a designated vetting panel in accordance with the tendering procedures of the Government. In the period from March 2014 to June 2016, \$4 million was approved for two top-down projects; and
- (b) ***Bottom-up R&D projects.*** Starting from March 2014, apart from the top-down approach, SCOLAR has also adopted a bottom-up approach of inviting applications through open-call exercises. Proposals from

education institutions such as schools, tertiary education institutions and educational bodies are invited. Priority areas/themes on language learning/development and pedagogy are identified by SCOLAR whereas the actual topic, and scope and duration of the projects are proposed by the applicants. Proposals are assessed by a Vetting Committee (Note 5), taking into consideration the views of external language experts. In the period from March 2014 to June 2016, one round of open-call exercise was conducted for application for bottom-up projects. A total of 37 applications were received and 24 were approved. The aggregate funding approved for the 24 projects was \$48 million. As at 31 January 2017, 23 of the 24 projects were still in progress (one project was terminated). A new round of open-call exercise commenced in March 2017.

**2.39** *Need to ensure that qualified or conditional recommendations of Vetting Committee members are properly followed up.* Each application for bottom-up R&D projects was assessed by three members of the Vetting Committee formed under the WG on Language Education Research by circulation. Each member had to complete a standard vetting form by choosing whether or not to recommend the application for funding approval. Applications with at least two votes of recommendation would then be recommended for funding approval. Audit examined the 24 approved projects. In one project applying for funding of \$7.5 million, although the three members recommended the project for funding approval, their recommendations were subject to the following reservations or conditions:

- (a) Member A said that the budget of \$7.5 million needed to be substantially revised. Items like teaching relief might have to be deleted, and the number of senior research assistants and research assistants as well as the number of conference attendance needed to be cut down to make the budget more realistic;
- (b) Member B said that the project was very expensive; and
- (c) Member C said that the project was a worthwhile project but cost too much, and the headcount and staff costs were not well justified.

---

**Note 5:** *The Vetting Committee comprised three SCOLAR members and three non-SCOLAR members who possessed language or language education research background and expertise.*

## Management of initiatives

---

There is no documentary evidence showing that the SCOLAR Secretariat had taken follow-up action on the reservations. The SCOLAR Secretariat needs to take measures to ensure that recommendations subject to reservations or conditions, especially those concerning project costs, are clarified and followed up. In March 2017, the EDB said that the SCOLAR Secretariat had followed up with the three members concerned.

## Audit recommendations

- 2.40 **Audit has recommended that the Secretary for Education should:**
- (a) **take measures to ensure that recommendations subject to reservations or conditions, especially those concerning project costs, are clarified and followed up; and**
  - (b) **document the results of the follow-up action to support the recommendations of the Vetting Committee.**

## Response from the Government

2.41 The Secretary for Education generally agrees with the audit recommendations. He has said that:

- (a) the SCOLAR Secretariat has already conducted the review of R&D projects (bottom-up) in September 2016 and reported the outcomes to SCOLAR in December 2016. Endorsed by SCOLAR, the Guide to Applicants has been revised to make clearer the principles for allowable and unallowable costs to assist applicants in preparing budget proposals. The SCOLAR Secretariat will take measures to ensure that recommendations subject to reservations or conditions, if any, are distinguished from clear recommendations and are followed up accordingly; and
- (b) the SCOLAR Secretariat will document the results of the follow-up action on recommendations subject to reservations or conditions, if any, to support the recommendations of the Vetting Committee.

## **PART 3: GOVERNANCE AND ADMINISTRATIVE ISSUES**

3.1 This PART examines governance and administrative issues. Audit found room for improvement in the following areas:

- (a) governance of SCOLAR (paras. 3.2 to 3.13); and
- (b) administrative issues (paras. 3.14 to 3.26).

### **Governance of SCOLAR**

3.2 SCOLAR was set up in 1996 to advise the Government on the use of the LF and language education policy and initiatives. As at 30 November 2016, SCOLAR comprised a non-official chairman, 12 non-official members and six ex-officio members. SCOLAR members are appointed by the Secretary for Education under the delegated authority of the Chief Executive. The term of each SCOLAR membership is two years. The current term of membership is from 1 July 2015 to 30 June 2017.

#### ***Need to improve management of conflicts of interest***

3.3 Since July 2015, SCOLAR has adopted a two-tier reporting system to manage conflicts of interest. Under the two-tier reporting system:

- (a) at the first tier, members are required to submit a Declaration Form to register their personal interests, direct or indirect, pecuniary or otherwise, when they first join SCOLAR, and update the Forms annually. The Forms submitted by members are made available for inspection on request by public; and
- (b) at the second tier, if a member has any direct personal or pecuniary interest in any matter under consideration by SCOLAR, the member must disclose to the chairman prior to the discussion of the related item.

## Governance and administrative issues

---

3.4 For the appointment of SCOLAR members for the term from 1 July 2015 to 30 June 2017, the SCOLAR Secretariat issued the appointment letters on 5 June 2015. However, the SCOLAR Secretariat did not send the Declaration Forms together with the appointment letters. The Secretariat only sent the Declaration Forms via emails to members on 3 July 2015 (i.e. two days after the commencement of the term).

3.5 The emails sent to members on 3 July 2015 stated that members should return the completed Declaration Forms by 17 July 2015. Audit noted that of the 18 members (Note 6), 9 members returned the Declaration Forms more than 30 days after the commencement of the term (see Table 10).

**Table 10**

**Analysis of late returns of Declaration Forms by SCOLAR members  
(for the term from 1 July 2015 to 30 June 2017)**

Number of days after commencement of term	Number of members
1 to 30	9
31 to 60	6
61 to 90	2
91 to 150	0
151 to 180	1
Total	18

} 9 members

*Source: Audit analysis of EDB records*

---

**Note 6:** *One ex-officio member retired during the term. Her successor was appointed in October 2015. Audit did not include this member in the audit analysis.*

3.6 Under the two-tier reporting system, members are required to update annually their personal interests (see para. 3.3(a)). The annual declaration for the second year of the current term should be made by members on or before 1 July 2016. In response to Audit's enquiry in November 2016, the SCOLAR Secretariat sent out the Declaration Forms to members in the same month. Up to 31 January 2017, four members had not returned the Declaration Forms.

3.7 Audit considers that the SCOLAR Secretariat needs to urge members to submit their Declaration Forms in a timely manner by:

- (a) sending out the Declaration Forms to appointees in good time so that they can return the Forms in a timely manner; and
- (b) taking action (e.g. sending reminders to members) to follow up outstanding declarations.

### *Attendance rates of meetings and members*

3.8 Audit examined the attendance rates of members at meetings of SCOLAR and its eight WGs from the commencement of the current term on 1 July 2015 up to 31 October 2016. Audit noted that the attendance rates of members in SCOLAR meetings and WG meetings were in general satisfactory. Many WGs only held one meeting during the period (see Table 11).

**Table 11**

**Average attendance rates of members at meetings of SCOLAR and WGs  
(1 July 2015 to 31 October 2016)**

<b>Meeting</b>	<b>Number of members</b>	<b>Number of meetings held</b>	<b>Average attendance of meeting(s) held</b>
SCOLAR	19	5	74%
WG on Language Education Research	11	1	100%
WG on Promotion of English	7	2	93%
WG on Workplace English Campaign	3	1	67%
WG on Grant Schemes	5	1	80%
WG on Task Force on Language Support	4	1	100%
WG on Promotion of Chinese	5	2	70%
WG on Sponsorship and Partnership	4	1	50%
WG on Support Scheme on Early Language and Literacy Development	5	1	80%
	<b>Overall</b>	<b>15</b>	<b>79%</b>

*Source: Audit analysis of EDB records*

3.9 Audit further examined the attendance rate of each member at SCOLAR meetings and WG meetings. The examination revealed that the attendance rates of some members were on the low side. Of the 19 members, the overall attendance rates of four members (Members D, E, F and G) were below 50% (see Table 12). They were all non-official members. Three (Members D, E and F) were reappointed members. Audit examined the attendance rates of the three reappointed members in their previous term. Audit found that the attendance rate of Member D in the previous term was also low (38%). Audit considers that the SCOLAR Secretariat needs to take measures to improve the attendance rates of those members with low attendance records, and to take into consideration members' attendance records when making recommendations to the Secretary for Education for their reappointment.



**Table 12**

**Four non-official members with overall attendance rates less than 50%  
(1 July 2015 to 31 October 2016)**

Member	SCOLAR meeting		WG meeting		Overall	
	Number of meetings (a)	Attendance rate	Number of meetings (b)	Attendance rate	Number of meetings (c) = (a) + (b)	Attendance rate
D	5	20%	2	100%	7	43%
E		40%		50%		43%
F		40%		0%		29%
G		20%	3	33%	8	25%

*Source: Audit analysis of EDB records*

### ***Quorum of meetings***

3.10 Decisions made and agreements reached during SCOLAR meetings and WG meetings are important. For example, of the eight WGs, four WGs (namely the WGs on Language Education Research, Promotion of English, Promotion of Chinese, and Sponsorship and Partnership) are responsible for assessing applications of the LF initiatives and giving recommendations to SCOLAR for endorsement. For SCOLAR meetings, a quorum of 50% of all members was set. However, Audit noted that there was no laid-down quorum requirement for WG meetings. In March 2017, the EDB informed Audit that in practice there were quorum requirements for WG meetings and the requirements were observed. However, Audit noted that there was no documentary evidence showing that there were actually such requirements and what the requirements were. As a good governance practice, the SCOLAR Secretariat needs to specify quorum requirements for WG meetings and communicate them to members.

### ***Composition of WGs***

3.11 For the current term (from 1 July 2015 to 30 June 2017), SCOLAR comprises six ex-officio members and 13 non-official members (including the chairman). Of the 13 non-official members, five are from the education sector and

## Governance and administrative issues

eight (including the chairman) are from the community (e.g. business, vocational training and media). SCOLAR members are free to join any of the eight WGs at the beginning of the membership term (see para. 1.6). Audit analysed the composition of each WG and found that two of the WGs (WGs on Workplace English Campaign and Sponsorship and Partnership) did not have any non-official member from the education sector (see Table 13). In Audit's view, while there are fewer members from the education sector and they join the WG on a voluntary basis, there is merit for the SCOLAR Secretariat to invite non-official members from both the education sector and the community to join each WG so that issues are considered from different perspectives.

**Table 13**

**Background of WG members  
(28 February 2017)**

<b>WG</b>	<b>Number of ex-officio members (a)</b>	<b>Number of non-official members from the education sector (b)</b>	<b>Number of non-official members from the community (c)</b>	<b>Total (d) = (a) + (b) + (c)</b>
Language Education Research	3	4	4	11
Promotion of English	1	2	4	7
Workplace English Campaign	1	0	2	3
Grant Schemes	2	2	1	5
Task Force on Language Support	2	1	1	4
Promotion of Chinese	1	1	3	5
Sponsorship and Partnership	1	0	3	4
Support Scheme on Early Language and Literacy Development	1	3	1	5

*Source: Audit analysis of EDB records*

## **Audit recommendations**

- 3.12 **Audit has *recommended* that the Secretary for Education should:**
- (a) **take measures to ensure that Declaration Forms on conflicts of interest are submitted by members in a timely manner, including:**
    - (i) **sending out the Declaration Forms to appointees in good time before the membership term starts; and**
    - (ii) **taking action (e.g. sending reminders to members) to follow up outstanding declarations;**
  - (b) **take measures to improve the attendance rates of SCOLAR members with low attendance records;**
  - (c) **take into consideration SCOLAR members' attendance records in deciding their reappointment;**
  - (d) **set out the rules on quorum requirements for WG meetings in the Work Manual; and**
  - (e) **endeavour to include non-official members from both the education sector and the community in all WGs as far as possible.**

## **Response from the Government**

3.13 The Secretary for Education generally agrees with the audit recommendations. He has said that:

- (a) the SCOLAR Secretariat will send out the forms for declaration of interests to members as soon as practicable, remind members concerned and follow up if there are outstanding declarations;
- (b) the SCOLAR Secretariat normally proposes a few options and informs members of tentative meeting dates about three months in advance. It

## **Governance and administrative issues**

---

would endeavour to arrange meeting time and date which suits members' schedule as far as possible, and send reminders to members before a meeting;

- (c) the EDB will regard attendance as one of the various factors in considering reappointment;
- (d) the SCOLAR Secretariat will include the quorum requirement for WG meetings when revising the Work Manual, although this requirement has all along been practised; and
- (e) the SCOLAR Secretariat will enlist members' support so that each WG will contain a suitable number of members representing the education sector and the community.

## **Administrative issues**

### ***Need to enhance monitoring of the effectiveness of the LF***

3.14 Over the years, Members of the Panel on Education of LegCo have expressed concerns on whether the LF had helped enhance language education and promote the language proficiency of people in Hong Kong. In December 2013, the EDB submitted a paper to seek the views of the Panel on Education on the proposed seventh round of injection of \$5,000 million (see para. 1.9) into the LF. To make use of the proposed injection, the EDB identified six strategic areas and proposed short-term initiatives and medium-and-long-term initiatives under each of the six strategic areas (see para. 1.12).

3.15 When deliberating the proposed injection, some Members opined that giving a blanket approval for the one-off injection would weaken LegCo's ability to monitor the use of public resources on individual projects. On 10 January 2014, the EDB sought the approval from the FC of LegCo for the proposed injection. During the FC meeting, Members enquired whether the EDB would report to the Panel on Education each year the impact and achievements of the LF. Members also considered that the EDB needed to illustrate the effectiveness of the LF in meeting its objectives by using suitable performance indicators.

3.16 In November 2015 and July 2016, the EDB reported to the Panel on Education the progress of the planning and implementation of the short-term and medium-and-long-term initiatives under the six strategic areas. Audit noted that the EDB reported the general status of the initiatives (e.g. the time an initiative was launched) but did not report the impact and achievements of the initiatives, such as the funding allocated, funding spent and numbers of beneficiaries of the initiatives. Also, up to January 2017, the EDB had not developed performance indicators to monitor the effectiveness of the LF.

3.17 Performance indicators provide a means to measure how well the LF has performed and facilitate stakeholders to assess whether the LF has produced the desired outcomes in an efficient and cost-effective manner. In Audit's view, to enhance the accountability of the LF and to address the concerns of LegCo Members (see para. 3.15), the EDB needs to develop suitable performance indicators for the LF. It has been more than three years since the seventh round of injection in March 2014 and all the short-term initiatives were launched. In the coming progress reports to LegCo, the EDB needs to provide more details on the effectiveness of the LF in meeting its objectives.

3.18 In March 2017, the EDB informed Audit that:

- (a) there were already certain performance targets for projects, including the number of beneficiaries and budgets, set out in the papers submitted to LegCo. The EDB also reported the progress and achievements of projects at SCOLAR meetings where appropriate;
- (b) for those applications which were bottom-up initiatives, the number of approved projects in each year depended on the number of applications received, and most importantly, the quality of project proposals submitted by applicants. It was impractical to set outcome targets such as the number of approved projects and the number of beneficiaries for applications of these bottom-up initiatives; and
- (c) the EDB would continue to work with SCOLAR to consider how best to further improve the LF's performance measurement. The EDB would also consider providing more information on the LF projects in the progress reports to SCOLAR and LegCo.

### *Financial management of the LF*

3.19 After an initiative is approved by the Trustee, the amount of funding allocated to the initiative will be earmarked to a project account created for the initiative in a project database maintained by the SCOLAR Secretariat. After the completion of the initiative and all expenditure has been charged to the project account, according to the procedures of the Secretariat, the Secretariat would close the project account and any unused balance of the earmarked funding would be ploughed back to the LF to support other initiatives.

3.20 *Need to expedite closure of project accounts.* As at 30 June 2016, there were 68 initiatives recorded as “ongoing” in the project database. Audit examination revealed that of the 68 initiatives, only 55 (81%) initiatives were in progress. For the remaining 13 (19%) initiatives, 12 had been completed and 1 had been terminated. Of these 13 initiatives, 6 had been completed/terminated for over 1 year and their unspent balance amounted to \$61.1 million (see Table 14). According to the SCOLAR Secretariat, the closure of project accounts hinges on a number of factors, for example, submission of final report, settlement of all payments, acceptance of audited report, and refund of unused balance from applicant school. Audit considers that the SCOLAR Secretariat needs to take effective measures to expedite the closure of project accounts of the completed/terminated initiatives with a view to releasing the unspent funding to support other new initiatives as soon as possible.

**Table 14**

**Ageing analysis of 13 completed/terminated initiatives  
with project account not yet closed  
(30 June 2016)**

Time elapsed after project completion/termination	Number of initiatives	Amount of unspent balance (\$ million)	
≤ 3 months	3	1.5	
> 3 months to 6 months	2	3.2	
> 6 months to 12 months	2	1.8	
> 12 months to 24 months	4	60.3	} \$61.1 million
> 24 months to 48 months	1	0.7	
> 48 months to 160 months	1	0.1	
Total	13	67.6	

*Source: Audit analysis of EDB records*

### ***Investment management of the LF***

3.21 In the first six rounds of injection, both the principal and accrued interest were used to support initiatives launched by the LF. Due to the cashflow requirement and the relatively short time horizon, the investment strategy of the LF was to place funds into banks as saving/fixed deposits. With the change in its financing mode since the seventh round of injection, in March 2014, the LF placed the \$5,000 million obtained in the seventh round of injection with the Exchange Fund with a view to earning a higher return (Note 7).

---

**Note 7:** *As a reference, the average annual return of placement with the Exchange Fund of the three-year period from 2011 to 2013 was 5.5% (ranged from 5% to 6%), whilst the interest rates on the fixed deposits placed by the LF as at 31 August 2013 (its financial year end date) only ranged from 0.88% to 1.31%. The average annual return of the Exchange Fund was higher than fixed deposits.*

### *Need to report investment performance to SCOLAR*

3.22 In December 2013, the EDB informed the Panel on Education that:

- (a) a 5% rate of return was assumed on the placement with the Exchange Fund;
- (b) in times of market volatilities, the LF might have to adjust the relevant expenditure in the light of the reduced investment income; and
- (c) some programmes might be scaled down or deferred for implementation.

3.23 Audit noted that the SCOLAR Secretariat only reported to SCOLAR the fund balance available for the LF to support new initiatives but did not report its investment performance. As poor investment performance may cause the LF to scale down or defer implementation of its initiatives, Audit considers that the investment return of the LF was an important piece of information to SCOLAR. The SCOLAR Secretariat needs to inform SCOLAR the investment performance of the LF on a regular basis. In March 2017, the EDB informed Audit that:

- (a) the return for placement with the Exchange Fund for the current year and the projected return were announced in the Medium Range Forecast when the Budget was announced. The investment performance was presented at SCOLAR meetings when appropriate and upon enquiry from SCOLAR members; and
- (b) the SCOLAR Secretariat would arrange to report such information to SCOLAR on a regular basis.

### *Need to identify and fund more worthwhile initiatives*

3.24 In December 2013, the EDB informed the Panel on Education that the investment return from the placement with the Exchange Fund would be used to fund support measures to schools and teachers, R&D projects and language education community projects. In the period from the placement with the Exchange Fund in March 2014 to June 2016, the interest income earned from the



Exchange Fund was \$513.3 million. Audit analysed the funding approved by the LF since March 2014 and found that:

- (a) the amount of funding approved to support new initiatives decreased from \$159 million in 2014 (from March to December) to \$7 million in 2016 (from January to June) (see Table 15); and

**Table 15**

**Funding approved to support new initiatives  
(March 2014 to June 2016)**

Year	Amount (\$ million)
2014 (from 1 March)	159
2015	96
2016 (up to 30 June)	7
Total	262

*Source: Audit analysis of EDB records*

- (b) the actual total funding of \$262 million approved for the period from March 2014 to June 2016 was \$251.3 million (49%) less than the interest income of \$513.3 million earned from the Exchange Fund.

Audit considers that the SCOLAR Secretariat needs to endeavour to identify more worthwhile initiatives and seek endorsement from SCOLAR on funding these initiatives with a view to enhancing the language proficiency of the people of Hong Kong.

## **Audit recommendations**

**3.25 Audit has recommended that the Secretary for Education should:**

- (a) **step up efforts in developing suitable performance indicators for the LF and provide more details of the effectiveness of the LF in the progress reports to LegCo;**

## **Governance and administrative issues**

---

- (b) **expedite the closure of project accounts of completed/terminated initiatives with a view to releasing unspent earmarked funding to support other new initiatives;**
- (c) **report to SCOLAR the investment performance of the LF on a regular basis; and**
- (d) **endeavour to identify and fund more worthwhile initiatives with a view to enhancing the language proficiency of Hong Kong people.**

## **Response from the Government**

3.26 The Secretary for Education generally agrees with the audit recommendations. He has said that:

- (a) the SCOLAR Secretariat will seek to develop appropriate performance targets for LF projects and consider providing more information on the projects in progress reports to LegCo;
- (b) the closure of project accounts hinges on several factors, for example, submission of final report, settlement of all payments, acceptance of audited report, refund of unused balance from applicant school, etc., which may take time to complete. The SCOLAR Secretariat will continue to take necessary follow-up actions to close the accounts of completed projects;
- (c) the SCOLAR Secretariat will arrange to report the investment performance of the LF to SCOLAR on a regular basis; and
- (d) as reported to the Panel on Education of LegCo in June 2016, SCOLAR had already implemented various short-term learner-centred initiatives in 2014 and 2015 while some of the medium-and-long-term initiatives have started to be implemented since 2016. SCOLAR will continue to identify and fund worthwhile initiatives with a view to enhancing the language proficiency of Hong Kong people.

## **PART 4: LANGUAGE PROFICIENCY OF STUDENTS AND WORKING ADULTS**

4.1 This PART examines the language proficiency of students and working adults. Audit found room for improvement in the following areas:

- (a) language proficiency of students (paras. 4.2 to 4.6); and
- (b) language proficiency of working adults (paras. 4.7 to 4.12).

### **Language proficiency of students**

#### ***Need to keep in view the Chinese and English language proficiency of students***

4.2 The EDB uses the following assessments to assess the Chinese and English language proficiency of students:

- (a) **TSA.** The TSA (Note 8) is an assessment administered at the territory level. It facilitates assessment for learning by providing schools with objective data on students' performances in the three subjects of Chinese, English and Mathematics at the end of Primary 3, Primary 6 and Secondary 3. The TSA results provide information about students' strengths and weaknesses against specific basic competencies (Note 9); and

---

**Note 8:** *In February 2016, a review of the operation and implementation arrangements of the TSA was completed. Based on the results of the review, the EDB adopted a number of changes to the TSA for Primary 3 students. A Tryout Study was subsequently conducted from May to December 2016, with the participation of about 50 primary schools. Based on the feedback collected in the Tryout Study, the EDB announced in January 2017 that a Basic Competency Assessment Research Study covering all primary schools would be carried out in 2017 with a view to further enhancing the arrangements for the TSA.*

**Note 9:** *Basic competency is the minimally acceptable level from which a student should be able to continue to the next key stage of learning without extra learning support.*

## Language proficiency of students and working adults

---

- (b) *Hong Kong Diploma of Secondary Education Examination (HKDSEE)*. In the HKDSEE, standards-referenced reporting is adopted to report candidates' assessment results. Candidates' levels of competencies are reported with reference to eight defined standards, namely "Unclassified" (worst), "Level 1", "Level 2", "Level 3", "Level 4", "Level 5", "Level 5\*" and "Level 5\*\*" (best). The HKDSEE is recognised by both local and overseas tertiary institutions for students' further study. HKDSEE results are also accepted for civil service appointment purpose from July 2012 onwards. For articulation to sub-degree programmes, a student should attain at least "Level 2" for Chinese and English Languages. For articulation to degree programmes, a student should attain at least "Level 3" for Chinese and English Languages.

Using the results of the Chinese and English Languages under the TSA and the HKDSEE, the EDB assesses the overall Chinese and English language proficiency of students at Primary 3, Primary 6, Secondary 3 and Secondary 6.

4.3 Audit analysed the TSA results from 2007 to 2016 and the HKDSEE results of the Chinese and English Languages from 2012 (since it has been introduced) to 2016, and noted that:

- (a) according to the TSA results in the period from 2007 to 2016, over 20% and over 30% of Secondary 3 students did not meet the basic competencies in Chinese Language and English Language respectively (see Tables 16 and 17); and
- (b) for the HKDSEE, although the percentage of students attaining "Level 3" and above increased from 50% in 2012 to 55.4% in 2016 in Chinese Language and from 50.1% in 2012 to 55.1% in 2016 in English Language, there were about 15% and 20% of students who did not attain "Level 2" or above in Chinese Language and English Language respectively in 2016 (see Tables 18 and 19).

**Table 16**

**TSA results for Chinese Language  
(2007 to 2016)**

Year	Percentage of students not achieving basic competency (%)		
	Primary 3	Primary 6	Secondary 3
2007	15.1	23.3	23.8
2008	14.6	23.6	23.5
2009	—	—	23.5
2010	14.1	23.0	23.2
2011	13.6	22.8	23.3
2012	13.9	—	23.1
2013	13.4	21.9	22.9
2014	13.7	—	23.0
2015	13.6	22.3	22.8
2016	14.2	—	22.6

*Source: Audit analysis of EDB records*

*Remarks: Due to the suspension of primary schools caused by Human Swine Influenza, the TSA for Primary 3 and Primary 6 students were not conducted in 2009. Also, starting from 2012, the TSA for Primary 6 students has been suspended in even years.*

## Language proficiency of students and working adults

---

Table 17

**TSA results for English Language  
(2007 to 2016)**

Year	Percentage of students not achieving basic competency (%)		
	Primary 3	Primary 6	Secondary 3
2007	20.5	28.7	30.8
2008	20.7	28.5	31.1
2009	—	—	31.2
2010	20.8	28.4	30.8
2011	20.2	28.3	30.8
2012	20.3	—	30.9
2013	19.6	27.6	30.5
2014	19.7	—	30.7
2015	19.6	28.0	30.6
2016	18.9	—	30.4

*Source: Audit analysis of EDB records*

*Remarks: Due to the suspension of primary schools caused by Human Swine Influenza, the TSA for Primary 3 and Primary 6 students were not conducted in 2009. Also, starting from 2012, the TSA for Primary 6 students has been suspended in even years.*

## Language proficiency of students and working adults

**Table 18**

**HKDSEE results for Chinese Language  
(2012 to 2016)**

Year	Percentage of Secondary 6 students attaining the defined standards (%)									
	Level 5**	Level 5*	Level 5	Level 4	Level 3	Level 3 and above	Level 2	Level 1	Unclassified	Total
2012	0.8	2.7	5.0	18.4	23.1	50.0	29.3	16.8	3.9	100
2013	0.9	2.7	5.2	18.7	24.8	52.3	28.4	15.7	3.6	100
2014	0.8	2.4	4.7	17.9	26.1	51.9	28.5	16.2	3.4	100
2015	0.8	2.2	4.6	17.9	27.2	52.7	29.2	15.4	2.7	100
2016	0.9	2.9	5.5	18.8	27.3	55.4	29.8	12.5	2.3	100

*Source: Audit analysis of EDB records*

**Table 19**

**HKDSEE results for English Language  
(2012 to 2016)**

Year	Percentage of Secondary 6 students attaining the defined standards (%)									
	Level 5**	Level 5*	Level 5	Level 4	Level 3	Level 3 and above	Level 2	Level 1	Unclassified	Total
2012	0.8	2.4	4.6	16.0	26.3	50.1	29.1	10.8	10.0	100
2013	1.0	2.9	5.7	16.0	23.2	48.8	29.0	13.1	9.1	100
2014	1.0	3.1	5.9	16.5	26.3	52.8	25.1	12.1	10.0	100
2015	0.9	2.7	5.3	17.2	26.3	52.4	26.9	12.6	8.1	100
2016	1.0	3.2	6.2	18.2	26.5	55.1	25.2	10.8	8.9	100

*Source: Audit analysis of EDB records*

In Audit's view, the EDB needs to keep in view the Chinese and English language proficiency of students and, when necessary, seek advice from SCOLAR on the improvement measures.

### *Need to develop assessment instruments for Putonghua proficiency of students*

4.4 Before 2012, the Putonghua proficiency of Secondary 5 students could be assessed by making reference to the Hong Kong Certificate of Education Examination results in Putonghua. With the introduction of the New Senior Secondary academic structure in 2009, the Hong Kong Certificate of Education Examination was discontinued in 2012. Since then, no tools have been available to measure the Putonghua proficiency of students. In Audit's view, the EDB needs to seek advice from SCOLAR on the development of a set of assessment instruments for gauging Putonghua proficiency of students at various stages of education.

### **Audit recommendations**

- 4.5 **Audit has recommended that the Secretary for Education should:**
- (a) **monitor the Chinese and English language proficiency of students and, if necessary, seek advice from SCOLAR on the improvement measures; and**
  - (b) **seek advice from SCOLAR on the development of a set of assessment instruments for gauging Putonghua proficiency of students.**

### **Response from the Government**

4.6 The Secretary for Education generally agrees with the audit recommendations. He has said that SCOLAR will continue to advise the EDB on:

- (a) measures/initiatives for enhancing biliteracy and trilingualism of students in Hong Kong; and
- (b) different ways for gauging Putonghua proficiency of students.



### Language proficiency of working adults

4.7 To evaluate the language competencies of working adults, SCOLAR refers to the results of various language landscape studies funded by the LF. These studies are mainly conducted through surveys and questionnaires in which information on the language proficiency is collected by self-evaluations of the respondents.

4.8 In 2000, the Workplace English Campaign (Note 10) developed the Hong Kong Workplace English Benchmarks (HKWEB) to help working adults evaluate if the expected English language competencies are achieved and to give them a clear target to work towards. HKWEB specified the standards of English in writing and speaking that employees of six job types (Note 11) should strive to attain. HKWEB has four proficiency levels (Level 4 being the highest). Each level is further sub-divided into three sub-levels (low, mid and high). For each job type, a specific range of proficiency level in spoken and written English is set separately to reflect the range of competency desired for employees in that job type. For example, the desired levels of competency in spoken and written English for secretaries are from Level 2 (low) to Level 3 (high) (see Figure 3).

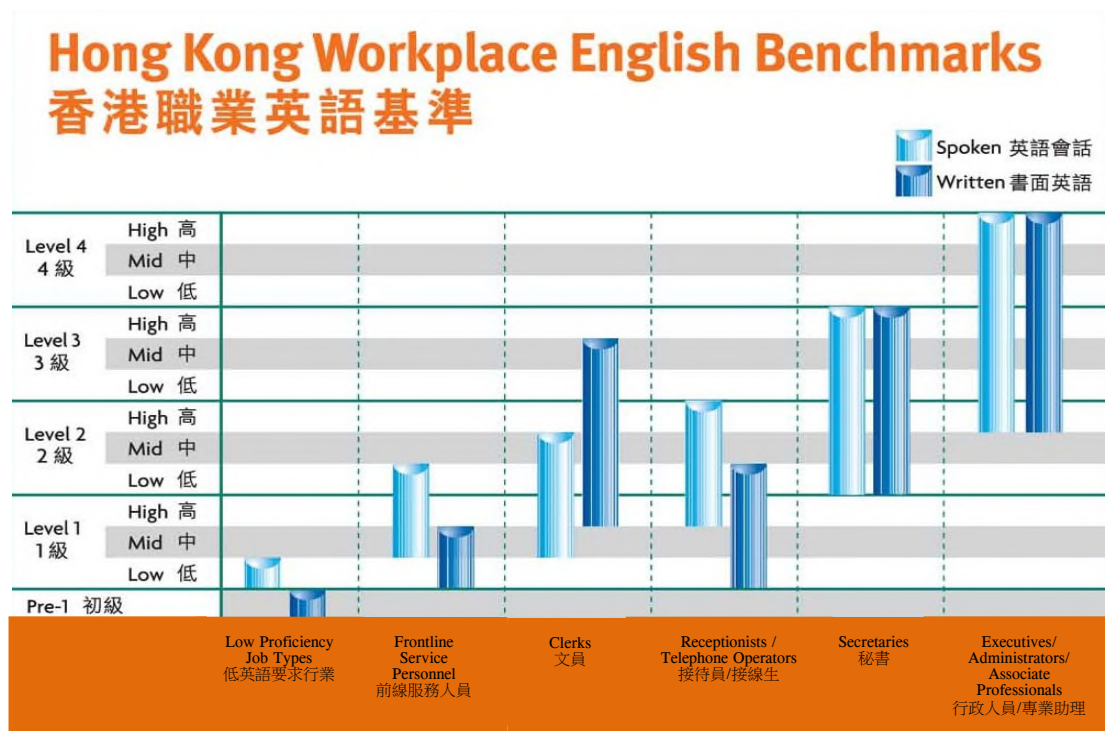
---

**Note 10:** *The Workplace English Campaign is an initiative fully funded by the LF. It was launched in 2000 with the aims to heighten public awareness of the importance of having a good command of English in a workplace environment and to improve the knowledge of English among the working population in Hong Kong.*

**Note 11:** *The six job types are low proficiency job types, frontline service personnel, clerks, receptionists/telephone operators, secretaries and executives/administrators/associate professionals.*

Figure 3

HKWEB of six job types



Source: Workplace English Campaign website

4.9 HKWEB Levels are aligned with 17 international business English examinations administered by internationally recognised examination bodies, such as IELTS (International English Language Testing System — Note 12). Employees can convert the results of the 17 international business English examinations to the corresponding HKWEB Levels. For example, a score of 6.0 in IELTS is equivalent to Level 3 (mid) in HKWEB. Appendix E shows the list of the 17 international business English examinations aligned to HKWEB.

**Note 12:** IELTS is an internationally validated English testing instrument. Its results are reported on a band scale from 0 to 9 (9 being the highest).

4.10 Since 2011, SCOLAR has conducted several language landscape studies on the language use and expected language competency of Hong Kong people, including the Thematic Household Surveys 2012 and 2015 (Note 13). SCOLAR will start a gap analysis study in 2017 to examine the language competencies of employees and the language competencies expected by employers in Hong Kong and will conduct Thematic Household Survey 2018. The EDB needs to keep in view the results of the gap analysis study and the Thematic Household Survey to be conducted by the SCOLAR Secretariat on the English language proficiency of working adults and, in consultation with SCOLAR, take measures to facilitate working adults to assess how well their language proficiency meets the expectation of the employers.

### **Audit recommendation**

4.11 **Audit has *recommended* that the Secretary for Education should keep in view the results of the gap analysis study and the Thematic Household Survey to be conducted by the SCOLAR Secretariat on the English language proficiency of working adults and, in consultation with SCOLAR, take measures to facilitate working adults to assess how well their language proficiency meets the expectation of the employers.**

### **Response from the Government**

4.12 The Secretary for Education generally agrees with the audit recommendation. He has said that the Thematic Household Survey on the Use of Language in Hong Kong has been commissioned by SCOLAR every three years since 2012 to identify the trends, patterns or gaps in language competencies (spoken and written Chinese and English) of different age groups. The gap analysis study, which will commence in 2017, aims to examine the language competencies of employees and the language competencies expected by employers in Hong Kong. Findings of the Survey and the study will inform SCOLAR and the EDB the language competencies of working adults in Hong Kong.

---

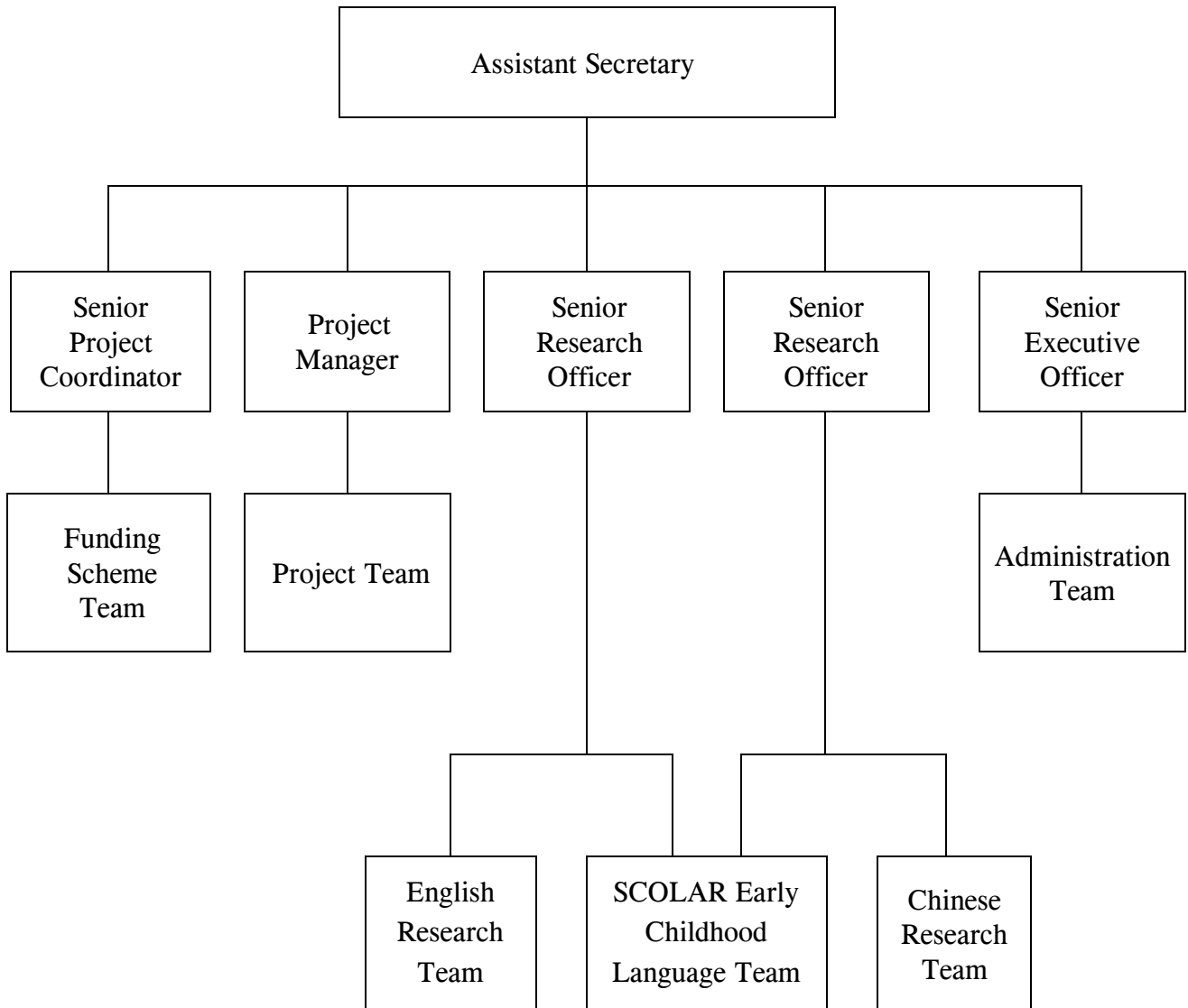
**Note 13:** *According to the Surveys 2012 and 2015, the percentages of economically active respondents (including employed persons and unemployed persons) who perceived having “very good” or “good” written English decreased from 26.8% in 2012 to 25.8% in 2015, and those who perceived having “very good” or “good” spoken English decreased from 26.4% in 2012 to 25.3% in 2015.*

**Functions and compositions of SCOLAR WGs  
(28 February 2017)**

WG		Function	Composition
1	Grant Schemes	<ul style="list-style-type: none"> <li>to monitor the implementation of the PDIGS, the EEGS and the Professional Enhancement Grant Scheme for Chinese Teachers (Teaching Chinese as a Second Language), and to conduct review of the schemes, if necessary</li> </ul>	3 non-official members and 2 ex-officio members
2	Language Education Research	<ul style="list-style-type: none"> <li>to recommend conducting language education researches that help provide useful insights to policy recommendation; and</li> <li>to plan and oversee the implementation of various language-related research studies</li> </ul>	8 non-official members and 3 ex-officio members
3	Promotion of Chinese	<ul style="list-style-type: none"> <li>to plan and oversee the promotion work on Chinese (including Putonghua);</li> <li>to draw up and review the guidelines in approving funding applications from various organisations in carrying out Chinese language-related projects; and</li> <li>to monitor the implementation of using Putonghua as the Medium of Instruction for Teaching the Chinese Language subject and to conduct review, if necessary</li> </ul>	4 non-official members and 1 ex-officio member
4	Promotion of English	<ul style="list-style-type: none"> <li>to plan and oversee the promotion work on English</li> </ul>	6 non-official members and 1 ex-officio member
5	Sponsorship and Partnership	<ul style="list-style-type: none"> <li>to identify opportunities for networking with other organisations, leveraging their expertise and nurturing closer collaboration with them in the implementation of various language-related projects; and</li> <li>to recommend the mode of cooperation with other organisations</li> </ul>	3 non-official members and 1 ex-officio member
6	Support Scheme on Early Language and Literacy Development	<ul style="list-style-type: none"> <li>to monitor the implementation of the Scheme on Early language and Literacy Development in Chinese and English Language of Young Children</li> </ul>	4 non-official members and 1 ex-officio member
7	Task Force on Language Support	<ul style="list-style-type: none"> <li>to monitor the implementation of the Task Force on Language Support</li> </ul>	2 non-official members and 2 ex-officio members
8	Workplace English Campaign	<ul style="list-style-type: none"> <li>to draw up and review the guidelines in approving funding applications from various organisations in carrying out English language-related projects</li> </ul>	2 non-official members and 1 ex-officio member

Source: EDB records

**SCOLAR Secretariat: Organisation chart (extract)**  
**(31 December 2016)**



Source: EDB records

**Allocation of funding to initiatives analysed by languages  
(March 1994 to June 2016)**

Year	Amount of funding allocated to initiatives (\$ million)				
	Chinese	English	Cross- languages	Putonghua	Total
1994 (from March)	9	18	6	3	36
1995	15	36	1	3	55
1996	7	20	20	1	48
1997	3	4	1	3	11
1998	28	89	2	1	120
1999	1	95	1	3	100
2000	0	10	1	0	11
2001	0	17	1	0	18
2002	0	9	0	10	19
2003	9	6	808	25	848
2004	0	2	2	5	9
2005	3	12	2	3	20
2006	0	910	11	5	926
2007	233	102	1	5	341
2008	1	23	1	21	46
2009	0	5	9	4	18
2010	77	601	1	6	685
2011	1	22	3	5	31
2012	3	35	5	2	45
2013	42	5	1	6	54
2014	0	5	149	5	159
2015	39	30	18	9	96
2016 (up to June)	0	7	0	0	7
<b>Total</b>	<b>471</b>	<b>2,063</b>	<b>1,044</b>	<b>125</b>	<b>3,703</b>

Source: Audit analysis of EDB records

**Allocation of funding to initiatives analysed by nature  
(March 1994 to June 2016)**

Year	Amount of funding allocated to initiatives (\$ million)			
	Support measures to schools and teachers	Language education community projects	R&D projects	Total
1994 (from March)	10	13	13	36
1995	11	34	10	55
1996	10	28	10	48
1997	0	10	1	11
1998	0	83	37	120
1999	3	92	5	100
2000	10	1	0	11
2001	2	16	0	18
2002	9	8	2	19
2003	827	10	11	848
2004	0	9	0	9
2005	2	18	0	20
2006	910	16	0	926
2007	322	19	0	341
2008	15	10	21	46
2009	0	18	0	18
2010	675	10	0	685
2011	0	29	2	31
2012	0	45	0	45
2013	29	25	0	54
2014	143	11	5	159
2015	0	46	50	96
2016 (up to June)	0	7	0	7
Total	2,978	558	167	3,703

Source: Audit analysis of EDB records

**List of 17 international business English examinations aligned to HKWEB  
(30 June 2016)**

<b>International business English examination</b>	
1	IELTS (International English Language Testing System)
2	BEC (Business English Certificates)
3	BULATS (Business Language Testing Service)
4	EBC (English for Business Communications)
5	EOS (English for Office Skills)
6	IESOL (International English for Speakers of Other Languages)
7	ISESOL (International Spoken English for Speakers of Other Languages)
8	TOEIC (Test of English for International Communication)
9	TOEIC Bridge (Test of English for International Communication Bridge)
10	EFB (English for Business)
11	EFC (English for Commerce)
12	SEFIC (Spoken English for Industry & Commerce)
13	WEFT (Written English for Tourism)
14	ELSA (English Language Skills Assessment)
15	Versant for English with open questions
16	Trinity GESE (Trinity Graded Examinations in Spoken English for Speakers of Other Languages)
17	Trinity ISE (Trinity Integrated Skills in English Examination)

*Source: Workplace English Campaign website*



## Acronyms and abbreviations

Audit	Audit Commission
CMI	Chinese as the medium of instruction
CMIC	Cantonese as the medium of instruction for teaching the Chinese Language subject
ECPD	Education Commission and Planning Division
EDB	Education Bureau
EEGS	English Enhancement Grant Scheme
EES	English Enhancement Scheme
EMI	English as the medium of instruction
FC	Finance Committee
HKDSEE	Hong Kong Diploma of Secondary Education Examination
HKWEB	Hong Kong Workplace English Benchmarks
LegCo	Legislative Council
LF	Language Fund
PDIGS	Professional Development Incentive Grant Scheme for Language Teachers
PMIC	Putonghua as the medium of instruction for teaching the Chinese Language subject
R&D	Research and development
REES	Refined English Enhancement Scheme
SCOLAR	Standing Committee on Language Education and Research
Trustee	Trustee of the Language Fund
TSA	Territory-wide System Assessment
WGs	Working Groups
2003 Report	Action Plan to Raise Language Standards in Hong Kong