

YOUTH EMPLOYMENT SERVICES

Executive Summary

1. One of the programmes provided by the Labour Department (LD) is the provision of employment services. Included in the wide range of free employment services are career guidance, pre-employment and on-the-job training to young people. The LD provides these youth employment services through: (a) the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme (YTPTS), which provides case management services, training courses, workplace attachment and on-the-job training to those aged between 15 and 24 with educational attainment at sub-degree level or below; and (b) the Youth Employment Start, which provides advisory and support services on employment and self-employment to those aged between 15 and 29 at two Youth Employment Resource Centres (YERCs). Under the YTPTS, case management services and training courses are outsourced to training bodies which are non-governmental organisations and training institutions. In the financial year 2011-12, the expenditure on the YTPTS was \$80 million and that on the Youth Employment Start was \$16 million. The Audit Commission (Audit) has recently conducted a review of the LD's youth employment services.

Case management services

2. *Provision of support and assistance.* Case managers employed by training bodies are required to provide support and assistance to the trainees and the LD suggests the provision of 70 hours' case management services for each trainee during the 12-month basic period and 20 hours' services during the 12-month extended period. Audit examination however found that most case managers had actually provided less than 20 hours of support and assistance to each trainee. Although the LD estimated that the case managers would claim a total of 270,000 hours for a programme year on case management services and the total case management service fees would be \$17.55 million, Audit found that up to August 2012, the LD had only approved payment of \$1.56 million for 19,500 hours' services provided to trainees of the programme year 2009-10 (a programme year starts on 1 September and ends on 31 August of the following year).

Executive Summary

3. *Submission of Training and Career Plans and Case Review Reports.* According to the Training Bodies Manual, case managers are required to work out with each trainee a Training and Career Plan, and submit it to the LD. Case managers are also required to carry out a case review with each trainee and submit a Case Review Report to the LD. Audit found that up to 31 March 2012, of 4,789 trainees of the programme year 2010-11, Plans for 57% of the trainees and Reports for 78% of the trainees had not been submitted to the LD.

Training courses

4. *Training course and case management service inspections.* The LD conducts separate training course inspections and case management service inspections to monitor the quality of training courses and case management services. For the period September 2009 to March 2012, the LD targeted 8% of the training courses and 10% of the training bodies providing case management services and training courses for inspections every programme year, and conducted 243 training course inspections involving 53 training bodies. Audit noted that for each course inspection, only one training course was selected for examination, despite the fact that a number of courses were in progress in the same training venue. Audit further found that the number of course inspections analysed by training bodies was uneven, ranging from 0 to 22 inspections during the period September 2009 to March 2012. It would be more efficient to conduct training body inspections, covering both training courses and case management services, and adopt a risk-and-performance-based approach in selecting training bodies for inspections.

Workplace attachment and on-the-job training

5. *Workplace inspections.* In the programme year 2010-11, the LD conducted 321 workplace inspections. Audit noted that 26 employers had been inspected twice and one three times, although no irregularities were observed in all the inspections, while 1,317 employers received no inspection.

Executive Summary

Procurement of services

6. *Procurement of case management services and training services.* Every year, the LD conducts an exercise for procuring case management services and training services (i.e. training courses). The LD invites training bodies to submit proposals. The Government Stores and Procurement Regulations (SPRs) require departments to follow the tender procedures for all purchases of services exceeding the financial limit of \$1.43 million. Audit however found that although the amount involved in each procurement exercise for the YTPTS had exceeded \$100 million, the LD did not follow the procurement procedures specified in the SPRs. In March 2012, the LD: (a) informed the Financial Services and the Treasury Bureau that it would follow the requirements of the SPRs as a longer-term arrangement; and (b) prepared a timetable with a view to adopting the prescribed procurement arrangement with effect from the procurement exercise for the programme year 2013-14.

Youth Employment Start

7. *Opening hours of YERCs.* The LD set up two YERCs to provide advisory and support services on employment and self-employment to young people aged 15 to 29. The YERCs open from 10 a.m. to 7 p.m. Monday to Saturday (except public holidays). In April 2007, the LD conducted a survey, which indicated that 55% of the respondents would use the services and facilities of the YERCs in the time slot 6 p.m. to 9 p.m. Audit considers that the opening hours of the YERCs from 10 a.m. to 7 p.m. Monday to Saturday may not suit the needs of their members best.

Audit recommendations

8. **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 Commissioner for Labour should:**

Case management services:

- (a) **ascertain the reasons why the training bodies and the case managers had not provided the case management services according to the Training Bodies Manual;**

Executive Summary

- (b) **review how the training bodies monitor the work of the case managers and, where necessary, recommend ways to improve their monitoring system;**
- (c) **urge the training bodies to carry out a review of their case files to identify cases in which the case managers have failed to provide adequate support and assistance;**
- (d) **carry out periodic checks on the training bodies to ensure that they provide adequate support and assistance to trainees according to the Manual;**
- (e) **take necessary action to ensure that training bodies submit Training and Career Plans and Case Review Reports for all trainees in a timely manner;**

Training course and case management service inspections:

- (f) **consider the feasibility of inspecting more than one training course during each visit to a training venue;**
- (g) **adopt a risk-and-performance-based approach in selecting training bodies for conducting inspections, covering both their case management services and training courses;**

Workplace inspections:

- (h) **take into account various risk factors in selecting employers for inspections, including:**
 - (i) **whether the employer is new to the YTPTS; and**
 - (ii) **whether there have been any complaints against the employer;**

Procurement of services:

- (i) **closely monitor the progress of revising the procurement procedures to ensure that the new procurement arrangement can be timely adopted;**

Executive Summary

- (j) **take into account the results of the periodic checks and the training body inspections when evaluating the training bodies' performance in the forthcoming procurement exercise; and**

Youth Employment Start:

- (k) **review the opening hours of the YERCs to ascertain whether they serve the target young people best.**

Response from the Administration

9. The Commissioner for Labour agrees with the audit recommendations. He has said that the LD attaches importance to ensuring the effective and efficient provision of training and employment support to young people, and will strive to improve the administration of youth employment services.