

# Report No. 49 of the Director of Audit — Chapter 7

## LICENSING OF DRIVERS

### Summary

1. The Transport Department (TD) is the authority for administering the Road Traffic Ordinance (Cap. 374). One of its major responsibilities is to promote road safety through the registration, licensing and inspection of vehicles, and licensing of drivers. The TD operates four licensing offices (i.e. the Hong Kong Licensing Office (HKLO), the Kowloon Licensing Office (KLO), the Kwun Tong Licensing Office (KTLO) and the Sha Tin Licensing Office (STLO)). The scope of this audit review is the provision of services for the licensing of drivers.

#### Provision of licensing services

2. **Workload of licensing offices.** In 2006, the KTLO and the STLO, as smaller branch offices, handled 178,032 and 240,287 licensing transactions respectively. The total number of licensing transactions handled by the HKLO and the KLO in 1997 was about 2,248,000. It would appear that the HKLO and the KLO could handle the territory-wide 2,233,000 licensing transactions in 2006, by absorbing the workload of the KTLO and the STLO. *Audit has recommended that the Commissioner for Transport should monitor closely the workload of counter licensing services of the KTLO and the STLO, and explore the feasibility of closing branch offices with underutilised counter licensing services.*

3. **Manpower review.** After the introduction of the ten-year full driving licence in June 1997, the number of driver licensing transactions dropped from 1.4 million in 1997 to 0.76 million in 2006. During the same period, the total number of driver and vehicle licensing transactions dropped from 2.81 million to 2.23 million, but the average number of staff of the licensing offices increased by 8% from 156 to 169. The average number of licensing transactions handled per staff decreased by 27% from 18,013 in 1997 to 13,213 in 2006. Audit noted that the last comprehensive manpower review of the licensing offices was conducted in 1993-94. *Audit has recommended that the Commissioner for Transport should review regularly the manning scale of the licensing offices so as to improve staff productivity.*

4. ***Need to improve the planning and implementation of the pilot project.*** In November 2003, the TD planned to launch a pilot project of setting up the Kowloon East Driver Licensing Counter (KEDLC) in the Kowloon East Post Office and close the KTLO. In February 2006, the TD decided to proceed with the pilot project, without closing the KTLO. The KEDLC was set up in April 2006. In December 2006, in view of its low utilisation (i.e. 2.9% (1,476) of the driver licensing transactions of the KTLO), the TD decided to cease its operation. The KEDLC was closed in February 2007. Audit noted that the TD had not critically assessed the implications of the proximity of the KTLO and the KEDLC. The two branch offices were in the same building. *Audit has recommended that the Commissioner for Transport should critically reassess the feasibility of engaging service agents for delivering the licensing services by identifying lessons learned in the planning and implementation of the pilot project in the Kowloon East Post Office.*

#### **Provision of driving test services**

5. ***Manpower reviews.*** In its 2004 manpower review of driving examiners, the TD estimated the number of road tests to be conducted from 2005 to 2007. The actual number of road tests conducted in 2006 was 13% less than that estimated in 2004. *Audit has recommended that the Commissioner for Transport should conduct manpower reviews of driving examiners more frequently and use up-to-date data for estimating the demand for driving test services.*

6. ***Driving examiner deployment procedures.*** Audit analysis of TD records revealed that, for each working day in December 2006 and January 2007, the deployment of 18 to 48 driving examiners to conduct road tests was generally in accordance with the monthly driving examiner deployment plans. Audit noted that, on average, three driving examiners (ranging from one to six driving examiners) were not deployed for conducting road tests for each of the 45 working days in these two months. *Audit has recommended that the Commissioner for Transport should review the procedures for preparing the driving examiner deployment forecasts for conducting road tests and ensure that the driving examiners are gainfully deployed.*

7. ***Time slots of cancelled appointments.*** Under section 31 of the Road Traffic (Driving Licences) Regulations (Cap. 374B), a learner driver is allowed to cancel his road test appointment provided that he has given 7-day prior notice to the TD. The number of unused time slots of cancelled road test appointments increased by 16% from 13,989 in 2004 to 16,256 in 2006. The TD prints, on every Saturday, the driving test forms for all the road tests to be conducted in the following second week. All the time slots allocated to applicants but cancelled by them in the subsequent week will not be allocated to other applicants. *Audit has recommended that the Commissioner for Transport should review the existing practice of printing, on every Saturday, the driving test forms two weeks in advance and consider allocating the time slots of appointments cancelled in the subsequent week to other applicants.*

8. ***Need to tighten control on the cancellations of appointments.*** The TD's appointment booking procedures do not specify the maximum number of times a learner driver can cancel his road test appointment. Audit analysis of 30 randomly selected driving test forms and the related records revealed that 13 (43%) learner drivers cancelled their road test appointments 5 to 13 times within 9 to 18 months. The time slots of the cancelled appointments may not be used by others. *Audit has recommended that the Commissioner for Transport should introduce measures to minimise the waste of staff resources arising from the repeated cancellations of road test appointments.*

9. ***Justifications for tests not conducted.*** The number of no-show cases and test not conducted (TNC) cases increased by 15% from 14,207 in 2001 to 16,324 in 2006. In 2006, there were 9,792 no-show cases and 6,532 TNC cases. For TNC cases, the applicant is not required to apply and pay for a new driving test form. According to the Standing Instructions of the TD, the justifications for TNC cases include the candidate reports for test without the test vehicle, and the candidate fails to produce acceptable identification documents. Audit considers that candidates attending road tests should comply with all the requirements specified by the TD in the appointment letters. *Audit has recommended that the Commissioner for Transport should ensure that there are genuine justifications for all TNC cases, and consider tightening the existing criteria for classifying road tests counted as TNC cases.*

10. ***Low usage of empty slots of road tests under the repeater queue balloting system.*** The TD allows a candidate who has failed his road test to apply for another road test appointment by phone. The TD did not compile statistics on repeater queue ballots. Audit analysis of the ballots held during the period from January to March 2007 indicated that the usage rate of empty slots of road tests was low. Only 849 (59% of 1,440) applicants turned up at the licensing offices to confirm the allocated appointments. This left 591 empty slots not used for conducting road tests. *Audit has recommended that the Commissioner for Transport should compile management information on the repeater queue balloting system, monitor the effectiveness of the system, and explore the feasibility of making a waiting list of qualified applicants and allocating the empty slots to them.*

## **Performance measurement**

11. ***Performance target for driving test services and pledged targets for counter licensing services.*** The performance target for driving test services in the Controlling Officer's Reports (CORs) had not been revised since December 1997. Audit analysis of the waiting time for driving test at the end of each month in 2006 indicated that the actual average waiting time for each type of driving tests, ranging from 27 to 64 days, was less than the target of 85 days. For counter licensing services, the pledged targets reported in TD performance pledge had not been revised since December 1997. According to TD survey conducted in July 2006, the counter licensing services achieved a higher level of performance than the pledged targets. *Audit has recommended that the Commissioner for Transport should revise the performance targets (i.e. reduce the standard waiting time) for the driving test services and the pledged targets for counter licensing services so as to better reflect the extent of improved performance in achieving the operational objectives.*

12. **Key performance targets and indicators.** The TD has not set performance targets for the different types of driving tests in its COR and performance pledge. Audit analysis of the waiting time for the different types of driving tests at the end of each month in 2006 indicated that there were significant variations in the waiting time among the different types of driving tests. *Audit has recommended that the Commissioner for Transport should develop more key performance targets and indicators for the different types of driving tests for the evaluation of performance.*

#### **Monitoring of designated driving schools and designated driving improvement schools**

13. **The designated driving schools.** As at 31 March 2007, the TD designated four driving schools for the provision of driving training to the learner drivers. To ensure compliance with the Code of Practice, the TD deploys a driving examiner to conduct periodic surprise inspections of the designated driving schools. The TD has not provided guidelines on these inspections. Audit noted that each of the designated driving schools was inspected without a surprise element. The time taken to conduct inspections of the same designated driving school varied from two to four days. The same driving examiner had been deployed for conducting inspections of all the designated driving schools since April 2005. *Audit has recommended that the Commissioner for Transport should: (a) issue guidelines on inspection of the designated driving schools to ensure consistency in the interpretation and enforcement of the Code of Practice; and (b) draw up a programme, with a surprise element, for inspection of the designated driving schools, setting a time standard for each inspection, and arranging staff rotation for carrying out the inspections.*

14. **The designated driving improvement schools.** As at 31 March 2007, the TD designated two driving improvement schools for the provision of driving improvement courses. The TD deploys a driving examiner to conduct surprise inspections of these schools to ensure compliance with the Code of Practice. The TD has not provided guidelines on these inspections. The same driving examiner had been deployed to conduct these surprise inspections since September 2002. *Audit has recommended that the Commissioner for Transport should: (a) issue guidelines on inspection of the designated driving improvement schools to ensure consistency in the interpretation and enforcement of the Code of Practice; and (b) consider arranging staff rotation for inspection of the designated driving improvement schools.*

#### **Response from the Administration**

15. The Administration agrees with all the audit recommendations.

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