# HOSPITALITY TRAINING PROVIDED BY THE HOTEL AND TOURISM INSTITUTE, THE CHINESE CULINARY INSTITUTE AND THE INTERNATIONAL CULINARY INSTITUTE

## Executive Summary

1. The Vocational Training Council (VTC) provides vocational and professional education and training for students from post-Secondary 3 to post-Secondary 6 levels and also a diverse range of professional development programmes for people in employment. VTC provides vocational and professional education services mainly through its 13 member institutions. Three of them specialise in offering programmes on hospitality, namely: (a) the Hotel and Tourism Institute (HTI); (b) the Chinese Culinary Institute (CCI); and (c) the International Culinary Institute (ICI). HTI, CCI and ICI are managed by the same management team and VTC monitors their income and expenditure collectively as a single accounting unit (hereinafter, HTI, CCI and ICI are referred to collectively as the Institutes). The Institutes offer programmes at four campuses, which are located in the VTC Pokfulam Complex, the ICI Building (adjacent to the VTC Pokfulam Complex), the VTC Kowloon Bay Complex and the VTC Tin Shui Wai Building respectively. To provide integral vocational training beyond classroom, the Institutes have established a training hotel (The T Hotel), including The T Hotel Lounge, two Western training restaurants and a Chinese training restaurant. In academic year 2017/18 (unless stated otherwise, all years mentioned hereinafter refer to academic years), the Institutes offered 34 full-time programmes and 43 part-time programmes. The numbers of full-time students and part-time students enrolled were 3,000 and 4,416 respectively. The Audit Commission (Audit) has recently conducted a review of the hospitality training provided by the Institutes.

## Management of programmes

2. ***Need to enhance the development of new programmes.*** In the period from 2017/18 to 2018/19, the Institutes planned to offer seven new full-time pre-employment programmes, comprising four Higher Diploma programmes, one Diploma programme and two Certificate programmes. Of the seven

new programmes, the launch of three were postponed and one was cancelled (paras. 2.2 and 2.3).

3.　　*Need to step up efforts to enhance the performance of programmes.* According to the VTC Quality Assurance System, the Institutes are required to conduct annual analysis on the performance of programmes for the purpose of making continuous improvement.　In 2016/17, the Institutes reviewed 22 full-time programmes and 6 part-time programmes.　Audit found that: (a) the enrolment rates of some HTI and CCI programmes could not meet the target enrolment rate of 100%.　The enrolment rates of 7 (32%) of the 22 full-time programmes were below 100%, ranging from 0% to 77%.　The enrolment rate of one (17%) of the six part-time programmes was 44%; (b) some programmes offered by ICI were over-enrolled.　The enrolment rates of 12 (55%) of the 22 full-time programmes were over 100%, ranging from 106% to 207%.　The enrolment rates of three (50%) of the six part-time programmes were over 100%, ranging from 107% to 120%.　Over-enrolment of students may adversely affect the teaching quality; (c) the retention rates of HTI's full-time Certificate programmes, CCI's full-time Certificate programmes and ICI's full-time Diploma programmes were 81%, 78% and 83% respectively and were below the target retention rate of 85%; and (d) no target pass rate was set for the Institutes' programmes.　The pass rates of HTI's full-time Certificate programmes, CCI's full-time Certificate programmes and part-time Diploma programmes, and ICI's part-time Certificate programmes were below 80% (ranging from 72% to 77%) (paras. 2.9 and 2.11).

4.　　*Need to cover more graduates in the Survey of Employers' Views.* For graduates who fulfil the following criteria, their employers will be invited to participate in the Survey of Employers' Views: (a) graduates who engage in full-time employment terms relevant to their study; (b) graduates who are employed in the same company for at least three months prior to the survey period; and (c) graduates who give consent that their employers could be contacted for the Survey. For the Survey on students graduated in 2015/16, of the 323 graduates who fulfilled the first two criteria, only 138 (43%) gave consent that their employers could be contacted for the Survey. Questionnaires were sent to the employers of the 84 valid samples and 69 were returned from them. The 69 questionnaires returned from the employers represented only 15% of the 470 employed graduates of 2015/16 (paras. 2.13 and 2.15).

5. ***Deviations from the General Academic Regulations need to be properly approved.*** According to the VTC's General Academic Regulations (GARs), industrial attachment is a mandatory part of the curriculum of the Higher Diploma programmes offered by VTC. All students are required to complete industrial attachment for graduation. Audit found that there was no industrial attachment module for one Higher Diploma programme offered in 2018/19 and another to be offered in 2019/20 by the Institutes. There was no documentary evidence showing the justifications and approval for the deviation from GARs (paras. 2.19 and 2.21 to 2.23).

## Management of The T Hotel and training restaurants

6. ***Management of The T Hotel.*** The aim of The T Hotel is to enhance the training facilities for students by providing them with a real-life workplace environment (para. 3.2). Audit identified the following areas for improvement:

(a) ***Need to improve hotel occupancy rate.*** The Institutes used the occupancy rate of 70% to estimate the room revenue of The T Hotel. At a meeting of the Yield Management Committee held in 2014, the Chairperson said that The T Hotel should maintain the optimal training activities at a level of 20 to 21 occupied rooms (i.e. an occupancy rate of 69% to 72%) daily. In the five-year period from financial year 2013-14 to 2017-18, the hotel monthly occupancy rates ranged from 28.3% to 81.5%, averaging 54.9%. The monthly occupancy rates in 53 (88%) of the 60 months were lower than 70% (paras. 3.4 to 3.6);

(b) ***Need to better utilise the agency booking channel.*** Hotel guests can book rooms of The T Hotel either through online booking platforms provided by a travel agency (agency booking channel) or direct reservation by telephone or e-mail (direct booking channel). However, in the period from 2016 (May to December) to 2018: (i) the annual selling rates (i.e. the percentage of allocated room nights sold) of the agency booking channel (ranging from 96.9% to 99.7%) was significantly higher than the annual selling rates of the direct booking channel (ranging from 54.5% to 58.5%); and (ii) less than 20% of room nights were allocated to the agency booking channel (paras. 3.8 and 3.9);

(c) ***Need to improve the utilisation of training spa.*** The T Hotel has a training spa equipped with Jacuzzi, sauna, steam bath and treatment rooms. The utilisation of the training spa in the period from 2016 to 2018 was on the low side: (i) the number of guests using the training spa each year ranged from 356 to 565; and (ii) while there was improvement, the percentage of days in 2018 during which no guests used the training spa was still high (25%) (paras. 3.10 and 3.11);

(d) ***Need to improve the response rate of guest satisfaction survey.*** The T Hotel collected feedback from guests through guest comment cards. In the period from financial year 2013-14 to 2017-18, the annual response rate of the guest satisfaction survey decreased from 21% in financial year 2013-14 to 13% in financial year 2017-18 (paras. 3.13 and 3.14); and

(e) ***Need to ensure that recommendations made by the Internal Audit Unit are implemented in a timely manner.*** In December 2013, the Internal Audit Unit (IAU) of VTC completed an audit on the operation of The T Hotel and made 64 recommendations. In October 2015, actions to implement 38 (59%) of the 64 recommendations were not completed. As at 30 November 2018, of the 38 recommendations, two had not been followed through (paras. 3.16 and 3.17).

7. ***Management of training restaurants and hotel lounge.*** The Institutes operate three training restaurants and The T Hotel Lounge to provide an enhanced and enriching training environment to students (para. 3.20). Audit identified the following areas for improvement:

(a) ***Need to consider extending the microbiological tests to cover the Western training restaurant at the VTC Kowloon Bay Complex.*** The Institutes conducted microbiological tests as one of the measures to ensure food safety. While microbiological tests were conducted at the Chinese training restaurant, the Western training restaurant and The T Hotel Lounge at the VTC Pokfulam Complex, it was not carried out at the Western training restaurant at the VTC Kowloon Bay Complex (paras. 3.22 and 3.23);

(b)    ***Need to collect customer feedback on trainees' Putonghua standard (in addition to English standard).***  The Chinese training restaurant, the two Western training restaurants and The T Hotel Lounge were operated under The Dining Society (TDS).  One of the objectives of TDS is to promote the use of English and Putonghua between members and students of the Institutes.  Every table of customers of the training restaurants and The T Hotel Lounge is invited to complete a satisfaction survey questionnaire.  However, the questionnaire only covered trainees' English standard but not the trainees' Putonghua standard (paras. 3.28, 3.29, 3.32 and 3.33);

(c)    ***Need to explore other food waste treatment methods at the VTC Kowloon Bay Complex and the VTC Tin Shui Wai Building.***  One of VTC's environmental policies is to work towards the achievement of sustainable development.  Audit noted that food waste at the VTC Kowloon Bay Complex and the VTC Tin Shui Wai Building was not treated but disposed of as general waste due to absence of food waste decomposers (para. 3.30); and

(d)    ***Need to put the surplus fund of TDS into gainful use.***  In the five-year period from financial year 2013-14 to 2017-18, the amount of surplus fund of TDS increased by 60% from $3.8 million to $6.1 million, representing nine times of the operating expenses of TDS in financial year 2017-18 ($671,742).  As a considerable amount of surplus fund has been accumulated, there is a need to devise a plan to put the surplus fund into gainful use (paras. 3.34 and 3.35).

## Administrative issues

8.    ***Need to improve campus environmental performance.***  Campuses of member institutes are required to meet the environmental targets to reduce waste and consumption of resources.  Audit found that: (a) for the VTC Pokfulam Complex, the reduction in electricity consumption in 2015/16 and 2017/18 and the percentage of recycled paper consumed in 2017/18 did not meet the targets; and (b) campus environmental targets were only set for alternate years.  In the years when environmental targets were not set, students and staff might become less committed to reducing waste and consumption of resources (paras. 4.2, 4.6 and 4.8).

9.        ***Need to endeavour to improve campus safety.***  In the period from 2013/14 to 2017/18, 97 accidents occurred in the campuses of the Institutes.  The number of accidents increased from 16 in 2013/14 to 29 in 2016/17 and 20 in 2017/18.  Of the 97 accidents, 65 (67%) accidents involved cut or fall (para. 4.10).

10.        ***Need to improve timeliness of accident handling.***  The objective of the accident investigation is to determine the causes of the accident and take corrective measures to prevent the recurrence of similar accidents.  The VTC Safety Management Manual stipulates that the accident report for every accident should be completed and submitted to the Institute Secretariat within 48 hours after the accident.  In 19 (95%) of the 20 accidents occurred in 2017/18, the accident reports were not submitted to the Institute Secretariat within 48 hours (paras. 4.13 and 4.14).

11.        ***Need to take measures to reduce vacant posts and staff turnover.***  At the end of each academic year from 2015/16 to 2017/18, the number of vacant posts of the Institutes ranged from 39.5 to 46.5, representing 10.8% to 12.3% of the number of staff establishment.  During the same period, the staff turnover rate increased by 3 percentage points from 14.2% in 2015/16 to 17.2% in 2017/18.  Considerable number of vacant posts and significant level of staff turnover rate would increase the workloads of other staff and might adversely affect the teaching quality and the operations of the Institutes (paras. 4.20, 4.22 and 4.24).

12.        ***Need to encourage staff to attain more Continuous Professional Development hours.***  The Continuous Professional Development (CPD) Scheme aims to encourage staff to upgrade and update their professional knowledge and skills through different forms of professional training and development activities.  The Scheme operates on a non-mandatory basis and each of the staff covered by the Scheme is encouraged to attain not less than 40 CPD hours within a CPD cycle of two consecutive years.  Audit found that: (a) for the first CPD cycle from 1 October 2013 to 30 September 2015, of the 154 staff covered by the Scheme, 91 (59%) did not attain 40 or more CPD hours; and (b) for the second CPD cycle from 1 October 2015 to 30 September 2017, of the 170 staff covered by the Scheme, 39 (23%) did not attain 40 or more CPD hours (paras. 4.25 and 4.26).

13.     *Missing inventory items.*   According to the Stores Manual of VTC, the Head of the Institutes appoints officers to inspect and verify stocks at an interval of no less than once in every two years.  Audit examined the stocktaking exercise results for financial year 2017-18 and noted that of the 618 items inspected, 96 (15.5%) were found missing (their original value amounted to $236,288) (para. 4.30).

# Audit recommendations

14.     **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 Executive Director, VTC should:**

*Management of programmes*

(a)     **identify lessons to be learnt from the postponement/cancellation of planned programmes with a view to enhancing the programme development of the Institutes in future (para. 2.7);**

(b)     **step up efforts to enhance the performance of programmes offered by the Institutes, in particular, the enrolment rates, the retention rates and the pass rates (para. 2.17(a));**

(c)     **ensure as far as possible that the number of students enrolled should not exceed the plan by a significant margin and, in cases where over-enrolment cannot be avoided, take effective measures to mitigate the possible adverse impacts of over-enrolment on the programmes (para. 2.17(b));**

(d)     **take measures to encourage more graduates to give consent for VTC to contact their employers in the Survey of Employers' Views (para. 2.17(c));**

(e)     **review the criteria for covering employers in the Survey of Employers' Views so that more graduates' employers can be covered in the Survey (para. 2.17(d));**

(f)     **take measures to ensure that deviations from GARs are properly approved if considered justifiable (para. 2.25(b));**

*Management of The T Hotel and training restaurants*

(g)     take measures to improve the occupancy rate of The T Hotel to achieve the optimal occupancy rate (para. 3.18(a));

(h)     consider allocating more room nights of The T Hotel to the agency booking channel (para. 3.18(b));

(i)     take measures to improve the utilisation of the training spa in The T Hotel (para. 3.18(c));

(j)     take measures to improve the response rate of the guest satisfaction survey of The T Hotel (para. 3.18(d));

(k)     expedite the follow-up actions on the two outstanding recommendations made by IAU in 2013 on the operation of The T Hotel (para. 3.18(e));

(l)     consider extending the microbiological tests to cover the Western training restaurant at the VTC Kowloon Bay Complex (para. 3.36(a));

(m)     collect feedback from the customers of the training restaurants and The T Hotel Lounge on the trainees' Putonghua standard (in addition to English standard) (para. 3.36(c));

(n)     explore other food waste treatment methods at the VTC Kowloon Bay Complex and the VTC Tin Shui Wai Building (para. 3.36(d));

(o)     in collaboration with TDS, devise a plan to put the surplus fund of TDS into gainful use (para. 3.36(e));

*Administrative issues*

(p)     endeavour to improve the environmental performance of the Institutes (para. 4.17(a));

(q)     **consider setting campus environmental targets for every year (instead of alternate years) or, alternatively, extending the environmental targets to cover two years (para. 4.17(b));**

(r)     **conduct an analysis of the accidents in past years and endeavour to take effective measures with a view to reducing the occurrence of accidents (para. 4.17(c));**

(s)     **take measures to ensure that accidents are handled in a timely manner according to the procedures stipulated in the VTC Safety Management Manual (para. 4.17(d));**

(t)     **take remedial measures to reduce the number of vacant posts and staff turnover and monitor the effectiveness of the measures (para. 4.28(a));**

(u)     **step up efforts in encouraging staff who did not attain 40 or more CPD hours within two consecutive years to actively participate in CPD activities (para. 4.28(b));**

(v)     **in view of the fact that 15.5% of items selected for inspection were found missing in the stocktaking exercise for financial year 2017-18, increase the sample size in the next stocktaking exercise (para. 4.35(b)); and**

(w)     **complete the review of the inventory control system as soon as possible and, in light of the results of the review, implement measures to address the issues identified in the review in a timely manner (para. 4.35(c) and (d)).**

## Response from VTC

15.     The Executive Director, VTC agrees with the audit recommendations.