

# HONG KONG COUNCIL FOR ACCREDITATION OF ACADEMIC AND VOCATIONAL QUALIFICATIONS

## Executive Summary

1. Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), formerly the Hong Kong Council for Academic Accreditation, was established in 1990 as an independent statutory body to provide authoritative advice on academic standards of degree programmes in higher education institutions in Hong Kong. In 2007, the Hong Kong Council for Academic Accreditation was reconstituted under the Hong Kong Council for Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 1150) to form HKCAAVQ. HKCAAVQ took on responsibility for the vocational and professional education and training sector and statutory roles as the Accreditation Authority and the Qualifications Register Authority under the Qualifications Framework (QF) under the Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 592). HKCAAVQ provides quality assurance, accreditation and assessment services to education and training institutions, course providers and the general public. In addition to its statutory roles, HKCAAVQ also provides advisory and consultancy services in education qualifications and standards to government bureaux/departments and other organisations in Hong Kong and the Asia-Pacific region. HKCAAVQ is primarily financed through the charging of fees for accreditation services, qualifications and other assessment services, and advisory and consultancy services rendered. In the period from 2019-20 to 2023-24, the income of HKCAAVQ ranged from \$105.9 million to \$125.5 million each year, and the expenditure of HKCAAVQ ranged from \$82.4 million to \$100.3 million each year. The Audit Commission (Audit) has recently conducted a review of HKCAAVQ.

## Provision of services

2. *Need to take measures to ensure that accreditation reports are issued within the specified timelines.* According to HKCAAVQ's manual, HKCAAVQ should issue the accreditation report within 16 to 24 weeks (depending on the type of accreditation and QF level) after the date of receipt of the accreditation document. Audit analysed the 1,654 accreditations completed in the period from 2019-20 to

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2023-24. Audit found that, for 400 (24%) accreditations, the accreditation reports were not issued within the specified timelines. The delays ranged from 1 day to 29.1 weeks (averaging 2.6 weeks) (para. 2.4).

3. ***Need to ensure that assessments of the specialists' performance are duly completed.*** After each accreditation exercise, HKCAAVQ staff will assess the performance of the specialists in the exercise and give ratings according to their performance and their suitability to serve as accreditation panel members in future accreditation exercises, namely "Green" (i.e. comfortable with engagement in future accreditation exercises), "Yellow" (i.e. some concerns over engagement in future accreditation exercises) and "Red" (i.e. serious concerns over engagement in future accreditation exercises). Audit examined 20 accreditation exercises completed in 2023-24. Audit found that, for 5 (25%) accreditation exercises involving 31 specialists, there was no documentary evidence showing that ratings were given to 20 (65%) of the 31 specialists on their performance and their suitability to serve as panel members in future accreditation exercises (paras. 2.7 and 2.8).

4. ***Need to document the rationale on the assessment and the follow-up actions of the specialists' performance.*** As at 31 December 2024, 705 specialists were engaged by HKCAAVQ. Audit reviewed the ratings of the 705 specialists and found that: (a) there were no guidelines on the assessment of specialists' performance in accreditation exercises and the follow-up actions to be taken on specialists whom HKCAAVQ had concerns over engagement in future accreditation exercises; and (b) of the 705 specialists, 12 (2%) were rated as "Yellow" in past accreditation exercises. However, there was no documentary evidence showing the rationale of giving the ratings of "Yellow" and the follow-up actions taken on these specialists (paras. 2.7 and 2.10).

5. ***Room for improvement in declarations of interests by specialists.*** Audit examination of the submission of declaration forms by 91 specialists in 20 accreditation exercises completed in 2023-24 found that: (a) 3 (3%) declaration forms were returned to HKCAAVQ after the submission deadline. The delays ranged from 6 to 73 days (averaging 31 days); (b) 15 (16%) declaration forms were not dated by the specialists concerned; and (c) 1 (1%) declaration form was not signed by the specialist concerned (para. 2.12).

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6. ***Need to take measures to ensure that qualifications assessments are completed within the target processing time.*** According to HKCAAVQ, it has set a time target to complete a qualifications assessment within 15 working days starting from the next working day of the acknowledgement of receipt of all required documents. Audit analysed the processing time of 24,150 qualifications assessments completed in the period from 2019-20 to 2023-24. Audit found that: (a) 5,200 (22%) were not completed within the target processing time. The delays in completion ranged from 1 to 394 working days (averaging 12.8 working days); and (b) the percentage of qualifications assessments which were not completed within the target processing time increased from 13% in 2020-21 to 32% in 2023-24 (para. 2.20).

7. ***Need to improve the handling of suspected fraudulent academic qualifications cases.*** In the period from 2019-20 to 2023-24, HKCAAVQ reported 113 cases of suspected fraudulent academic qualifications to the Hong Kong Police Force. Audit found that: (a) the number of suspected fraudulent academic qualifications cases reported in HKCAAVQ's Annual Reports for 2019-20, 2020-21 and 2021-22 was understated by 8, 1 and 5 respectively; (b) HKCAAVQ's guidelines did not include specific circumstances which warrant the attention of the handling officers in examination of the cases of suspected fraudulent academic qualifications; and (c) for the 32 cases of suspected fraudulent academic qualifications reported to the Hong Kong Police Force in 2023-24, the average time elapsed between the receipt dates of prima facie evidence and clarification and the dates of reporting to the Hong Kong Police Force was 73 days. The time elapsed ranged from 0 to 172 days (paras. 2.26 to 2.29).

8. ***Room for improvement in monitoring non-compliant advertisements relating to QF.*** In the period from 2019-20 to 2023-24, HKCAAVQ identified 140 non-compliant advertisements relating to QF, ranging from 4 to 55 non-compliant advertisements each year. Audit found that there is room for improvement in HKCAAVQ's monitoring of non-compliant advertisements: (a) HKCAAVQ monitored the non-compliant advertisements only through 5 newspapers and 1 social media platform; (b) for 21 (38%) of the 55 non-compliant advertisements in 2023-24, in contrary to HKCAAVQ's guidelines, there was no documentary evidence showing that HKCAAVQ had checked whether the advertisements concerned had been rectified; and (c) in the period from 2019-20 to 2023-24, there were 71 operators with non-compliant advertisements. Of the 71 operators, 29 (41%) had more than one non-compliant advertisements (paras. 2.40 and 2.42).

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9. ***Need to take measures to ensure that non-local course assessments are completed within the target processing time.*** Audit analysed the 2,524 cases of non-local course assessments completed in the period from 2019-20 to 2023-24 (comprising 153 cases of new applications for registration, 1,663 cases of annual returns for registered courses and 708 cases of notifications of changes to registered courses). Audit found that in 459 (18%) cases, HKCAAVQ did not complete the assessments within the target processing times: (a) for 55 (36%) of the 153 cases of new applications for registration, the delays in completion of the assessments ranged from 1 to 433 days (averaging 94 days); (b) for 195 (12%) of the 1,663 cases of annual returns for registered courses, the delays in completion of the assessments ranged from 1 to 416 days (averaging 57 days); and (c) for 209 (30%) of the 708 cases of notifications of changes to registered courses, the delays in completion of the assessments ranged from 1 to 452 days (averaging 66 days) (para. 2.49).

### Corporate governance and human resource management

10. ***Low attendance of some members at Council/Committee meetings.*** Audit examined the attendance records of the Council and Committee meetings held in the period from October 2019 to September 2024 for members who had served the Council/Committees for at least one complete term (each term is two years). Audit found that the attendance of two members at some Council/Committee meetings held in the period was low (i.e. below 50%). While the two members had low attendance at Council/Committee meetings for the first term, they were still re-appointed for the second term. There was no documentary evidence showing that the Education Bureau had taken into account the attendance of the members at Council/Committee meetings in considering their re-appointments (paras. 3.6 and 3.7).

11. ***Room for improvement in declarations of interests.*** Audit examination of the first-tier declarations of interests made by Council/Committee members in the period from October 2019 to September 2024 revealed that: (a) in 2 (40%) of the 5 years, the requests for completion of first-tier declaration forms were sent out 10 and 17 days after the commencement of the respective terms during the period; and (b) for the 19 declarations of interests on first appointment, 9 (47%) were completed 1 to 346 days (averaging 91 days) after the due dates. For the 90 annual declarations of interests, 32 (36%) were completed 1 to 312 days (averaging 78 days) after the due dates (para. 3.15).

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12. ***Need to expedite the issue of the updated Strategic Plan.*** Audit reviewed the preparation of Strategic Plans and progress reports in the period from October 2019 to December 2024. Audit found that: (a) as at 31 December 2024, the updated Strategic Plan for the period from 1 October 2023 to 30 September 2027 had not been issued (i.e. with a delay of 15 months from the original commencement date of 1 October 2023); and (b) the latest progress report only covered the period up to 14 September 2023. As at 31 December 2024, an updated progress report covering the period since 15 September 2023 had not been issued (para. 3.19).

13. ***Need to reduce staff turnover.*** According to HKCAAVQ's current Strategic Plan, a target on staff turnover rate was set as 20% or below for the period from 2019-20 to 2021-22, and 15% or below for the period from 2022-23 to 2023-24. Audit reviewed the staff turnover analyses conducted by HKCAAVQ in the period from 2019-20 to 2023-24. Audit noted that: (a) the actual staff turnover rates decreased from 20.7% in 2019-20 to 3.3% in 2020-21, and then increased to 21.1% in 2023-24; and (b) the actual staff turnover rates were above the targets in 3 (60%) of the 5 years, by 0.7 percentage points in 2019-20, 7.4 percentage points in 2022-23 and 6.1 percentage points in 2023-24 (para. 3.26).

14. ***Need to ensure compliance with policy on appointments in recruitment exercises.*** In the period from 2019-20 to 2023-24, there were 2 recruitment exercises in which the interview panel members declared interests with the candidates. Audit reviewed the records of the 2 recruitment exercises and noted that in 1 (50%) recruitment exercise: (a) an interview panel member declared having a previous working relationship with one of the candidates; (b) while HKCAAVQ's policy on appointments stipulated that an interview panel member who had declared an interest with a candidate should refrain from assessing the candidate concerned, the interview panel member continued to assess the candidate concerned and gave scores to the candidate in an interview assessment form; and (c) no documentary evidence was available to show the justifications for the deviation from HKCAAVQ's policy on appointments (para. 3.32).

15. ***Need to invite more potential candidates for individual consultants.*** Audit reviewed all the 48 contracts for individual consultants engaged by HKCAAVQ since the issue of the relevant guidelines in January 2020 and up to December 2024. Audit noted that: (a) in each of 12 (25%) of the 48 contracts, only 1 potential candidate was invited to provide services, and the potential candidate accepted the invitation; and

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(b) the award of the 48 contracts involved a total of 25 individual consultants, of which 7 (28%) consultants were awarded contracts for 3 times or more (para. 3.39).

16. ***Need to ensure that requirements on post-training continuous service for management development programmes and professional development programmes are complied with.*** According to the policy and procedures on staff development issued by HKCAAVQ, a staff member nominated for a management development programme or a professional development programme is required to serve a specified period of post-training continuous service depending on the amount of financial sponsorship. Audit examined 21 cases of sponsorship for management development programmes and professional development programmes approved in the period from 2019-20 to 2023-24 with sponsorship of \$10,000 or above. Audit noted that in 2 (10%) of the 21 cases: (a) the staff members who had each received sponsorship of \$10,800 failed to serve the required period of post-training continuous service of 6 months; and (b) no documentary evidence was available to show that full refund of the sponsorship was required from the staff members. As at 31 December 2024, the sponsorship had not been recovered (paras. 3.46 and 3.47).

### Other issues

17. ***Need to strengthen guidance and regulation over matters concerning the safeguarding of national security.*** The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (HKSAR) was implemented on 30 June 2020. The Law stipulates that it is the constitutional duty of the HKSAR to safeguard national security. Besides, the Safeguarding National Security Ordinance took effect on 23 March 2024. It is stated in the Preamble of the Ordinance that any institution, organization and individual in the HKSAR must abide by the law of the HKSAR applicable for safeguarding national security. Audit examined the agreements/contracts entered into between HKCAAVQ and external parties (e.g. operators, service providers, specialists and individual consultants). Audit noted that, as at 31 December 2024, except for a contract relating to the provision of building management and security services signed with a service provider in June 2024, there were no specific clauses concerning the safeguarding of national security in other agreements/contracts with external parties (paras. 4.2 and 4.3).

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18. ***Need to enhance competition of tender exercises.*** Audit reviewed all the 23 tender exercises for procurement of services conducted in the period from 2019-20 to 2023-24. Audit noted that in 12 (52%) exercises, the competition was limited and the responses from contractors were lukewarm: (a) in each of 11 (48%) exercises, only 1 tender was received; and (b) in 1 (4%) exercise, only 2 tenders were received (para. 4.9).

19. ***Room for improvement in fixed asset management.*** Audit reviewed the records of the stocktaking exercises conducted in the period from 2019-20 to 2024-25 (up to 31 December 2024) and noted that: (a) up to 31 December 2024, HKCAAVQ did not have any guidelines or procedures governing the frequency and the coverage of stocktaking exercises; and (b) during the period, except for a stocktaking exercise for computer equipment conducted in June 2024, no other stocktaking exercises had been conducted. On 5 February 2025, Audit examined 40 fixed asset items recorded in the fixed asset register of HKCAAVQ, and 5 fixed asset items found in HKCAAVQ's office. Audit noted room for improvement in the control and recording of fixed assets: (a) for 7 (18%) of the 40 items in the fixed asset register, no identification was recorded; and (b) for 2 (40%) of the 5 fixed asset items found in HKCAAVQ's office, they were not recorded in the fixed asset register (paras. 4.16 and 4.18).

20. ***Need to improve arrangements of air passage and hotel accommodation for non-local specialists.*** Non-local specialists participating in HKCAAVQ's accreditation exercises in Hong Kong are provided with air passage and hotel accommodation. According to HKCAAVQ's guidelines, upon non-local specialists' requests and subject to HKCAAVQ's prior approval, the air passage for non-local specialists to arrive in Hong Kong earlier or stay behind and extra nights of hotel accommodation can be arranged provided that non-local specialists bear the extra costs. Audit examined the arrangements of air passage and hotel accommodation for the 5 non-local specialists with requests for modification of arrangements of air passage and hotel accommodation in 2 site visits for accreditation exercises conducted in 2023-24 and found that: (a) for 2 (40%) of the 5 non-local specialists, extra nights of hotel accommodation were arranged in light of the non-local specialists' requests. For 1 (50%) of the 2 non-local specialists, while the non-local specialist agreed to bear the extra cost of \$1,569 incurred for one additional night of hotel accommodation in November 2023, HKCAAVQ did not take action to recover the extra cost from the non-local specialist. As at 31 December 2024, the extra cost had not been recovered; and (b) for 3 (60%) of the 5 non-local specialists, no documentary evidence was available to show that comparison of air passage costs between the itinerary requested

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by each non-local specialist and the planned itinerary was conducted (paras. 4.24 and 4.25).

### Audit recommendations

21. **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, Hong Kong Council for Accreditation of Academic and Vocational Qualifications should:**

#### *Provision of services*

- (a) **take measures to ensure that accreditation reports are issued within the specified timelines (para. 2.16(a));**
- (b) **take measures to ensure that the assessments of the specialists' performance are duly completed and documented (para. 2.16(b));**
- (c) **formulate guidelines on the assessment of specialists' performance in accreditation exercises and the follow-up actions to be taken on specialists whom HKCAAVQ has concerns over engagement in future accreditation exercises (para. 2.16(c));**
- (d) **take measures to ensure that the rationale on the assessment of the specialists' performance and the follow-up actions taken are documented (para. 2.16(d));**
- (e) **take measures to ensure that the declarations of interests forms are duly completed by the specialists and submitted to HKCAAVQ in a timely manner (para. 2.16(e));**
- (f) **take measures to ensure that qualifications assessments are completed within the target processing time (para. 2.32(a));**
- (g) **take measures to ensure the accuracy of the number of suspected fraudulent academic qualifications cases reported in HKCAAVQ's Annual Reports (para. 2.32(c));**



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- (h) **enhance the guidelines on handling of suspected fraudulent academic qualifications (para. 2.32(d));**
- (i) **take measures to ensure that cases of suspected fraudulent academic qualifications are reported to the Hong Kong Police Force in a timely manner (para. 2.32(e));**
- (j) **enhance the monitoring of non-compliant advertisements relating to QF (para. 2.44(c));**
- (k) **take measures to ensure that follow-up actions are taken on non-compliant advertisements relating to QF according to guidelines and step up measures on operators repeatedly having non-compliant advertisements relating to QF (para. 2.44(d) and (e));**
- (l) **take measures to ensure that non-local course assessments are completed within the target processing time (para. 2.60(a));**

### ***Corporate governance and human resource management***

- (m) **closely monitor the attendance rates of members at the Council/Committee meetings and take effective measures to encourage members with low attendance to attend meetings as far as possible (para. 3.21(a));**
- (n) **make timely requests to Council/Committee members for making the first-tier declarations of interests and strengthen measures to ensure that Council/Committee members make the first-tier declarations of interests in a timely manner (para. 3.21(d) and (e));**
- (o) **take measures to expedite the issue of the updated Strategic Plan and the updated progress report on the implementation of the Strategic Plan (para. 3.21(h));**
- (p) **take measures to reduce the staff turnover by taking into account the major reasons for leaving HKCAAVQ as indicated by staff members during exit interviews (para. 3.34(a));**

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- (q) take measures to ensure compliance with HKCAAVQ's policy on appointments in recruitment exercises, and document the justifications for any deviation from the policy (para. 3.34(c));
- (r) take measures to invite more potential candidates for individual consultants (para. 3.43(b));
- (s) take measures to ensure that the requirements on post-training continuous service for management development programmes and professional development programmes are complied with (para. 3.63(a));

### *Other issues*

- (t) take measures to strengthen guidance and regulation over matters concerning the safeguarding of national security (para. 4.6);
- (u) ascertain the reasons why the responses from contractors were lukewarm in some tender exercises and take appropriate follow-up actions, and take measures to enhance competition of tender exercises (para. 4.13(a) and (b));
- (v) take measures to ensure that stocktaking exercises are conducted in accordance with HKCAAVQ's asset control procedures and take measures to improve the control and recording of fixed assets (para. 4.37(a) and (d));
- (w) take measures to ensure that extra costs incurred for non-local specialists' requests for modification of hotel accommodation arrangements are borne by non-local specialists (para. 4.37(f)); and
- (x) take measures to ensure that comparison of air passage costs between the itineraries requested by non-local specialists and the planned itineraries is conducted and documented (para. 4.37(g)).

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22. Audit has also *recommended* that the Secretary for Education should take into account the attendance of members at Council/Committee meetings in considering their re-appointments (para. 3.22(b)).

### **Response from the Government and Hong Kong Council for Accreditation of Academic and Vocational Qualifications**

23. The Secretary for Education and the Executive Director, Hong Kong Council for Accreditation of Academic and Vocational Qualifications agree with the audit recommendations.

