

CHAPTER 1

**Education Bureau
Hong Kong Education City Limited**

Hong Kong Education City Limited

**Audit Commission
Hong Kong
5 November 2025**

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. 85 of the Director of Audit contains 8 Chapters which are available on our website (<https://www.aud.gov.hk>).



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HONG KONG EDUCATION CITY LIMITED

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HONG KONG EDUCATION CITY LIMITED

Executive Summary

1. To align with the national strategy of building a leading country in education and nurture talents in innovation and technology, the Education Bureau (EDB) promotes digital education (including artificial intelligence) in primary and secondary schools. As a professional collaborative partner working closely with EDB, Hong Kong Education City Limited (HKEdCity) provides continued support for the implementation of digital education in primary and secondary schools. Established in 2000 with support from the Quality Education Fund, HKEdCity was incorporated in 2002 to become a wholly-owned company of the Government. HKEdCity is a private company limited by shares. Its two shareholders are the Permanent Secretary for Education and the Deputy Secretary for Education (5). The Government provides subvention to HKEdCity for the delivery of quality education information and resources to schools, teachers, students and parents. In 2023-24, HKEdCity's total income was \$64.6 million and the total expenditure was \$64.5 million. The Information Technology in Education Section under EDB's Innovation Technology Education Division is responsible for the housekeeping of HKEdCity. The Audit Commission (Audit) has recently conducted a review of HKEdCity.

Electronic resources for teaching and assessments

2. ***Resources Depository.*** The Resources Depository is a comprehensive portal that consolidates multiple resources for teachers, including teaching plans, worksheets, multimedia, assessments and books (para. 2.2). Audit noted the following issues:

- (a) ***Need to continue to promote Resources Depository to schools.*** Audit reviewed the achievements of targets for key performance indicators (KPIs) related to the Resources Depository in the period from 2019-20 to 2023-24 and found that the targets were not met in 3 (60%) of the 5 years. The actual results fell short of the targets by 0.3%, 26.2% and 10.8% in 2019-20, 2021-22 and 2022-23 respectively (para. 2.4);

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- (b) ***Need to further review targets and indicators for measuring effectiveness of Resources Depository.*** For the Resources Depository, targets were set for “number of resources downloaded” for 2021-22 or before and “number of pageviews” for 2022-23. These targets and indicators were outcome-based. However, for 2023-24, target had been set for “number of resources in Resources Depository”, which measured service output, but not for measuring the outcome (i.e. the effectiveness and usage of the Resources Depository). There was no documentary evidence showing the rationale for the change in the performance measure for the Resources Depository for 2023-24 (para. 2.7); and
- (c) ***Low numbers of downloads and pageviews for some resources in Resources Depository.*** As at 30 June 2025, there were 6,072 resources available in the Resources Depository, of which 5,838 (96%) were made available on or before 1 September 2021. Audit analysed the number of downloads and the number of pageviews of the 5,838 resources in the period from September 2021 to June 2025 and found that: (i) the number of downloads ranged from 0 to 38,106 (averaging 257) for each resource. For 3,115 (53%) resources, they were downloaded 20 times or less. Of those resources, 272 had never been downloaded at all; and (ii) the number of pageviews ranged from 0 to 39,810 (averaging 390) for each resource. For 738 (13%) resources, they had been viewed 20 times or less. Of those resources, 19 had never been viewed at all (para. 2.13).
3. ***eRead Scheme.*** The objective of eRead Scheme is to provide a wide range of quality electronic books for schools for the development of e-learning. As at 30 June 2025, 11 free reading packages and 3 fee-charging reading packages under the eRead Scheme were available for subscription by schools (para. 2.16). Audit noted the following issues:
- (a) ***Targets for some KPIs not met.*** Audit analysed the achievements of targets for KPIs related to the eRead Scheme in the period from 2019-20 to 2023-24 and found that the targets for some KPIs were not met. In 2023-24, the actual number of teacher users was 2,726, which fell short of the target of 3,000 by 274 (9%). The actual number of student users was 97,254, which fell short of the target of 110,250 by 12,996 (12%) (para. 2.18); and

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- (b) ***Need to further encourage subscription of fee-charging reading packages by schools.*** Audit reviewed the number of schools that have subscribed to the 3 fee-charging reading packages in 2023-24 and found that for 2 packages, the number of schools that have subscribed to the packages were low, i.e. 20 and 35 schools respectively. For the remaining package, the number of subscriptions decreased by 28% from 414 in 2021-22 to 299 in 2023-24 (para. 2.24).
4. ***STAR Online Assessment Platform.*** STAR Online Assessment Platform is an online learning, teaching and assessment platform developed in collaboration with EDB. The Platform allows teachers to select, create, and edit exercises tailored to specific learning objectives across different stages, covering both basic competency and the full curriculum (para. 2.34). Audit noted the following issues:
- (a) ***Targets for some KPIs not met.*** Audit reviewed the achievements of targets for the three KPIs related to STAR Online Assessment Platform in the period from 2019-20 to 2023-24 and found that: (i) the targets for the number of school users were not met in 2 (40%) of the 5 years. The shortfalls were 11 (or 3%) in 2021-22 and 58 (or 15%) in 2022-23; (ii) the targets for the number of teacher users were not met in 3 (60%) of the 5 years. The shortfalls ranged from 105 (or 3%) in 2023-24 to 805 (or 16%) in 2022-23; and (iii) the targets for the number of student users were not met in 2 (40%) of the 5 years. The shortfalls were 16,001 (or 14%) in 2022-23 and 1,116 (or 1%) in 2023-24 (para. 2.35);
- (b) ***Need to step up efforts in promoting use of STAR Online Assessment Platform.*** Audit reviewed the number of users of STAR Online Assessment Platform in the period from 2019-20 to 2023-24 and found that the number of school users, teacher users and student users decreased by 18% (from 395 in 2019-20 to 322 in 2023-24), 22% (from 4,766 in 2019-20 to 3,695 in 2023-24) and 19% (from 115,469 in 2019-20 to 93,884 in 2023-24) respectively. Audit analysed the percentage of schools having used STAR Online Assessment Platform in the period from 2019-20 to 2023-24 and found that less than half of the schools had used STAR Online Assessment Platform as an assessment tool to support learning and teaching. The percentage of schools having used STAR Online Assessment Platform decreased from 41% in 2020-21 to 30% in 2023-24 (paras. 2.37 and 2.38); and

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- (c) *Need to improve usage of some assessment items by teachers.* As at 30 June 2025, there were 72,209 assessment items in STAR Online Assessment Platform, of which 47,531 (66%) were made available on or before September 2019. Audit analysed the statistics of the use of the 47,531 assessment items by teachers in the period from September 2019 to June 2025 and found that each of the 47,531 assessment items was used by the teachers 0 to 647 times (averaging 38 times). For 25,404 (53%) items, each of the assessment items was used 20 times or less. Of those items, 2,793 had never been used (para. 2.42).

Services for teachers, schools, students and parents

5. *Room for improvement in organising Learning and Teaching Expo (LTE).* Since 2012, HKEdCity had engaged partners to organise LTEs. The cooperation agreements signed between HKEdCity and the organising partners set out the terms and conditions, and the evaluation of performance based on KPIs (para. 3.2). Audit noted the following issues:

- (a) *Results of performance evaluation for some KPIs not reported to Executive Committee.* Audit reviewed the annual performance evaluation of the organising partners for LTEs held in the period from 2021 to 2024 and found that in all four years, the results of the performance evaluation for 22 of the 24 KPIs listed in the cooperation agreements had not been reported in the annual performance evaluation submitted to the Executive Committee of HKEdCity (para. 3.3); and
- (b) *Need to ensure that organising partner incorporates specific clauses concerning safeguarding of national security in rental agreements with exhibitors.* According to the cooperation agreement, the organising partner for LTE shall: (i) insert a clause in the rental agreements with exhibitors that the exhibitors shall not engage in any activities in LTE venue that are unlawful (including breach of any laws or regulations of Hong Kong including the National Security Law); and (ii) insert a termination clause in the rental agreements with exhibitors that the partner shall have the right to terminate the agreement if the exhibitors have engaged or are engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security; or the continued engagement of the exhibitors or the continued performance of the exhibitors is contrary to

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the interest of national security. However, Audit found that the organising partner for LTE had not incorporated any of the required clauses concerning the safeguarding of national security in its rental agreements signed with the exhibitors (para. 3.8).

6. *Need to source more up-to-date quality e-learning resources for eResources Acquisition Project (eREAP).* HKEdCity supports schools in the implementation of digital education by providing them with technology solutions, such as eREAP where HKEdCity procures or assists in the procurement of quality e-learning resources for the use by schools. Audit found that of the 9 e-learning resources provided under eREAP as at 30 June 2025, 8 (89%) resources had been available in eREAP for 5 to 8 years (averaging 7 years) and the remaining 1 (11%) resource had been available for about 2 years (paras. 3.9 and 3.10).

7. *Need to encourage the use of Go eLearning.* Go eLearning is a platform that serves as a one-stop portal for teacher professional development, featuring over 1,000 videos from education experts and frontline teachers. In the period from 2020-21 to 2023-24, HKEdCity set targets for KPIs related to Go eLearning, i.e. viewing time in minutes for 2020-21 to 2022-23 and number of videos for 2023-24. Audit reviewed the achievement of KPIs in the period from 2020-21 to 2023-24 and found that the targets for KPIs were not met in 2 (50%) of the 4 years. The actual results fell short of the targets by 11% and 31% in 2021-22 and 2023-24 respectively. Moreover, Audit found that the viewing time decreased by 46% from about 1.3 million minutes per year in 2020-21 to about 0.7 million minutes per year in 2023-24 (paras. 3.14 and 3.15).

Corporate governance and human resource management

8. *Need to improve meeting proceedings of the Board of Directors (the Board) and the Executive Committee.* Audit examined records of HKEdCity's Board meetings and Executive Committee meetings held in the period from 2019-20 to 2024-25 (up to 31 July 2025) and noted room for improvement: (a) the Memorandum and Articles of Association of HKEdCity sets out proceedings of directors, including the quorum requirements, for the transaction of business of the Board. Apart from the requirements stipulated in the Memorandum and Articles of Association, there were no other guidelines on meeting proceedings. The required timeframes for issuing agendas, meeting papers and draft minutes to members had not been set out; and (b) according to HKEdCity's practices, draft minutes would be circulated to

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Board and Committee members within 4 to 6 weeks after the meetings. The draft minutes of Board meetings were not issued to Board members in a timely manner. For 14 (56%) of the 25 Board meetings held, the draft minutes were issued to Board members more than 1 month after the meeting. For 7 (50%) of the 14 Board meetings, the draft minutes were issued to Board members more than 6 weeks (i.e. 42 days) after the meeting, ranging from 49 to 99 days, averaging 68 days (para. 4.4).

9. ***Shortfall in actual staff headcount.*** Audit reviewed HKEdCity's approved number of staff and actual staff headcount in the period from 2019-20 to 2023-24. Audit noted that the actual staff headcount fell short of the approved number of staff by 0.8 to 10.9 (averaging 5.3) each year in the period, representing a shortfall ranging from 1.1% to 14.2% (averaging 6.8%) each year (para. 4.15).

10. ***High staff turnover.*** Audit analysed the staff turnover of HKEdCity in the period from 2019-20 to 2023-24 and noted that the staff turnover rates were on the high side in the recent four years from 2020-21 to 2023-24, ranging from 25.9% to 48.4% (averaging 38.8%) each year. Audit further analysed the years of service of the 115 staff who left HKEdCity in the period from 2019-20 to 2023-24 and found that 72 (63%) staff had served in HKEdCity for less than 2 years (paras. 4.18 and 4.19).

11. ***Need to improve assessment of candidates in recruitment exercises.*** Audit reviewed the records of 30 recruitment exercises conducted in the period from 2019-20 to 2024-25 and noted room for improvement: (a) in 1 (3%) recruitment exercise, of the 5 candidates applying for a general position, 3 candidates were assessed based on the selection criteria for managerial positions (i.e. the "leadership/supervisory skill" aspect was assessed), while the remaining 2 candidates were assessed based on the selection criteria for general positions; (b) in 7 (23%) recruitment exercises, not all candidates in the same recruitment exercise were given written tests. 11% to 67% candidates of the 7 recruitment exercises were given written tests. There was no documentary evidence showing the criteria used by HKEdCity for selecting the candidates for written tests in the 7 recruitment exercises; and (c) in 1 (3%) recruitment exercise, the candidate with the highest total score was not recommended for appointment. Instead, the candidate with the fourth highest total score was recommended for appointment. No justifications were documented on the summary of interview assessment for not recommending the candidate with the highest total score for appointment (para. 4.26).

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12. ***Need to ensure that salary increment for promotion is determined in accordance with guidelines and Board's resolutions.*** In determining the salary increment for promotion, a number of factors (including the pay scale of the higher job grade, the average salary increment percentage of the year and the rate of salary increment for promotion with reference to market practices) and the relevant resolutions passed by the Board will be taken into consideration. Audit reviewed the salary increments in the 30 promotions that took place in the period from 2019-20 to 2024-25. Audit noted that in 4 (13%) promotions, the salary increments were not in compliance with the guidelines on salary review and performance incentive or the relevant resolutions passed by the Board (paras. 4.30 and 4.31).

13. ***Room for improvement in performance appraisals of the Executive Director.*** Audit reviewed the 6 performance appraisals of the Executive Director conducted in the period from 2019-20 to 2024-25 (up to 31 July 2025). Audit noted that: (a) there was no timeframe for completing performance appraisals for the Executive Director. The 6 performance appraisals were completed 15 to 254 days after the appraisal periods, averaging 112 days; and (b) in all the 6 performance appraisals, inappropriate performance appraisal forms had been adopted. The performance appraisal form for below manager grade, instead of the performance appraisal form for manager grade and above (which was applicable to the Executive Director grade), had been adopted (para. 4.34).

Other issues

14. ***Lack of supporting documentation on achievements of some targets in performance pledges.*** HKEdCity has set out 9 targets in its performance pledges. The targets and the achievements in the performance pledges are included in HKEdCity's Annual Reports. Audit examination of the supporting documentation for calculating the achievements of the 9 targets in the performance pledges in the period from 2019-20 to 2023-24 revealed that for 2 (22%) targets relating to customer service (i.e. response to voicemail enquiries at the hotline on working days and handling written (including emails) enquiries), there was no documentary evidence showing that HKEdCity had recorded the actual achievements of the targets in the performance pledges for each enquiry responded or handled. There was also no documentary evidence showing the calculation of the actual achievements of the 2 targets. Notwithstanding this, the achievements of 99% to 100% were reported in HKEdCity's Annual Reports for these 2 targets in the performance pledges in the period (paras. 5.2 and 5.5).

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15. ***Annual performance targets not met.*** According to the agreement signed between the Government and HKEdCity, HKEdCity shall set out annual performance targets based on the list of performance indicators (i.e. KPIs) included in the agreement. Such annual performance targets should be approved by the Board. These annual performance targets are set out in the triennial plans and the levels of achievements are reported in Board meetings. Audit examined the achievements of the annual performance targets set out in the triennial plans in the period from 2019-20 to 2023-24 and noted that: (a) 4 to 19 (averaging 10) of the annual performance targets were not met each year in the period. The percentage of annual performance targets not met ranged from 11% to 50% (averaging 26%) each year; and (b) of the 20 KPIs with annual performance targets set out in all 5 years in the period, for 9 (45%) KPIs, the annual performance targets were not met for more than one year. Of the 9 KPIs, for 2 KPIs, the annual performance targets were not met for 3 (60%) of the 5 years. For 1 KPI, the annual performance targets were not met for 4 (80%) of the 5 years (paras. 5.8 to 5.10).

16. ***Insufficient numbers of quotations/tenders received for some procurements.*** Audit examined the records of 1,666 procurements conducted by HKEdCity in the period from 2019-20 to 2024-25 (up to 31 July 2025). Audit noted that for 324 (19%) procurements, the numbers of quotations/tenders received were less than the minimum numbers of quotations/tenders required: (a) for 173 (33%) of the 522 procurements with purchase values of more than \$5,000 to \$50,000, only 1 quotation was received, i.e. less than 2 as required; (b) for 143 (68%) of the 211 procurements with purchase values of more than \$50,000 to \$1 million, the number of quotations received ranged from 1 to 4 (averaging 2), i.e. less than 5 as required; and (c) for 8 (62%) of the 13 procurements with purchase values of more than \$1 million, the number of tenders received ranged from 1 to 4 (averaging 3), i.e. less than 5 as required (para. 5.20).

17. ***Need to ensure that prior approval is sought when quotations are invited from one supplier solely for special reason.*** According to HKEdCity's procurement and payment policy, if staff have to invite quotations for targeted goods or services from one supplier solely for special reason, staff should have valid justification and seek prior approval from the next higher financial limit approved authority for the procurement. For 95 (6%) of 1,666 procurements conducted by HKEdCity in the period from 2019-20 to 2024-25 (up to 31 July 2025), quotation was invited from one supplier solely for special reason. Audit noted that for 7 (7%) of the 95 procurements, there was no documentary evidence showing that prior approval had been sought from

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the next higher financial limit approved authority for the procurements (paras. 5.22 and 5.23).

18. ***Need to improve supplier evaluation.*** According to HKEdCity's guidelines on maintenance of the supplier list, an appraisal system is in place to regularly assess the performance of individual enlisted suppliers having transactions with HKEdCity by collecting users' comments. Audit noted that: (a) since the implementation of the guidelines on maintenance of the supplier list in May 2012, HKEdCity conducted 6 rounds of supplier evaluation. The time gaps between successive rounds of supplier evaluation ranged from 12 months (i.e. 1 year) to 56 months (i.e. 4 years and 8 months). HKEdCity had not set any guidelines on the frequency of conducting supplier evaluations; and (b) according to HKEdCity, in the supplier evaluation conducted in January 2025, suppliers having transactions with HKEdCity from February 2020 to December 2024 were evaluated. In the period from February 2020 to December 2024, 360 suppliers had transactions with HKEdCity. However, in the supplier evaluation conducted in January 2025, 36 (10%) of the 360 suppliers were not evaluated (paras. 5.36 to 5.38).

Audit recommendations

19. **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 Education City Limited should:**

Electronic resources for teaching and assessments

- (a) **take measures to ensure that the targets for KPIs related to the Resources Depository are met and continue to promote the Resources Depository to schools (para. 2.14(a));**
- (b) **document the rationale for the change in the performance measure for the Resources Depository and further review the targets and indicators for measuring the effectiveness of the Resources Depository (para. 2.14(b) and (c));**

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- (c) **ascertain the reasons for the low numbers of downloads and pageviews for some resources in the Resources Depository and take follow-up actions as appropriate (para. 2.14(e));**
- (d) **take measures to review the targets for KPIs related to the eRead Scheme and ensure that the targets are met (para. 2.25(a));**
- (e) **ascertain the reasons for the lukewarm response by schools and the decreasing number of subscriptions for the fee-charging reading packages in the eRead Scheme and further encourage subscription of fee-charging reading packages by schools (para. 2.25(c));**
- (f) **ascertain the reasons for not meeting the targets for some KPIs related to STAR Online Assessment Platform and take further measures to ensure that the targets for KPIs related to STAR Online Assessment Platform are reviewed and met (para. 2.47(a));**
- (g) **step up efforts in promoting the use of STAR Online Assessment Platform and review the effectiveness of STAR Online Assessment Platform in catering for the needs of users of the Platform (para. 2.47(b) and (c));**
- (h) **ascertain the reasons for the low usage of some assessment items in STAR Online Assessment Platform by teachers, and take measures to improve the usage of assessment items in STAR Online Assessment Platform by teachers as appropriate (para. 2.47(d));**
- (i) **regularly review the usage of assessment items in STAR Online Assessment Platform by teachers and develop assessment items that cater for the teaching needs of the teachers (para. 2.47(e));**

Services for teachers, schools, students and parents

- (j) **take measures to ensure that the results of the performance evaluation for all KPIs listed in the cooperation agreements signed between HKEdCity and the organising partners for LTE are reported to the Executive Committee in the annual performance evaluation of the organising partners (para. 3.20(a));**

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- (k) **take measures to ensure that the organising partner for LTE incorporates specific clauses concerning safeguarding of national security in the rental agreements signed with the exhibitors (para. 3.20(e));**
- (l) **source more up-to-date quality e-learning resources for eREAP (para. 3.20(f));**
- (m) **ascertain the reasons for not meeting the targets for KPIs related to Go eLearning and take measures to ensure that the targets for KPIs related to Go eLearning are met, and step up efforts in promoting the use of Go eLearning (para. 3.20 (h) and (i));**

Corporate governance and human resource management

- (n) **enhance guidelines on meeting proceedings of the Board and the Executive Committee and issue draft minutes of meetings of the Board and the Executive Committee to members according to the required timeframe (para. 4.10(a) and (b));**
- (o) **take appropriate actions to address the issue of staff shortfall and step up measures to address the issue of high staff turnover (para. 4.23(a) and (b));**
- (p) **assess the candidates based on the appropriate selection criteria for the positions recruited in recruitment exercises (para. 4.28(a));**
- (q) **document the criteria for selecting the candidates for written tests in a recruitment exercise in case not all candidates in the same recruitment exercise are given such tests (para. 4.28(b));**
- (r) **take measures to ensure that the candidates with the highest total scores are recommended for appointment and document the justifications for not recommending candidates with the highest total scores for appointment on the summary of interview assessment (para. 4.28(d));**
- (s) **take further measures to ensure that salary increment for promotion is determined in accordance with the guidelines and the relevant**

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resolutions passed by the Board, and approvals from the Board are sought in cases where there are any deviations from the guidelines or the relevant resolutions passed by the Board (para. 4.38(a));

- (t) take measures to ensure that the appropriate performance appraisal form is provided for conducting performance appraisals of the Executive Director (para. 4.38(b));

Other issues

- (u) take further measures to ensure that the reported achievements of the targets in the performance pledges in HKEdCity's Annual Reports are well supported and the relevant supporting documentation is properly kept (para. 5.17(c));
- (v) ascertain the reasons for not meeting the annual performance targets, in particular for those targets not met for some years, and take appropriate follow-up actions to ensure that the annual performance targets are met (para. 5.17(d));
- (w) ascertain the reasons why insufficient numbers of quotations/tenders are received for some procurements and take measures to ensure that sufficient numbers of quotations/tenders are received for procurements (para. 5.40(a));
- (x) take further measures to ensure that when quotation has to be invited for targeted goods or services from one supplier solely for special reason, prior approval from the next higher financial limit approval authority is sought for the procurement with valid justification and such approval is properly documented (para. 5.40(b)); and
- (y) further enhance the existing mechanism for supplier evaluation by:
 - (i) setting guidelines on the frequency of conducting supplier evaluations and ensuring that supplier evaluations are conducted according to the specified frequency (para. 5.40(h)(i)); and

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- (ii) **assessing the performance of all enlisted suppliers having transactions with HKEdCity regularly in accordance with the guidelines on maintenance of the supplier list (para. 5.40(h)(ii)).**

20. **Audit has also *recommended* that the Secretary for Education should, in consultation with the Board, set timeframe for completing performance appraisals for the Executive Director and ensure that performance appraisals of the Executive Director are completed within the specified timeframe (para. 4.39).**

Response from the Government and Hong Kong Education City Limited

21. **The Secretary for Education and the Executive Director, Hong Kong Education City Limited generally agree 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 Released in early 2025, the 2024-2035 master plan on building China into a leading country in education promulgated by the country clearly sets out the goals to leverage the support of education to technology and talent, build a learning-based society and open up a new path of development through digitalisation of education. The “White Paper on Smart Education in China” released by the Ministry of Education in May 2025 further outlines the development strategies, ways of implementation and future directions for smart education, which include strengthening the application of artificial intelligence (AI) in education. In the 2024 Policy Address, the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) of the People’s Republic of China announced the formation of the Steering Committee on Strategic Development of Digital Education (Note 1) to promote digital education and provide support for teachers in using AI in teaching. In the 2025 Policy Address, it was further announced that the Government had set aside \$2 billion in the Quality Education Fund (Note 2) to support digital education in primary and secondary schools, and would release the Blueprint for Digital Education in Primary and Secondary Schools in 2026.

1.3 To align with the national strategy of building a leading country in education and nurture talents in innovation and technology, the Education Bureau (EDB) promotes digital education (including AI) in primary and secondary schools. As a professional collaborative partner working closely with EDB, Hong Kong Education

Note 1: *The Steering Committee on Strategic Development of Digital Education was established in January 2025 to promote the digital transformation of school education in Hong Kong. As at 30 September 2025, the Committee comprises a Chairperson (i.e. the Under Secretary for Education), a Vice-Chairperson, and 8 representatives from the education and innovation and technology sectors (including the Deputy Secretary for Education (5) and the Executive Director of Hong Kong Education City Limited).*

Note 2: *The Quality Education Fund was established by the Government in 1998 to fund projects that aim to promote quality school education.*

Introduction

City Limited (HKEdCity) provides continued support for the implementation of digital education in primary and secondary schools. It leverages on its advantages to promote the application and education of AI and computational thinking, and enhances students' digital literacy and skills. HKEdCity also serves as a super-connector to closely link up stakeholders with various resources and platforms, and work with various stakeholders to create an AI education ecosystem for implementing digital education.

1.4 Established in 2000 with support from the Quality Education Fund, HKEdCity was incorporated in 2002 to become a wholly-owned company of the Government. HKEdCity is a private company limited by shares. Its two shareholders are the Permanent Secretary for Education and the Deputy Secretary for Education (5). HKEdCity's mission is to enable better adaptation to changing curriculum initiatives through technology. The principal activities of HKEdCity are developing and enhancing a one-stop professional education portal (Note 3), organising educational and cultural activities, providing information technology (IT) support for schools, and developing e-business to empower the education market. HKEdCity is dedicated to developing high-quality online services across the region, with the aims of:

- (a) facilitating exchanges of educational resources and information among schools and teachers, while building a professional teachers' community;
- (b) encouraging students to make effective use of e-learning resources, as part of the growing trend of student-centric self-directed learning; and
- (c) empowering parents to nurture their children's whole-person development and encourage them to become lifelong learners.

Services provided by HKEdCity

1.5 *Electronic resources for teaching and assessments.* HKEdCity provides various electronic resources to facilitate teaching and assessments by teachers. Some

Note 3: *The education portal of HKEdCity is replete with information, resources, interactive communities and online services, which promotes the use of information technology to boost the effectiveness of learning and teaching.*

of the electronic resources are also available for use by students. The electronic resources provided by HKEdCity include:

- (a) ***Resources Depository.*** The Resources Depository is a comprehensive portal that curates and consolidates multiple resources for teachers with the aim of fostering community resource sharing. The resources include teaching plans, worksheets, multimedia, assessments and books sourced from EDB, experienced teachers, universities and non-governmental organisations;
- (b) ***eRead Scheme.*** The eRead Scheme is a school-based electronic book subscription service that aims to promote a reading culture. It offers a collection of more than 5,000 Chinese and English electronic books for primary and secondary school students supplied by over 50 local and non-local publishers;
- (c) ***Online Question Bank.*** The Online Question Bank is jointly launched by HKEdCity and a statutory body (Note 4). It is an online assessment platform that provides access to the Hong Kong Diploma of Secondary Education Examination (HKDSE) past papers and related questions targeted for secondary school students. The resources are categorised by subject, topic, difficulty level and year to enable teachers and students to easily create customised assessments; and
- (d) ***STAR Online Assessment Platform.*** STAR Online Assessment Platform is an online learning, teaching and assessment platform that allows teachers to select, create, and edit exercises tailored to specific learning objectives across different stages, covering both basic competency and the full curriculum. The Platform contains about 73,000 assessment items targeted for Primary 1 to Secondary 3 students, covering Chinese Language, English Language and Mathematics.

1.6 ***Services for teachers and schools.*** Apart from the provision of electronic resources for teaching and assessments, HKEdCity provides support to teachers and schools through the provision of various services, including:

Note 4: *The statutory body is responsible for administering public examinations in Hong Kong.*

Introduction

- (a) ***Learning and Teaching Expo (LTE)***. LTE is a three-day event that provides an annual platform for the education community to explore the latest education trend and innovative pedagogies, source latest education resources in the exhibition booths, and network with education fellows. It offers programmes such as conferences, seminars, exhibitions and workshops (see Photograph 1 for an example). According to HKEdCity, LTE is one of the largest education events in the Asia-Pacific region;

Photograph 1

Example of a seminar in LTE (2024)



Source: HKEdCity records

- (b) ***Technology solutions for schools***. HKEdCity supports schools in the implementation of digital education by providing them with various technology solutions, including a resource platform (i.e. eResources Acquisition Project (eREAP)) that provides technology tools for teachers; and
- (c) ***Professional development for teachers***. HKEdCity provides training sessions on areas including AI, information literacy, and values education to teachers for their professional development. It also offers a one-stop portal (i.e. Go eLearning) for teacher professional development that records the viewing time for claiming Continuing Professional Development (CPD)

hours. Moreover, HKEdCity has launched an “EdCity Teacher” app in April 2023, which offers personalised professional development experiences for teachers.

1.7 **Services for students.** HKEdCity provides various support services to students, including “Small Campus”. “Small Campus” is an all-in-one interactive learning platform targeted for primary school students that spans multiple subjects. Users can navigate through different areas and complete missions to earn rewards. It aims to boost students’ motivation to learn by offering innovative online games and incorporating diverse learning elements.

1.8 **Services for parents.** HKEdCity strives to empower parents with knowledge, skills and resources to become effective coaches in their children’s education. HKEdCity’s services for parents include:

- (a) **Online resources.** A collection of online resources is provided on HKEdCity’s website to help parents become true learning partners for their children;
- (b) **Parents’ talks.** HKEdCity hosts a range of thematic seminars in the form of webinars and/or face-to-face sessions, as well as online courses; and
- (c) **“EdCity Parent” app.** The “EdCity Parent” app was launched in December 2024. It was designed to provide a convenient and user-friendly experience for parents using HKEdCity’s services.

Governance and organisation structure

1.9 **Board of Directors.** The Board of Directors (the Board) is responsible for overseeing HKEdCity’s strategic development and ensuring that HKEdCity operates in compliance with statutory requirements. As at 30 September 2025, the Board had 11 members (including the Chairman), comprising the Deputy Secretary for Education (5) of EDB as an ex-officio member, and 10 non-official members from leaders of the education and business sectors. Members of the Board are appointed by the shareholders of HKEdCity.

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1.10 ***Executive Committee.*** An Executive Committee is set up under the Board to regularly monitor and advise on HKEdCity's operation, and oversee the business development of HKEdCity. As at 30 September 2025, the Executive Committee had 4 members, comprising the Deputy Secretary for Education (5) of EDB as the Chairman, the Executive Director of HKEdCity as an ex-officio member, and two other members of the Board.

1.11 ***Organisation structure.*** The Executive Director (Note 5), responsible to the Executive Committee, is supported by four divisions (namely Technology Division, Service Division, Business and Communications Division and Corporate Services Division). As at 30 September 2025, HKEdCity had a total headcount of 90. An extract of the organisation chart of HKEdCity as at 30 September 2025 is shown in Appendix A.

1.12 ***Agreement signed between Government and HKEdCity.*** HKEdCity's corporate governance and the use of Government subvention are governed by the agreement signed between the Government and HKEdCity. The latest agreement covered the period from 2023-24 to 2028-29 (Note 6). According to the agreement, HKEdCity is required to submit a triennial plan with budget, an annual report and a staff remuneration report to EDB on an annual basis. HKEdCity shall set out in each triennial plan annual performance targets as approved by the Board based on the performance indicators listed in the agreement.

Income and expenditure

1.13 The Government provides subvention to HKEdCity for the delivery of quality education information and resources to schools, teachers, students and parents. In 2023-24, HKEdCity's total income was \$64.6 million and the total expenditure was \$64.5 million. The income comprised Government subvention of \$54.3 million (84%), service/project income of \$8.4 million (13%), bank interest income of \$1.4 million (2%) and other income of \$0.5 million (1%). The expenditure comprised

Note 5: *According to EDB, the current Executive Director of HKEdCity was first appointed in 2025.*

Note 6: *Unless otherwise specified, all years (e.g. 2023-24) mentioned in this Audit Report refer to HKEdCity's financial year, which starts on 1 September and ends on 31 August of the following year.*

staff costs of \$46.3 million (72%), business/project expenses of \$7.4 million (11%), IT expenses of \$5.8 million (9%), and administrative expenses of \$5 million (8%).

EDB's Information Technology in Education Section

1.14 The Information Technology in Education Section under EDB's Innovation Technology Education Division is responsible for the housekeeping of HKEdCity. The Section is also responsible for implementing digital education initiatives, providing support measures to enable the sustainable development of digital education in primary and secondary schools, deepening the knowledge and skills on the latest practice of digital education of school leaders and teachers, and providing on-site support services to individual schools (Note 7). EDB's Information Technology in Education Section is headed by the Chief Curriculum Development Officer (Information Technology in Education) and reports to the Principal Assistant Secretary (Innovation Technology Education). As at 30 September 2025, the staff establishment and strength of the Information Technology in Education Section were 34 and 31 respectively (Note 8). An extract of the organisation chart of EDB as at 30 September 2025 is shown in Appendix B.

Audit review

1.15 In June 2025, the Audit Commission (Audit) commenced a review of HKEdCity. This audit has focused on the following areas:

- (a) electronic resources for teaching and assessments (PART 2);
- (b) services for teachers, schools, students and parents (PART 3);
- (c) corporate governance and human resource management (PART 4); and
- (d) other issues (PART 5).

Note 7: *EDB's Information Technology in Education Section is also responsible for intellectual property licensing issues for the school sector and administering two programmes funded by the Quality Education Fund.*

Note 8: *According to EDB, the breakdown of EDB's staff resources and expenditure incurred for the housekeeping of HKEdCity could not be provided.*

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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 and Hong Kong Education City Limited

1.16 The Secretary for Education welcomes the audit review of HKEdCity and is grateful for the useful comments and recommendations. EDB will continue to collaborate with HKEdCity to promote digital education in primary and secondary schools, thereby improving learning and teaching effectiveness for contributing to high-quality education development in Hong Kong, and facilitating our country's development into a global leader in education.

1.17 The Executive Director, Hong Kong Education City Limited on the whole agrees with the audit recommendations. He has said that he welcomes the audit review and would like to express his sincere gratitude to Audit for the audit work on HKEdCity. In light of the audit recommendations, HKEdCity will review relevant areas and make refinements as necessary.

Acknowledgement

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

PART 2: ELECTRONIC RESOURCES FOR TEACHING AND ASSESSMENTS

2.1 This PART examines the electronic resources for teaching and assessments provided by HKEdCity, focusing on the following areas:

- (a) Resources Depository (paras. 2.2 to 2.15);
- (b) eRead Scheme (paras. 2.16 to 2.26);
- (c) Online Question Bank (paras. 2.27 to 2.33); and
- (d) STAR Online Assessment Platform (paras. 2.34 to 2.48).

Resources Depository

2.2 The Resources Depository was launched in 2007. It is a comprehensive portal that consolidates multiple resources for teachers, including teaching plans, worksheets, multimedia, assessments and books. As at 30 June 2025, there were 6,072 resources available in the Resources Depository.

Need to continue to promote Resources Depository to schools

2.3 ***Key performance indicators (KPIs).*** According to the agreement signed between the Government and HKEdCity, HKEdCity shall set out in each triennial plan annual performance targets as approved by the Board based on the performance indicators listed in the agreement. In the period from 2019-20 to 2023-24, for the Resources Depository, targets were set for the following KPIs:

- (a) ***2019-20 to 2021-22:*** number of resources downloaded;
- (b) ***2022-23:*** number of pageviews; and
- (c) ***2023-24:*** number of resources in Resources Depository.

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2.4 *Targets for some KPIs not met.* HKEdCity reports the actual results of KPIs regularly in the Business Summary to the Board and the Executive Committee. Audit reviewed the achievements of targets for KPIs related to the Resources Depository in the period from 2019-20 to 2023-24 and found that the targets were not met in 3 (60%) of the 5 years. The actual results fell short of the targets by 0.3%, 26.2% and 10.8% in 2019-20, 2021-22 and 2022-23 respectively (see Table 1).

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Table 1

**Achievements of targets for KPIs related to Resources Depository
(2019-20 to 2023-24)**

KPIs	2019-20	2020-21	2021-22	2022-23	2023-24
<i>Number of resources downloaded</i>					
Target	1,900,000	1,800,000	1,880,000	—	—
Actual	1,894,267	1,848,119	1,388,242	(Note 1)	
Exceed (+)/ below (–) target	–5,733 (–0.3%)	+48,119 (+2.7%)	–491,758 (–26.2%)	—	—
<i>Number of pageviews</i>					
Target	—	—	—	674,000	—
Actual	(Note 2)			600,972	(Note 2)
Exceed (+)/ below (–) target	—	—	—	–73,028 (–10.8%)	—
<i>Number of resources in Resources Depository (Note 3)</i>					
Target	—	—	—	—	5,900
Actual	(Note 4)				6,054
Exceed (+)/ below (–) target	—	—	—	—	+154 (+2.6%)

Legend: Performance targets not met

Source: *Audit analysis of HKEdCity records*

Note 1: *The number of resources downloaded was 385,786 in 2022-23 and 412,939 in 2023-24. According to HKEdCity, the number of resources downloaded from 2022-23 and onwards was not comparable to those in 2021-22 or before due to the revamp of Resources Depository in 2021.*

Note 2: *According to HKEdCity, the number of pageviews was only available from 2021-22 following the revamp of Resources Depository in 2021. The number of pageviews was 606,620 in 2021-22 and 666,416 in 2023-24.*

Note 3: *This represented the number of resources in Resources Depository as at the end of the respective year.*

Note 4: *According to HKEdCity, the number of resources in Resources Depository in the period from 2019-20 to 2022-23 was not available because HKEdCity did not keep such records.*

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2.5 In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that:

- (a) the access to the Resources Depository was boosted during the outbreak of the coronavirus disease (COVID-19) epidemic. In 2020-21, there was face-to-face class suspension, which provided a strong incentive for the schools to download electronic resources from the Resources Depository to facilitate online teaching and learning. Over a year of face-to-face class suspension, a majority of the schools that required electronic resources should have downloaded most materials they needed for daily use. This helped explain the comparatively larger decrease in the number of resources downloaded from the Resources Depository in 2021-22 when compared with 2020-21;
- (b) once downloaded, the resources could be shared among teachers of the school and still be useful for some years, meaning that teachers would not need to access the Resources Depository individually; and
- (c) the purpose of the Resources Depository was to provide an option of quality resources platform for schools. Schools could, according to their school-based needs, select suitable resources platform(s) among those available from various sources, including those on the market.

2.6 Audit considers that HKEdCity needs to take measures to ensure that the targets for KPIs related to the Resources Depository are met and continue to promote the Resources Depository to schools.

Need to further review targets and indicators for measuring effectiveness of Resources Depository

2.7 For the Resources Depository, targets were set for “number of resources downloaded” for 2021-22 or before and “number of pageviews” for 2022-23 (Note 9). These targets and indicators were outcome-based. However, for 2023-24, target had been set for “number of resources in Resources Depository”, which

Note 9: *According to HKEdCity, the change from “number of resources downloaded” to “number of pageviews” in 2022-23 was to reduce duplicated counting of resources with multiple files.*

measured service output, but not for measuring the outcome (i.e. the effectiveness and usage of the Resources Depository). There was no documentary evidence showing the rationale for the change in the performance measure for the Resources Depository for 2023-24. In this connection, according to the Government's guidelines, when developing performance measures, the controlling officers should focus on targets measured preferably in terms of intended outcome (instead of output or input).

2.8 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that:

- (a) the "number of resources in Resources Depository" counted the number of the resources production, collection and development by HKEdCity; and
- (b) the resources once downloaded could be shared among teachers of the school and still be useful for some years. The number of resources downloaded could be a reference for knowing which resources were more popular.

2.9 Audit considers that HKEdCity needs to:

- (a) document the rationale for the change in the performance measure for the Resources Depository; and
- (b) further review the targets and indicators for measuring the effectiveness of the Resources Depository, for example, including setting outcome targets and indicators for measuring the usage of the Resources Depository.

Need to ensure the accuracy and clarity in reporting achievements of Resources Depository in Annual Reports

2.10 In its Annual Reports for the periods from 2019-20 to 2023-24, HKEdCity reported the achievements of the Resources Depository by disclosing the "number of resources downloaded". As reported in the Annual Reports, the number of resources downloaded from the Resources Depository decreased significantly by 68% from about 1.9 million in 2019-20 to about 0.6 million in 2022-23 and further by 33% to about 0.4 million in 2023-24 (see Table 2).

Table 2

**Number of resources downloaded from Resources Depository
reported in Annual Reports
(2019-20 to 2023-24)**

Year	Number of resources downloaded
2019-20	1,894,267
2020-21	1,848,119
2021-22	1,388,242
2022-23	600,972
2023-24	412,939

Source: HKEdCity Annual Reports

2.11 Audit reviewed HKEdCity's supporting records for the number of resources downloaded from the Resources Depository reported in the Annual Reports and found that:

- (a) for 2022-23, the figure reported was the number of pageviews, instead of the number of resources downloaded from the Resources Depository; and
- (b) according to HKEdCity, due to the revamp of the Resources Depository in 2021, the basis for counting the number of resources downloaded had been changed from 2022-23 and onwards, which rendered the figure for 2023-24 reported in the Annual Report not comparable to those reported in 2021-22 or before (see Note 1 to Table 1 in para. 2.4). However, there was no explanatory note on the change in the basis for counting the number of resources downloaded for 2023-24 in the Annual Report to avoid misinterpretation by readers.

2.12 Audit considers that HKEdCity needs to take measures to ensure the accuracy and clarity in reporting the achievements of the Resources Depository in HKEdCity's Annual Reports (e.g. adding an explanatory note on the change in the basis for KPI calculation).

Low numbers of downloads and pageviews for some resources in Resources Depository

2.13 As at 30 June 2025, there were 6,072 resources available in the Resources Depository, of which 5,838 (96%) were made available on or before 1 September 2021. Audit analysed the number of downloads and the number of pageviews of the 5,838 resources in the period from September 2021 to June 2025 and found that:

- (a) ***Number of downloads.*** In the period, the number of downloads ranged from 0 to 38,106 (averaging 257) for each resource. For 3,115 (53%) resources, they were downloaded 20 times or less. Of those resources, 272 had never been downloaded at all; and
- (b) ***Number of pageviews.*** In the period, the number of pageviews ranged from 0 to 39,810 (averaging 390) for each resource. For 738 (13%) resources, they had been viewed 20 times or less. Of those resources, 19 had never been viewed at all.

Audit recommendations

2.14 **Audit has recommended that the Executive Director, Hong Kong Education City Limited should:**

- (a) **take measures to ensure that the targets for KPIs related to the Resources Depository are met and continue to promote the Resources Depository to schools;**
- (b) **document the rationale for the change in the performance measure for the Resources Depository;**

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- (c) **further review the targets and indicators for measuring the effectiveness of the Resources Depository, for example, including setting outcome targets and indicators for measuring the usage of the Resources Depository;**
- (d) **take measures to ensure the accuracy and clarity in reporting the achievements of the Resources Depository in HKEdCity's Annual Reports (e.g. adding an explanatory note on the change in the basis for KPI calculation); and**
- (e) **ascertain the reasons for the low numbers of downloads and pageviews for some resources in the Resources Depository and take follow-up actions as appropriate.**

Response from Hong Kong Education City Limited

2.15 The Executive Director, Hong Kong Education City Limited agrees with the audit recommendations. He has said that:

- (a) HKEdCity will enhance the documentation processes pertaining to the rationale for amendments made to performance measures; and
- (b) HKEdCity is in the process of arranging consultation sessions to obtain a more comprehensive understanding of customer needs and prevailing trends. Insights gathered from these initiatives will inform the exploration of options to consolidate and strengthen the resources in the Resources Depository.

eRead Scheme

2.16 The eRead Scheme was launched in 2015. Its objective is to provide a wide range of quality electronic books for schools for the development of e-learning. As at 30 June 2025, 11 free reading packages and 3 fee-charging reading packages under the eRead Scheme were available for subscription by schools. For 2024-25, the fees for subscribing to the electronic books in the fee-charging reading packages ranged from \$1,460 to \$123,660, depending on the student size, the number of electronic books subscribed and the period of subscription (from 6 months to 2 years).

Targets for some KPIs not met

2.17 HKEdCity sets targets for the following KPIs related to the eRead Scheme:

- (a) number of schools participated in eRead Scheme;
- (b) number of teacher users (from 2023-24 onwards); and
- (c) number of student users (from 2023-24 onwards).

2.18 Audit analysed the achievements of targets for KPIs related to the eRead Scheme in the period from 2019-20 to 2023-24 and found that the targets for some KPIs were not met:

- (a) *Number of teacher users.* In 2023-24, the actual number of teacher users was 2,726, which fell short of the target of 3,000 by 274 (9%); and
- (b) *Number of student users.* In 2023-24, the actual number of student users was 97,254, which fell short of the target of 110,250 by 12,996 (12%).

2.19 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that one reason attributing to the shortfall of target for the number of student users was the declining trend in the number of students from 2019-20 to 2023-24. HKEdCity would take measures to review and adjust the KPIs.

2.20 Audit considers that HKEdCity needs to take measures to review the targets for KPIs related to the eRead Scheme and ensure that the targets are met.

Need to further encourage schools' participation in eRead Scheme

2.21 Audit analysed the proportion of schools participated in the eRead Scheme in the period from 2019-20 to 2023-24. Audit found that while the target set for the number of schools participated in the eRead Scheme was met in each year in the period, the proportion of schools participating in the Scheme increased from 78%

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(835 schools (Note 10)) in 2019-20 to 84% (901 schools) in 2020-21, then subsequently maintained between 71% and 74% (774 to 808 schools) in the period from 2021-22 to 2023-24.

2.22 In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that the increase in the proportion of schools participating in the Scheme in 2020-21 was because of EDB’s “Reading to Learn” initiatives, which were implemented due to the deferral of class resumption caused by the COVID-19 epidemic. Under the initiatives, EDB collaborated with HKEdCity to provide schools with free access to 100 electronic books in the eRead Scheme in 2020-21.

2.23 Audit considers that HKEdCity needs to take measures to further encourage schools’ participation in the eRead Scheme.

Need to further encourage subscription of fee-charging reading packages by schools

2.24 As at 30 June 2025, there were 3 fee-charging reading packages, with a collection of 3,799, 656 and 310 electronic books respectively. Audit reviewed the number of schools that have subscribed to the 3 fee-charging reading packages in 2023-24 and found that:

- (a) *Lukewarm response by schools.* For 2 packages, the number of schools that have subscribed to the packages were low, i.e. 20 and 35 schools respectively; and
- (b) *Decreasing number of subscriptions.* For the remaining package, the number of subscriptions decreased by 28% from 414 in 2021-22 to 299 in 2023-24.

Note 10: *The number of schools included primary and secondary schools (including special schools), and did not include international schools.*

Audit recommendations

2.25 **Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:**

- (a) **take measures to review the targets for KPIs related to the eRead Scheme and ensure that the targets are met;**
- (b) **take measures to further encourage schools' participation in the eRead Scheme; and**
- (c) **ascertain the reasons for the lukewarm response by schools and the decreasing number of subscriptions for the fee-charging reading packages in the eRead Scheme and further encourage subscription of fee-charging reading packages by schools.**

Response from Hong Kong Education City Limited

2.26 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that:

- (a) HKEdCity will undertake a comprehensive review of the targets associated with the eRead Scheme. It is acknowledged that one of the factors contributing to the reduction in the number of subscriptions has been the declining student and teacher populations in Hong Kong from 2019-20 to 2023-24; and
- (b) HKEdCity is arranging consultation session to obtain a more comprehensive understanding of customer needs and prevailing trends. After conducting a comprehensive review and gathering insights into these initiatives, HKEdCity will further strengthen the eRead Scheme.

Online Question Bank

2.27 The Online Question Bank was launched in 2009 in collaboration with a statutory body that administers public examinations in Hong Kong to provide an assessment for learning programme. According to HKEdCity, the Online Question

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Bank aims to enable teachers to better understand each student's learning progress so as to adjust and formulate effective teaching strategies. It also aims to assist students in preparing for HKDSE, and strengthening their learning ability through assessments and instant feedback.

2.28 The Online Question Bank is open for subscription from schools and individuals. Upon successful subscription, all teachers and students from the schools can enjoy the Online Question Bank service. In 2024-25, the subscription fees for schools ranged from \$3,750 to \$103,860, depending on the student size and subscription period. For individuals, the subscription fee was \$62 per subject. From 2019-20 to 2024-25 (up to June 2025), the number of schools subscribed to the Online Question Bank ranged from 192 to 275. HKEdCity sets targets for KPIs related to the Online Question Bank, i.e. number of schools subscribed, number of teacher users and number of student users. In 2019-20, the number of schools subscribed (i.e. 196) fell short of the target of 206 by 10 (5%). In the period from 2020-21 to 2023-24, all the targets for KPIs were met.

Need to encourage schools to subscribe to HKDSE Diagnostic Feedback System

2.29 In 2023-24, the Online Question Bank had undergone an enhancement by integrating with HKDSE Diagnostic Feedback System developed by the statutory body (see para. 2.27). The System provides expert feedback on HKDSE questions, estimation of expected grades, and key knowledge or hints for wrong answers. Schools having subscribed to the Online Question Bank are eligible for further subscribing to the System. Subscription to the HKDSE Diagnostic Feedback System needs to be made via HKEdCity. As at 30 June 2025, the number of schools subscribing to HKDSE Diagnostic Feedback System was 91, representing 33% of the schools that had subscribed to the Online Question Bank.

2.30 Audit considers that HKEdCity needs to ascertain the reasons for not subscribing to HKDSE Diagnostic Feedback System by some schools that have subscribed to the Online Question Bank, and take measures to encourage schools to subscribe to HKDSE Diagnostic Feedback System together with the developer of the System.

Scope for enhancing service features of Online Question Bank

2.31 Audit reviewed the service features of the Online Question Bank and found that there was scope for enhancement:

- (a) ***Scope for including more subjects.*** As at 30 June 2025, the Online Question Bank covered 10 HKDSE subjects, comprising only 1 (25%) of the 4 core subjects (i.e. Mathematics Compulsory Part) and 9 (47%) of the 19 elective subjects. The core subjects such as Chinese Language, English Language and Citizenship and Social Development, and some of the elective subjects such as Chinese History and History were not covered;
- (b) ***Scope for including other question types.*** The Online Question Bank has a collection of over 7,000 questions from HKDSE past papers and about 2,500 questions provided by publishers, associations and school teachers. Audit noted that all the questions available on the Online Question Bank are multiple-choice questions whereas the exam papers of the subjects covered by the Online Question Bank also included other question types (e.g. short questions and essay questions); and
- (c) ***Scope for exploring the feasibility of use of automated marking technology.*** In 2023-24, HKEdCity undertook a pilot study on using automated marking technology in the Online Question Bank. The study revealed inconsistencies among the results in automated assessments for long questions. As a result, HKEdCity did not recommend the adoption of automated marking technology for long questions at that time but concluded that it would continue to explore improvements and alternative solutions before considering broader implementation of automated marking technology in the Online Question Bank. With the advancement of technology and possible adoption of AI, Audit considers that HKEdCity needs to explore the feasibility of the use of automated marking technology in the Online Question Bank.

Audit recommendations

2.32 **Audit has recommended that the Executive Director, Hong Kong Education City Limited should:**

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- (a) **ascertain the reasons for not subscribing to HKDSE Diagnostic Feedback System by some schools that have subscribed to the Online Question Bank, and take measures to encourage schools to subscribe to HKDSE Diagnostic Feedback System together with the developer of the System; and**
- (b) **take measures to enhance the service features of the Online Question Bank, including:**
 - (i) **considering including more subjects and question types in the Online Question Bank; and**
 - (ii) **exploring the feasibility of the use of automated marking technology in the Online Question Bank.**

Response from Hong Kong Education City Limited

2.33 The Executive Director, Hong Kong Education City Limited agrees with the audit recommendations. He has said that:

- (a) HKEdCity will further the promotion of HKDSE Diagnostic Feedback System through close collaboration with the statutory body to enhance the outreach and engagement; and
- (b) HKEdCity is proactively examining opportunities to enhance the service features of the Online Question Bank.

STAR Online Assessment Platform

2.34 STAR Online Assessment Platform is an online learning, teaching and assessment platform developed in collaboration with EDB. The Platform allows teachers to select, create, and edit exercises tailored to specific learning objectives across different stages, covering both basic competency and the full curriculum. The assessment items on the Platform are designed by EDB and the statutory body that administers public examinations in Hong Kong. EDB oversees the Platform's operations, gathers user feedback, and guides its ongoing development. The Platform

contains about 73,000 assessment items targeted for Primary 1 to Secondary 3 students, covering Chinese Language, English Language and Mathematics.

Targets for some KPIs not met

2.35 In the period from 2019-20 to 2023-24, HKEdCity set targets for three KPIs, i.e. number of school users, number of teacher users and number of student users, related to STAR Online Assessment Platform. Audit reviewed the achievements of targets for the three KPIs related to STAR Online Assessment Platform in the period from 2019-20 to 2023-24 and found that:

- (a) ***Number of school users.*** The targets were not met in 2 (40%) of the 5 years. The shortfalls were 11 (or 3%) in 2021-22 and 58 (or 15%) in 2022-23;
- (b) ***Number of teacher users.*** The targets were not met in 3 (60%) of the 5 years. The shortfalls ranged from 105 (or 3%) in 2023-24 to 805 (or 16%) in 2022-23; and
- (c) ***Number of student users.*** The targets were not met in 2 (40%) of the 5 years. The shortfalls were 16,001 (or 14%) in 2022-23 and 1,116 (or 1%) in 2023-24.

2.36 Audit considers that HKEdCity needs to ascertain the reasons for not meeting the targets for some KPIs related to STAR Online Assessment Platform and take further measures to ensure that the targets for KPIs related to STAR Online Assessment Platform are reviewed and met.

Need to step up efforts in promoting use of STAR Online Assessment Platform

2.37 ***Decreased number of users of STAR Online Assessment Platform.*** Audit reviewed the number of users of STAR Online Assessment Platform in the period from 2019-20 to 2023-24 and found that the number of school users, teacher users and student users decreased by 18% (from 395 in 2019-20 to 322 in 2023-24), 22% (from 4,766 in 2019-20 to 3,695 in 2023-24) and 19% (from 115,469 in 2019-20 to 93,884 in 2023-24) respectively.

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2.38 *Low percentage of schools having used STAR Online Assessment Platform.* Audit analysed the percentage of schools having used STAR Online Assessment Platform in the period from 2019-20 to 2023-24 and found that:

- (a) less than half of the schools (Note 11) had used STAR Online Assessment Platform as an assessment tool to support learning and teaching; and
- (b) the percentage of schools having used STAR Online Assessment Platform decreased from 41% in 2020-21 to 30% in 2023-24.

2.39 *Need to take into account results of survey on usage of STAR Online Assessment Platform.* According to HKEdCity Triennial Plan for 2023-24 to 2025-26 submitted to the Board in July 2023, STAR Online Assessment Platform was a strategic platform to popularise digital assessment and there was a need to further deepen the use in schools. Audit noted that an online survey on the usage of STAR Online Assessment Platform was conducted by HKEdCity in 2024 with a total of 206 responses received. The survey indicated that 86 (42%) of the respondents did not use STAR Online Assessment Platform. For 62 (72%) of those respondents, the reasons for not using the Platform were that they did not know about the Platform or were not familiar with the operation of the Platform.

2.40 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that:

- (a) regarding the decreased number of users of STAR Online Assessment Platform (see para. 2.37), during the COVID-19 epidemic, home-based learning led to a notable, but expected, surge in the usage of STAR Online Assessment Platform. With the full resumption of face-to-face classes, a corresponding drop in usage was anticipated as teaching and assessment returned to normal, classroom-based practices. There was a fall in the usage when face-to-face classes resumed after the COVID-19 epidemic; and
- (b) regarding the low percentage of schools having used STAR Online Assessment Platform (see para. 2.38), schools were encouraged to use

Note 11: *The number of schools included primary and secondary schools (including special schools), and did not include international schools.*

STAR Online Assessment Platform according to the progress of different levels, classes or students.

2.41 Taking into account the decreased number of users of STAR Online Assessment Platform (see para. 2.37), the low percentage of schools having used the Platform (see para. 2.38), and the results of the survey on the usage of the Platform (see para. 2.39), Audit considers that HKEdCity needs to step up efforts in promoting the use of STAR Online Assessment Platform. Moreover, taking into account the drop in usage of STAR Online Assessment Platform following the full resumption of face-to-face classes (see para. 2.40(a)), Audit considers that HKEdCity needs to review the effectiveness of STAR Online Assessment Platform in catering for the needs of users of the Platform.

Need to improve usage of some assessment items by teachers

2.42 As at 30 June 2025, there were 72,209 assessment items in STAR Online Assessment Platform, of which 47,531 (66%) were made available on or before September 2019. Audit analysed the statistics of the use of the 47,531 assessment items by teachers (i.e. the teachers included the items in the assessments for students via STAR Online Assessment Platform) in the period from September 2019 to June 2025 and found that:

- (a) each of the 47,531 assessment items was used by the teachers 0 to 647 times (averaging 38 times); and
- (b) for 25,404 (53%) items, each of the assessment items was used 20 times or less. Of those items, 2,793 had never been used.

2.43 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that:

- (a) there was a range of assessment items, of different features and levels of difficulty, available on STAR Online Assessment Platform for teachers' adoption according to their teaching needs. Many of the items in the Platform were of high usage and it was thus reasonable for those being more popular than some others;

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- (b) while the Platform was only an alternative assessment tool to be used by schools on voluntary basis, for the rate of schools' usage, it was not meant for achieving full coverage of schools; and
- (c) HKEdCity could further promote the Platform in collaboration with EDB.

2.44 Audit considers that HKEdCity needs to:

- (a) ascertain the reasons for the low usage of some assessment items in STAR Online Assessment Platform by teachers, and take measures to improve the usage of assessment items in STAR Online Assessment Platform by teachers as appropriate; and
- (b) regularly review the usage of assessment items in STAR Online Assessment Platform by teachers and develop assessment items that cater for the teaching needs of the teachers.

Need to keep under review results of feasibility review on adoption of AI in STAR Online Assessment Platform

2.45 The adoption of AI in STAR Online Assessment Platform was discussed in the regular meetings between EDB and HKEdCity:

- (a) ***Adoption of AI to automate tagging of assessment items.*** In the meeting held in May 2024, EDB and HKEdCity agreed that the adoption of AI to automate tagging of assessment items could better support teachers in preparing assessment papers. As at 30 June 2025, AI tagging feature was developed for user acceptance testing. However, up to June 2025, HKEdCity had not formulated the implementation plan on the adoption of AI to automate tagging of assessment items in STAR Online Assessment Platform; and
- (b) ***Adoption of AI to assist teachers in marking open-ended questions.*** In the meeting held in July 2024, EDB requested HKEdCity to explore the adoption of AI in STAR Online Assessment Platform to assist teachers in marking open-ended questions. Audit reviewed the progress of the adoption of AI and noted that as at 30 June 2025, two companies had

demonstrated the result of AI marking to EDB and HKEdCity. According to HKEdCity, it would gather the feedback to take into consideration for the scope of the proof of concept. The proof of concept was underway and tentatively scheduled for completion in the fourth quarter of 2025. However, Audit found that up to June 2025, HKEdCity had not formulated the implementation plan for the development and adoption of AI to assist teachers in marking open-ended questions in STAR Online Assessment Platform.

2.46 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that:

- (a) the integration of AI-related technologies into STAR Online Assessment Platform was being actively explored. The proof-of-concept trials were currently underway with two companies; and
- (b) subject to the result of feasibility review, HKEdCity would consider formulating an implementation plan.

Audit recommendations

2.47 **Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:**

- (a) **ascertain the reasons for not meeting the targets for some KPIs related to STAR Online Assessment Platform and take further measures to ensure that the targets for KPIs related to STAR Online Assessment Platform are reviewed and met;**
- (b) **step up efforts in promoting the use of STAR Online Assessment Platform;**
- (c) **review the effectiveness of STAR Online Assessment Platform in catering for the needs of users of the Platform;**

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- (d) **ascertain the reasons for the low usage of some assessment items in STAR Online Assessment Platform by teachers, and take measures to improve the usage of assessment items in STAR Online Assessment Platform by teachers as appropriate;**
- (e) **regularly review the usage of assessment items in STAR Online Assessment Platform by teachers and develop assessment items that cater for the teaching needs of the teachers; and**
- (f) **keep under review the results of the feasibility review on the adoption of AI in STAR Online Assessment Platform, including automation of tagging of assessment items and marking open-ended questions, and subject to the results of the feasibility review, consider formulating an implementation plan as appropriate.**

Response from Hong Kong Education City Limited

2.48 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that:

- (a) HKEdCity will undertake further initiatives to strengthen the promotion of STAR Online Assessment Platform, with the aim of encouraging greater usage; and
- (b) HKEdCity is reviewing the application of AI technologies within STAR Online Assessment Platform and enhancing marking of open-ended questions, with a view to further enhancing the functionalities of the Platform.

PART 3: SERVICES FOR TEACHERS, SCHOOLS, STUDENTS AND PARENTS

3.1 This PART examines the services provided by HKEdCity for teachers, schools, students and parents, focusing on the following areas:

- (a) services for teachers and schools (paras. 3.2 to 3.21);
- (b) services for students (paras. 3.22 to 3.26); and
- (c) services for parents (paras. 3.27 to 3.35).

Services for teachers and schools

Room for improvement in organising LTE

3.2 Since 2012, HKEdCity had engaged partners to organise LTEs (see para. 1.6(a)). The cooperation agreements signed between HKEdCity and the organising partners set out the terms and conditions, and the evaluation of performance based on KPIs. In the period from 2021 to 2024, 24 KPIs with both quantitative and qualitative measures were set in the agreements. Each year, the annual performance evaluation of the partner is reported to HKEdCity's Executive Committee.

3.3 ***Results of performance evaluation for some KPIs not reported to Executive Committee.*** Audit reviewed the annual performance evaluation of the organising partners for LTEs held in the period from 2021 to 2024 and found that in all four years, the results of the performance evaluation for 22 of the 24 KPIs listed in the cooperation agreements had not been reported in the annual performance evaluation submitted to the Executive Committee. In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that the performance evaluation was conducted on a checklist basis and on a rolling schedule, as some items were operational and needed to be addressed at various stages.

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3.4 **Annual plan prepared not in full compliance with requirements in cooperation agreement.** In 2024, HKEdCity signed a new cooperation agreement with the organising partner for LTEs to be held in the period from 2025 to 2029. According to the agreement, the organising partner is required to submit an annual plan, which shall contain forecasts of the expo, including the origins of exhibitors, a budget of expenditure, and projected profit and loss statements. The projections of the origins of exhibitors shall be in accordance with the figures set out in the agreement. Audit reviewed the annual plan for LTE 2025 submitted by the organising partner and found that the annual plan prepared was not in full compliance with the requirements in the cooperation agreement:

- (a) **Origins of exhibitors.** Contrary to the requirements in the cooperation agreement, in the annual plan submitted by the organising partner, no projection of the origins of exhibitors was made; and
- (b) **Budget of expenditure, and projected profit and loss statement.** Contrary to the requirements in the cooperation agreement, the budget of expenditure and projected profit and loss statement had not been included in the annual plan submitted by the organising partner.

3.5 **Targets for origins of exhibitors not met.** The cooperation agreements stipulated the targets for the origins of exhibitors for the organising partners. Audit reviewed the records of LTEs held in the period from 2021 to 2025 and found that in all 5 years, the targets for the origins of exhibitors were not met:

- (a) **2021 to 2024.** For LTEs held in the period from 2021 to 2024, the cooperation agreements stipulated that about 20% of exhibitors should be from overseas. Audit found that in all 4 years, the target was not met. The percentage of overseas exhibitors ranged from 7% in 2021 to 9% in 2022 and 2024, averaging 8%; and
- (b) **2025.** For LTE held in 2025, the cooperation agreement stipulated that the percentage of exhibitors from the Chinese Mainland shall be 9%. However, the actual percentage was only 2%.

3.6 ***Discrepancy noted in cooperation agreement signed with organising partner.*** Audit examined the cooperation agreement signed between HKEdCity and the organising partner in 2024 and found that there was a discrepancy in a target set out in the agreement. It was stated in a schedule of the agreement that a target was set for the number of “standard booths” whereas in another schedule, the target was set for the number of “exhibitors”. In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that the target was based on “standard booths” instead of “exhibitors”. It was a typo error to state “exhibitors” in one of the schedules of the agreement. Audit considers that HKEdCity needs to take measures to ensure the accuracy and consistency for all the terms set out in the cooperation agreement signed with the organising partner for LTE.

3.7 ***Need to ensure that organising partner incorporates specific clauses concerning safeguarding of national security in rental agreements with exhibitors.*** The Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (National Security Law) was implemented on 30 June 2020. The National Security Law stipulates that it is the constitutional duty of HKSAR to safeguard national security. 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, must not engage in acts and activities endangering national security, and must provide assistance in accordance with the law in response to a request made by the authorities when conducting the work on safeguarding national security in accordance with the law. Section 8(3) of the Ordinance stipulates that if the law of the HKSAR confers any function on a person, the function is to be read as including a duty to safeguard national security, and accordingly, any person, in making any decision in the performance of the function, must regard national security as the most important factor, and give appropriate consideration to it accordingly.

3.8 According to the cooperation agreement, the organising partner for LTE shall:

- (a) insert a clause in the rental agreements with exhibitors that the exhibitors shall not engage in any activities in LTE venue that are unlawful (including breach of any laws or regulations of Hong Kong including the National Security Law); and

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- (b) insert a termination clause in the rental agreements with exhibitors that the partner shall have the right to terminate the agreement if the exhibitors have engaged or are engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security; or the continued engagement of the exhibitors or the continued performance of the exhibitors is contrary to the interest of national security.

However, Audit found that the organising partner for LTE had not incorporated any of the required clauses concerning the safeguarding of national security in its rental agreements signed with the exhibitors. Audit considers that HKEdCity needs to take measures to ensure that the organising partner for LTE incorporates specific clauses concerning safeguarding of national security in the rental agreements signed with the exhibitors.

Need to source more up-to-date quality e-learning resources for eREAP

3.9 HKEdCity supports schools in the implementation of digital education by providing them with technology solutions, such as eREAP where HKEdCity procures or assists in the procurement of quality e-learning resources for the use by schools. eREAP was launched in 2015-16.

3.10 As at 30 June 2025, 9 e-learning resources were provided under eREAP. Audit examined the 9 e-learning resources of eREAP and found that 8 (89%) of the 9 resources had been available in eREAP for 5 to 8 years (averaging 7 years) and the remaining 1 (11%) resource had been available for about 2 years. Audit considers that HKEdCity needs to source more up-to-date quality e-learning resources for eREAP.

Need to further encourage participation in professional development events for teachers

3.11 HKEdCity provides support for teachers' professional development by organising professional development events. In the period from 2020-21 to 2023-24, HKEdCity organised 409 events for teachers:

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- (a) ***Number of events organised.*** The number of events organised ranged from 74 in 2022-23 to 134 in 2020-21;
- (b) ***Number of participants.*** The number of participants ranged from 3,605 in 2023-24 to 5,611 in 2020-21; and
- (c) ***Average number of participants in each event.*** The average number of participants in each event ranged from 33 in 2023-24 to 58 in 2022-23.

3.12 ***Targets for KPIs not met in some years.*** In the period from 2020-21 to 2023-24, HKEdCity has set two targets for KPIs related to teacher events, namely number of events organised and number of participants. Audit reviewed the achievements of the two targets for KPIs in the period from 2020-21 to 2023-24 and found that the targets were not met in some years (see Table 3):

- (a) ***Number of events organised.*** The targets were not met in 2 (50%) of the 4 years. The shortfalls were 9 (or 9%) in 2021-22 and 6 (or 8%) in 2022-23; and
- (b) ***Number of participants.*** The targets were not met in 1 (25%) of the 4 years. The shortfall was 227 (or 5%) in 2022-23.

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Table 3

Achievements of targets for KPIs related to teacher events (2020-21 to 2023-24)

KPIs	2020-21	2021-22	2022-23	2023-24
<i>Number of events organised</i>				
Target	80	100	80	80
Actual	134	91	74	110
Exceed (+)/ below (-) target	+54 (+68%)	-9 (-9%)	-6 (-8%)	+30 (+38%)
<i>Number of participants</i>				
Target	4,500	4,500	4,500	3,500
Actual	5,611	5,176	4,273	3,605
Exceed (+)/ below (-) target	+1,111 (+25%)	+676 (+15%)	-227 (-5%)	+105 (+3%)

Legend: Performance targets not met

Source: *Audit analysis of HKEdCity records*

3.13 Audit considers that HKEdCity needs to ascertain the reasons for not meeting the targets for KPIs related to teacher events and take measures to ensure that the targets for KPIs related to teacher events are met.

Need to encourage the use of Go eLearning

3.14 Go eLearning is a platform that serves as a one-stop portal for teacher professional development, featuring over 1,000 videos from education experts and frontline teachers. Teachers can learn and complete professional training anytime and anywhere, and the platform records viewing time for claiming CPD hours.

3.15 *Targets for KPIs related to Go eLearning not met in some years.* In the period from 2020-21 to 2023-24, HKEdCity set targets for KPIs related to Go eLearning, i.e. viewing time in minutes for 2020-21 to 2022-23 and number of videos for 2023-24. Audit reviewed the achievement of KPIs in the period from 2020-21 to

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2023-24 and found that the targets for KPIs were not met in 2 (50%) of the 4 years. The actual results fell short of the targets by 11% and 31% in 2021-22 and 2023-24 respectively (see Table 4). Moreover, Audit found that the viewing time decreased by 46% from about 1.3 million minutes per year in 2020-21 to about 0.7 million minutes per year in 2023-24.

Table 4

Achievements of targets for KPIs related to Go eLearning (2020-21 to 2023-24)

KPIs	2020-21	2021-22	2022-23	2023-24
<i>Viewing time in minutes</i>				
Target	500,000	1,020,000	600,000	—
Actual	1,256,304	912,489	911,045	(Note 1)
Exceed (+)/ below (–) target	+756,304 (+151%)	–107,511 (–11%)	+311,045 (+52%)	—
<i>Number of videos (Note 2)</i>				
Target	—	—	—	3,000
Actual	(Note 3)			2,072
Exceed (+)/ below (–) target	—	—	—	–928 (–31%)

Legend: Performance targets not met

Source: *Audit analysis of HKEdCity records*

Note 1: In 2023-24, the viewing time in minutes was 699,329. According to HKEdCity, the significant decrease in the viewing time in 2023-24 was because the usage of the service had reached its peak during the COVID-19 epidemic when face-to-face classes were suspended.

Note 2: This represented the number of videos as at the end of the respective year.

Note 3: According to HKEdCity, the number of videos in Go eLearning in the period from 2020-21 to 2022-23 was not available because HKEdCity did not keep such records.

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3.16 In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that during the COVID-19 epidemic when face-to-face classes were first suspended in 2020, the schools deployed online learning mode to sustain students’ learning at home, and many teachers accessed Go eLearning to acquire the necessary knowledge and skills to conduct online teaching, which led to a notable surge in the usage of Go eLearning in 2020-21. There was a fall in the usage when face-to-face classes resumed after the COVID-19 epidemic. Besides, there were also year-on-year decreases in the number of primary and secondary school teachers from 2020-21 to 2023-24.

3.17 *Need to consider setting outcome targets for measuring effectiveness of Go eLearning.* For Go eLearning, targets were set for “viewing time in minutes” for 2020-21 to 2022-23. These targets were outcome-based. However, for 2023-24, target had been set for “number of videos”, which measured service output. There was no documentary evidence showing the rationale for the change in the performance measure for Go eLearning for 2023-24. Audit is of the view that HKEdCity needs to consider setting outcome targets and indicators for measuring the effectiveness of Go eLearning.

3.18 Audit considers that HKEdCity needs to:

- (a) ascertain the reasons for not meeting the targets for KPIs related to Go eLearning and take measures to ensure that the targets for KPIs related to Go eLearning are met;
- (b) step up efforts in promoting the use of Go eLearning; and
- (c) document the rationale for the change in the performance measure for Go eLearning and consider setting outcome targets and indicators for measuring the effectiveness of the Go eLearning.

Targets for KPIs related to “EdCity Teacher” app not set

3.19 The “EdCity Teacher” app was launched in April 2023 to offer personalised professional development experiences for teachers. Audit noted that, for the “EdCity Parent” app, HKEdCity has set a target for KPI (i.e. number of downloads)

since the launch in December 2024. However, Audit found that no targets for KPIs related to the “EdCity Teacher” app had been set.

Audit recommendations

3.20 Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:

- (a) take measures to ensure that the results of the performance evaluation for all KPIs listed in the cooperation agreements signed between HKEdCity and the organising partners for LTE are reported to the Executive Committee in the annual performance evaluation of the organising partners;**
- (b) take measures to ensure that annual plan prepared by the organising partners for LTE is in full compliance with the requirements in the cooperation agreements;**
- (c) ascertain the reasons for not meeting the targets for the origins of exhibitors stipulated in the cooperation agreements for LTE and take measures to ensure that the targets stipulated in the cooperation agreements for LTE are met by the organising partners;**
- (d) take measures to ensure the accuracy and consistency for all the terms set out in the cooperation agreement signed with the organising partner for LTE;**
- (e) take measures to ensure that the organising partner for LTE incorporates specific clauses concerning safeguarding of national security in the rental agreements signed with the exhibitors;**
- (f) source more up-to-date quality e-learning resources for eREAP;**
- (g) ascertain the reasons for not meeting the targets for KPIs related to teacher events and take measures to ensure that the targets for KPIs related to teacher events are met;**

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- (h) **ascertain the reasons for not meeting the targets for KPIs related to Go eLearning and take measures to ensure that the targets for KPIs related to Go eLearning are met;**
- (i) **step up efforts in promoting the use of Go eLearning;**
- (j) **document the rationale for the change in the performance measure for Go eLearning and consider setting outcome targets and indicators for measuring the effectiveness of the Go eLearning; and**
- (k) **consider setting targets for KPIs related to the “EdCity Teacher” app.**

Response from Hong Kong Education City Limited

3.21 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that:

- (a) HKEdCity will continue to work closely with the organising partner for LTE to support timely and effective performance evaluations, and to ensure that the annual plans align with the requirements of the cooperation agreement;
- (b) HKEdCity will take measures to ensure that the organising partner for LTE incorporates specific clauses concerning safeguarding of national security in the rental agreements signed with the exhibitors;
- (c) improvements to eREAP are planned, with the intention of developing it into a one-stop portal that brings together reliable educational technology solutions and tools, as well as offering professional training videos. Go eLearning will also be enhanced to help encourage more engagement and improve learning outcomes; and
- (d) HKEdCity intends to hold more events and training sessions for teachers and will take steps to support greater participation in these activities.

Services for students

Need to encourage the use of “Small Campus”

3.22 “Small Campus” (see para. 1.7) was launched in 2001 and revamped in 2015. According to HKEdCity, “Small Campus” is its signature gamified e-learning platform for primary school students. In December 2024, HKEdCity further revamped “Small Campus” at a cost of \$2.7 million. Audit analysed the number of student users of “Small Campus” in the period from 2019-20 to 2023-24 and found that:

- (a) ***Decreasing number of student users.*** The number of student users of “Small Campus” was on a decreasing trend. During the period, the number of student users decreased by 24,887 (22%) from 110,733 in 2019-20 to 85,846 in 2023-24; and
- (b) ***Decreasing percentage of primary school students as student users.*** The number of student users of “Small Campus” as a percentage of primary school students (Note 12) decreased slightly from 31% in 2019-20 to 28% in 2023-24 (averaging 29%).

3.23 ***Targets not met in some years.*** Each year, HKEdCity sets a target for KPI related to “Small Campus” (i.e. number of student users). Audit reviewed the achievement of targets for KPI related to “Small Campus” in the period from 2019-20 to 2023-24 and noted that:


- (a) since 2021-22, the targets for the number of student users were not met. In 2021-22, the actual result of 92,293 was below the target of 100,000 by 7,707 (8%); and
- (b) despite the reduction of the target by 10% to 90,000 in 2022-23 and 2023-24, the actual results still fell short of the target by 3,202 (4%) and 4,154 (5%) in 2022-23 and 2023-24 respectively (see Table 5).

Note 12: *The number of primary school students did not include those in international schools.*

Table 5

**Achievement of targets for KPI related to “Small Campus”
(2019-20 to 2023-24)**

	Number of student users				
	2019-20	2020-21	2021-22	2022-23	2023-24
Target	100,000	100,000	100,000	90,000	90,000
Actual	110,733	101,326	92,293	86,798	85,846
Exceed (+)/ below (-) target	+10,733 (+11%)	+1,326 (+1%)	-7,707 (-8%)	-3,202 (-4%)	-4,154 (-5%)

Legend:  Performance targets not met

Source: *Audit analysis of HKEdCity records*

3.24 In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that there were year-on-year decreases in the number of primary student enrolments from 2021-22 to 2023-24. Nevertheless, HKEdCity would try to reposition “Small Campus” with new contents and online activities in order to further attract more student users.

Audit recommendations

3.25 Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:

- (a) ascertain the reasons for the slight decrease in the percentage of primary school students as student users of “Small Campus”, and take appropriate follow-up actions;
- (b) ascertain the reasons for not meeting the targets for KPI related to “Small Campus” and take measures to ensure that the targets for KPI related to “Small Campus” are met; and

- (c) keep in view the repositioning of “Small Campus” and enhance the promotion of “Small Campus” to further attract more student users.

Response from Hong Kong Education City Limited

3.26 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that HKEdCity will review to reposition “Small Campus”, with a view to implementing appropriate enhancements to further encourage student participation.

Services for parents

3.27 HKEdCity provides a collection of online resources, organises programmes and seminars to equip parents with digital skills, with the aim of empowering them to serve as role models for their children in the digital world and assist their children in using digital tools effectively and safely. HKEdCity also launched the “EdCity Parent” app in December 2024 to provide a convenient and user-friendly experience for parents using HKEdCity’s services.

Need to improve online resources for parents

3.28 As of 30 June 2025, there were 122 sets of online resources for parents on HKEdCity’s website. The online resources included articles, videos of seminars/courses and learning resources in various areas. Audit reviewed the 122 sets of online resources and found that:

- (a) some links embedded in the online resources on HKEdCity’s website were not valid:
- (i) for 18 (15%) sets of resources, the links to some photographs embedded in the resources were not valid and thus the photographs were not viewable;
 - (ii) for 31 (25%) sets of resources, some internal links (linking to other contents on HKEdCity’s website) were not valid; and

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- (iii) for 5 (4%) sets of resources, some external links (e.g. linking to websites of government departments or non-governmental organisations) were not valid; and
- (b) some information were not available in traditional Chinese, simplified Chinese and English:
 - (i) for 121 (99%) sets of resources, the contents were not available in traditional Chinese, simplified Chinese and English; and
 - (ii) for 27 (90%) of the 30 sets of resources that contained videos of pre-recorded seminars/courses, the seminars/courses were conducted in either Chinese or English. However, subtitles for the other languages (i.e. English subtitles for those conducted in Chinese and Chinese subtitles for those conducted in English) were not available.

3.29 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that the resources concerned were provided by external parties who might not inform HKEdCity if they changed or removed the related links. It might not be feasible for HKEdCity to ensure that the links were valid all the time and all resources were available in traditional Chinese, simplified Chinese and English. Nevertheless, HKEdCity would make the best effort to ensure that links embedded in the online resources for parents are valid, and that the online resources for parents were available in traditional Chinese, simplified Chinese and English as far as possible.

3.30 Audit considers that HKEdCity needs to endeavour to ensure that:

- (a) the links embedded in the online resources for parents are valid as far as possible; and
- (b) the online resources for parents are available in traditional Chinese, simplified Chinese and English as far as possible.

Room for improvements in surveys for parent events

3.31 HKEdCity conducts surveys for parent events to collect feedback regarding the topic, content and the speaker's delivery to facilitate HKEdCity's evaluation of speakers and future planning for the coming school year. In the period from 2021-22 to 2023-24, HKEdCity organised/co-organised 40 seminars and workshops for parents. Audit found that surveys had not been conducted for 11 (28%) of the 40 events. For the 29 events with surveys conducted, the response rates of 25 (86%) events were lower than 50%, ranging from 10% to 48% (averaging 26%).

3.32 Audit considers that HKEdCity needs to:

- (a) endeavour to conduct surveys for all parent events to collect feedback from parents; and
- (b) take further measures to enhance the response rates of surveys conducted for parent events.

Need to step up efforts to promote the use of "EdCity Parent" app

3.33 The "EdCity Parent" app was launched in December 2024 to empower parents to support their children's growth and strengthen family bonds. Audit found that the numbers of downloads and active users of the "EdCity Parent" app were on the low side. As of 30 June 2025, the accumulated number of downloads of the app was 1,437 and the number of active users was only 595 (representing 41% of number of downloads).

Audit recommendations

3.34 **Audit has recommended that the Executive Director, Hong Kong Education City Limited should:**

- (a) **endeavour to ensure that the links embedded in the online resources for parents are valid as far as possible;**

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- (b) endeavour to ensure that the online resources for parents are available in traditional Chinese, simplified Chinese and English as far as possible;**
- (c) endeavour to conduct surveys for all parent events to collect feedback from parents;**
- (d) take further measures to enhance the response rates of surveys conducted for parent events; and**
- (e) ascertain the reasons for the low numbers of downloads and active users of the “EdCity Parent” app and step up efforts to promote the use of the “EdCity Parent” app.**

Response from Hong Kong Education City Limited

3.35 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that HKEdCity is arranging customer surveys, consultation sessions and focus group to better understand parents’ needs and to further enhance and promote HKEdCity’s services tailored for parents.

PART 4: CORPORATE GOVERNANCE AND HUMAN RESOURCE MANAGEMENT

4.1 This PART examines the corporate governance and human resource management issues of HKEdCity, focusing on the following areas:

- (a) corporate governance (paras. 4.2 to 4.13);
- (b) staff shortfall and staff turnover (paras. 4.14 to 4.24);
- (c) recruitment of staff (paras. 4.25 to 4.29); and
- (d) staff remuneration and performance appraisal (paras. 4.30 to 4.41).

Corporate governance

4.2 ***Governance structure.*** The Board is responsible for overseeing HKEdCity's strategic development and ensuring that HKEdCity operates in compliance with statutory requirements. An Executive Committee is set up under the Board to regularly monitor and advise on HKEdCity's operation, and oversee the business development of HKEdCity.

4.3 ***Agreement signed between the Government and HKEdCity.*** HKEdCity's corporate governance and its use of Government subvention are governed by the agreement signed between the Government and HKEdCity (see para. 1.12). According to the agreement, the Board shall have management control over HKEdCity, and is accountable for the safeguarding of and proper and effective use of the subvention. HKEdCity shall also adhere to the following in order to ensure proper governance:

- (a) the Memorandum and Articles of Association of HKEdCity;
- (b) the corporate governance manuals and all internal guidelines as issued and revised from time to time by HKEdCity as approved by the Board. Any revision of the manuals and the guidelines must be made in compliance with

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the most updated “Guide to Corporate Governance for Subvented Organisations” (Note 13) as far as practicable (issued by the then Efficiency Unit) and are approved by the Board;

- (c) the triennial plans and budgets as approved by the Board; and
- (d) all decisions and policies after resolutions in the previous Board meetings save to the extent superseded by a later Board resolution.

Need to improve meeting proceedings of the Board and the Executive Committee

4.4 Audit examined records of HKEdCity’s Board meetings and Executive Committee meetings held in the period from 2019-20 to 2024-25 (up to 31 July 2025) and noted room for improvement:

- (a) ***Need to enhance guidelines on meeting proceedings.*** The Memorandum and Articles of Association of HKEdCity sets out proceedings of directors, including the quorum requirements, for the transaction of business of the Board. Apart from the requirements stipulated in the Memorandum and Articles of Association, there were no other guidelines on meeting proceedings. The required timeframes for issuing agendas, meeting papers and draft minutes to members had not been set out. In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that the Executive Committee members of HKEdCity had already acknowledged room for improvement on meeting proceedings of the Board and the Executive Committee, with the Chairman of the Executive Committee reiterating in the 68th Executive Committee meeting on 19 March 2025 the importance of timely submission of relevant meeting documents; and
- (b) ***Draft minutes not issued in a timely manner.*** According to the “Guide to Corporate Governance for Subvented Organisations” issued by the then Efficiency Unit in June 2015, the draft minutes of Board/Committee meetings should be produced quickly and circulated to Board/Committee members for comment as soon as possible. According to HKEdCity’s practices, draft minutes would be circulated to Board and Committee

Note 13: *The most updated version of the Guide was issued in June 2015.*

members within 4 to 6 weeks after the meetings. Audit noted that the draft minutes of Board meetings were not issued to Board members in a timely manner. For 14 (56%) of the 25 Board meetings held, the draft minutes were issued to Board members more than 1 month after the meeting. For 7 (50%) of the 14 Board meetings, the draft minutes were issued to Board members more than 6 weeks (i.e. 42 days) after the meeting, ranging from 49 to 99 days, averaging 68 days.

4.5 Audit considers that HKEdCity needs to:

- (a) enhance guidelines on meeting proceedings of the Board and the Executive Committee, including setting out the required timeframes for issuing agendas, meeting papers and draft minutes to members; and
- (b) issue draft minutes of meetings of the Board and the Executive Committee to members according to the required timeframe.

Need to review the Official Directors stipulated in the Memorandum and Articles of Association

4.6 According to the latest version of the Memorandum and Articles of Association of HKEdCity (with the latest special resolution passed by all the shareholders of HKEdCity on 25 July 2007), “Official Directors” of HKEdCity means the Permanent Secretary for Education, one member of the Directorate of EDB, and one member of the Directorate of the Commerce and Economic Development Bureau (CEDB).

4.7 Audit noted that as at 30 September 2025, there was only one Official Director of HKEdCity, i.e. the Deputy Secretary for Education (5). The Permanent Secretary for Education and the Directorate of CEDB had not been appointed as Official Directors of the Board.

4.8 According to EDB:

- (a) in response to the Public Accounts Committee’s Report No. 48 released in July 2007, the Government reviewed the status of government officials

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sitting on the governing bodies of companies, whether or not they were owned by the Government. HKEdCity was therefore within the scope of this review;

- (b) to echo the above review and as a result of an across-Government exercise to reduce the number of government directors sitting on the board of companies wholly or partially owned by the Government, both the Permanent Secretary for Education and the representative from CEDB resigned from the Board on 15 October 2007; and
- (c) the resignation of both Official Directors was approved by the then shareholders in accordance with the Memorandum and Articles of Association.

Audit also noted that the policy bureau responsible for formulating IT policies of the Government had been transferred from CEDB to the then Innovation and Technology Bureau in 2015 (Note 14). However, the Official Directors stipulated in the Memorandum and Articles of Association of HKEdCity had not been updated after the Government review conducted in 2007 and the change of policy bureau responsible for formulating IT policies of the Government in 2015.

4.9 Audit considers that EDB needs to take measures to ensure that:

- (a) the Official Directors stipulated in the Memorandum and Articles of Association are revised by the shareholders of HKEdCity as appropriate; and
- (b) the Official Directors are appointed by the shareholders of HKEdCity in accordance with the Memorandum and Articles of Association.

Note 14: *When the latest special resolution was passed by all shareholders of HKEdCity in July 2007 (see para. 4.6), the responsibilities of formulating IT policies of the Government were owned by the then Office of the Government Chief Information Officer under the purview of CEDB. The policy responsibilities of the then Office of the Government Chief Information Officer were taken over by the then Innovation and Technology Bureau established in November 2015, which was re-titled as the Innovation, Technology and Industry Bureau in July 2022.*

Audit recommendations

4.10 **Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:**

- (a) **enhance guidelines on meeting proceedings of the Board and the Executive Committee, including setting out the required timeframes for issuing agendas, meeting papers and draft minutes to members; and**
- (b) **issue draft minutes of meetings of the Board and the Executive Committee to members according to the required timeframe.**

4.11 **Audit has also *recommended* that the Secretary for Education should take measures to ensure that:**

- (a) **the Official Directors stipulated in the Memorandum and Articles of Association are revised by the shareholders of HKEdCity as appropriate; and**
- (b) **the Official Directors are appointed by the shareholders of HKEdCity in accordance with the Memorandum and Articles of Association.**

Response from Hong Kong Education City Limited

4.12 The Executive Director, Hong Kong Education City Limited agrees with the audit recommendations. He has said that HKEdCity will further enhance guidelines on meeting proceedings of the Board and the Executive Committee.

Response from the Government

4.13 The Secretary for Education agrees with the audit recommendations. She has said that measures will be taken to ensure that the Official Directors stipulated in the Memorandum and Articles of Association are revised by the shareholders of HKEdCity as appropriate, and the Official Directors are appointed by the shareholders of HKEdCity in accordance with the Memorandum and Articles of Association.

Staff shortfall and staff turnover

Shortfall in actual staff headcount

4.14 According to HKEdCity, its manpower requirements and staff costs are based on operational needs, which are set out in the triennial plans and budgets for approval by the Board and submission to the Government. All staff are employed on a contract basis, with the majority of contracts on two-year terms for new employees.

4.15 Audit reviewed HKEdCity's approved number of staff and actual staff headcount in the period from 2019-20 to 2023-24. Audit noted that the actual staff headcount fell short of the approved number of staff by 0.8 to 10.9 (averaging 5.3) each year in the period, representing a shortfall ranging from 1.1% to 14.2% (averaging 6.8%) each year (see Table 6).

Table 6

**Approved number of staff and actual staff headcount
(2019-20 to 2023-24)**

	2019-20	2020-21	2021-22	2022-23	2023-24
Approved number of staff (a)	70	71	77	78	86
Actual staff headcount (b) (Note)	69.2	69.6	66.1	69.9	80.5
Shortfall (c) = (a) – (b)	0.8	1.4	10.9	8.1	5.5
Shortfall percentage (d) = (c) ÷ (a) × 100%	1.1%	2.0%	14.2%	10.4%	6.4%

Source: Audit analysis of HKEdCity records

Note: The actual staff headcount refers to the average monthly staff headcount in the year.

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4.16 In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that:

- (a) there was salary freeze for HKEdCity’s staff for two consecutive years (i.e. 2019-20 and 2020-21). It was the major reason leading to the high staff turnover in the subsequent two years (i.e. 2021-22 and 2022-23); and
- (b) it took time to refill the vacancies and hence resulted in the staff shortfall.

4.17 Audit considers that HKEdCity needs to take appropriate actions to address the issue of staff shortfall.

High staff turnover

4.18 Audit analysed the staff turnover of HKEdCity in the period from 2019-20 to 2023-24 and noted that the staff turnover rates were on the high side in the recent four years from 2020-21 to 2023-24, ranging from 25.9% to 48.4% (averaging 38.8%) each year (see Table 7).

Table 7

**Staff turnover rate
(2019-20 to 2023-24)**

	2019-20	2020-21	2021-22	2022-23	2023-24
Number of staff leaving HKEdCity (a)	4	18	32	26	35
Average monthly staff headcount (b)	69.2	69.6	66.1	69.9	80.5
Staff turnover rate (c) = (a) ÷ (b) × 100 %	5.8%	25.9%	48.4%	37.2%	43.5%

Source: *Audit analysis of HKEdCity records*

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4.19 Audit further analysed the years of service of the 115 staff who left HKEdCity in the period from 2019-20 to 2023-24 and found that 72 (63%) staff had served in HKEdCity for less than 2 years (i.e. shorter than the two-year contract terms for the majority of staff contracts for new employees — see para. 4.14):

- (a) 42 (37%) of the 115 staff had served in HKEdCity for less than 1 year; and
- (b) 30 (26%) of the 115 staff had served in HKEdCity for 1 year to less than 2 years.

4.20 HKEdCity conducted exit surveys with the departing staff to ascertain their reasons for leaving. According to the results of the exit surveys conducted in the period from 2019-20 to 2023-24:

- (a) over the 5-year period, the two main reasons for leaving HKEdCity were “for better pay or better benefits” (an average of 26% of the departing staff indicated it as the top reason each year) and “for change of job duties” (an average of 20% of the departing staff indicated it as the top reason each year); and
- (b) in the period from 2022-23 to 2023-24, an increasing percentage of departing staff indicated “for better working environment/relations” (increased from 8% to 19%) and “for better status for doing similar level of job” (increased from 8% to 15%) as the top reasons for leaving.

4.21 HKEdCity also conducted annual staff satisfaction surveys by means of electronic survey forms to collect opinions on staff satisfaction level with a view to making continuous improvement in the workplace. Staff were asked to assign a satisfaction level in a scale of 1 (very dissatisfied) to 5 (very satisfied) in each of 15 different areas (e.g. working environment, corporate culture, compensation, benefits, etc.). Audit examined the results of the staff satisfaction surveys conducted in the period from 2019-20 to 2023-2024 and noted that:

- (a) the overall average of staff satisfaction levels across the 15 areas increased from 3.58 to 3.65; and

- (b) notwithstanding the increase in the overall average of staff satisfaction levels across the 15 areas, the average staff satisfaction levels in 3 (20%) of the 15 areas decreased in the period, namely “benefits” (decreased from 3.88 to 3.73), “company vision, mission and objectives” (decreased from 3.68 to 3.58) and “corporate culture” (decreased from 3.66 to 3.47).

4.22 Audit considers that HKEdCity needs to step up measures to address the issue of high staff turnover, taking into account the results of exit surveys and staff satisfaction surveys.

Audit recommendations

4.23 **Audit has recommended that the Executive Director, Hong Kong Education City Limited should:**

- (a) **take appropriate actions to address the issue of staff shortfall; and**
- (b) **step up measures to address the issue of high staff turnover, taking into account the results of exit surveys and staff satisfaction surveys.**

Response from Hong Kong Education City Limited

4.24 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that:

- (a) HKEdCity has implemented measures to address the staff feedback obtained from the exit surveys and staff satisfaction surveys. HKEdCity will continue reviewing the results of both surveys and take appropriate follow-up actions to address the issues of staff shortfall and high turnover; and
- (b) to strengthen staff development and talent retention, professional training opportunities have been significantly enhanced to support employees in continuous learning while on the job. In addition, a range of staff engagement activities is regularly organised to foster a stronger sense of belonging within the organisation.

Recruitment of staff

Need to improve assessment of candidates in recruitment exercises

- 4.25 According to HKEdCity's recruitment and selection policy:
- (a) all candidates should receive equal treatment in the interview and be assessed based on merit in the selection process;
 - (b) the selection panel members are advised to adopt a set of consistent selection criteria in assessing the capability of each candidate to minimise bias and avoid discrimination. According to HKEdCity, for general positions, candidates are assessed on 5 assessment aspects, namely "education/qualification background", "relevant experience", "communication skill", "interpersonal skill" and "problem solving skill". They may also be assessed on "leadership/supervisory skill" as an additional assessment aspect if so agreed by the hiring manager. For managerial positions, candidates are assessed on all the 6 assessment aspects;
 - (c) written test may be given to candidates in the course of selection process as an additional selection criterion, if necessary, and the written test should be identical to all candidates (Note 15);
 - (d) after obtaining all selection panel members' assessment results for all candidates in a recruitment exercise, the following documents will be submitted to the Executive Director for approval:
 - (i) ***Summary of interview assessment.*** The summary of interview assessment includes the scores on individual assessment aspects for each candidate and the recommended ranking of appointable candidates (i.e. including candidates who are recommended for appointment and those selected as reserve candidates) with justifications; and

Note 15: *According to HKEdCity, whether a written test is required is decided by the hiring manager after considering the candidates' job requirements and the need to assess specific skills (e.g. technical ability or language proficiency).*

- (ii) ***Confirmation of employment report.*** The report includes information on the proposed employment terms of the candidate who is ranked the first in consideration of the salary scale, the candidate's qualification and experience, salary of internal staff of similar grade, market supply, etc.; and

- (e) if the offer to the recommended candidate is declined, the next recommended candidate (i.e. reserved candidate) and the recommended employment terms will be proposed to the Executive Director for approval.

4.26 Audit reviewed the records of 30 recruitment exercises conducted in the period from 2019-20 to 2024-25 and noted room for improvement:

- (a) ***Some candidates assessed on incorrect selection criteria.*** In 1 (3%) of the 30 recruitment exercises, of the 5 candidates applying for a general position, 3 candidates were assessed based on the selection criteria for managerial positions (i.e. the "leadership/supervisory skill" aspect was assessed), while the remaining 2 candidates were assessed based on the selection criteria for general positions;

- (b) ***No documentary evidence showing the criteria used for selecting candidates for written tests.*** In 7 (23%) of the 30 recruitment exercises, not all candidates in the same recruitment exercise were given written tests. 11% to 67% candidates of the 7 recruitment exercises were given written tests. Scores were given on the "written test result" aspect only for those candidates who were given the written tests. In response to Audit's enquiry, HKEdCity informed Audit in September and October 2025 that after the recruitment interviews, written tests were given only to the candidates with the highest potential to be recruited and were not a compulsory assessment item in the 7 recruitment exercises. However, Audit noted that there was no documentary evidence showing the criteria used by HKEdCity for selecting the candidates for written tests in the 7 recruitment exercises;

- (c) ***Total score for each candidate not recorded.*** While scores were recorded on individual assessment aspects for each candidate on the summary of interview assessment in all the 30 recruitment exercises (see para. 4.25(d)(i)), in 29 (97%) of the 30 recruitment exercises, total score for each candidate was not recorded; and

- (d) *Candidate with highest total score not recommended for appointment with no justifications.* Audit found that, in 1 (3%) of the 30 recruitment exercises, the candidate with the highest total score was not recommended for appointment. Instead, the candidate with the fourth highest total score was recommended for appointment. No justifications were documented on the summary of interview assessment for not recommending the candidate with the highest total score for appointment.

4.27 In response to Audit’s enquiry, HKEdCity informed Audit in October 2025 that:

- (a) for the case mentioned in paragraph 4.26(a):
 - (i) the selection panel members mixed up the selection criteria for general positions with those for managerial positions (as the same interview assessment form was used for all positions), and incorrectly assessed some candidates on the “leadership/supervisory skill” aspect which was not a selection criterion for the general position being recruited, in addition to the 5 assessment aspects applicable to the general position; and
 - (ii) having said that, HKEdCity confirmed that those scores given on the “leadership/supervisory skill” aspect were excluded in the calculation of the total scores as with other candidates. The recruitment exercise was done on a fair basis; and
- (b) for the case mentioned in paragraph 4.26(d), the candidate with the highest score and the two candidates with the second highest scores expressed no interest to the position and such information was recorded on the interview assessment forms marked by the individual selection panel members. HKEdCity had already reviewed and modified all assessment forms for staff recruitment as appropriate to cater for the above case in future assessment process.

Audit recommendations

4.28 **Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:**

- (a) **assess the candidates based on the appropriate selection criteria for the positions recruited in recruitment exercises;**
- (b) **document the criteria for selecting the candidates for written tests in a recruitment exercise in case not all candidates in the same recruitment exercise are given such tests;**
- (c) **record the total score for each candidate on the summary of interview assessment to facilitate comparison of the assessment results of all candidates in a recruitment exercise; and**
- (d) **take measures to ensure that the candidates with the highest total scores are recommended for appointment and document the justifications for not recommending candidates with the highest total scores for appointment on the summary of interview assessment.**

Response from Hong Kong Education City Limited

4.29 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that HKEdCity implemented the measures in October 2025 as follows:

- (a) the interview assessment forms for the respective general positions and managerial positions have been separated with appropriate selection criteria;
- (b) the criteria for selecting the candidates for written tests have been documented in the recruitment exercise in case not all candidates in the same recruitment exercise are given such tests;

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- (c) the total scores for each candidate have been recorded on the summary of interview assessment by incorporating the total scores calculated in the separate spreadsheet; and
- (d) HKEdCity will document the justifications for not recommending candidates with the highest total scores for appointment on the summary of interview assessment instead of just on the individual interview assessment forms.

Staff remuneration and performance appraisal

Need to ensure that salary increment for promotion is determined in accordance with guidelines and Board's resolutions

4.30 According to HKEdCity's guidelines on salary review and performance incentive, staff who have consistently over-achieved and met all their goals and duties will be eligible for promotion. In determining the salary increment for promotion, a number of factors (including the pay scale of the higher job grade, the average salary increment percentage of the year and the rate of salary increment for promotion with reference to market practices) and the relevant resolutions passed by the Board will be taken into consideration.

4.31 Audit reviewed the salary increments in the 30 promotions that took place in the period from 2019-20 to 2024-25. Audit noted that in 4 (13%) promotions, the salary increments were not in compliance with the guidelines on salary review and performance incentive or the relevant resolutions passed by the Board. In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that the promotional increments of these 4 promotions were all exceptional cases in consideration of a basket of factors including but not limited to the economic situation, the recent salary adjustment of the staff members concerned, the original salary level before promotion, etc. They had been considered on a case-by-case basis by the management and approved by the Executive Director.

4.32 Audit considers that HKEdCity needs to take further measures to ensure that salary increment for promotion is determined in accordance with the guidelines and the relevant resolutions passed by the Board, and approvals from the Board are

sought in cases where there are any deviations from the guidelines or the relevant resolutions passed by the Board.

Room for improvement in performance appraisals of the Executive Director

4.33 According to the employment contract of the Executive Director of HKEdCity, an annual review on the performance of the Executive Director will be conducted by the Board after the Executive Director has completed every full year of service. The Deputy Secretary for Education (5), being the Chairman of the Executive Committee (see para. 1.10), and on behalf of the Board, will complete the performance appraisal of the Executive Director in consultation with the Board Chairman.

4.34 Audit reviewed the 6 performance appraisals of the Executive Director conducted in the period from 2019-20 to 2024-25 (up to 31 July 2025). Audit noted that:

- (a) ***No timeframe for completing performance appraisals for the Executive Director.*** There was no timeframe for completing performance appraisals for the Executive Director. The 6 performance appraisals were completed 15 to 254 days after the appraisal periods, averaging 112 days; and
- (b) ***Inappropriate performance appraisal forms had been adopted.*** In all the 6 performance appraisals, inappropriate performance appraisal forms had been adopted. The performance appraisal form for below manager grade, instead of the performance appraisal form for manager grade and above (which was applicable to the Executive Director grade), had been adopted.

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4.35 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that:

- (a) the Official Director and the Alternate Director to the Official Director (Note 16) of the Board had effective communication channels with the Executive Director to provide timely feedback for daily work. Comments and feedback on the Executive Director's performance were timely conveyed to the Executive Director throughout the whole appraisal period for ongoing improvements so as to ensure smooth operation of HKEdCity; and
- (b) the incorrect appraisal form in question was mistakenly provided by HKEdCity to the Official Director for conducting the Executive Director's performance appraisals since 2013. Nevertheless, the purposes of performance evaluation were duly delivered and the effectiveness of conducting performance appraisals with the Executive Director had all along been upheld. To follow up, HKEdCity would provide the correct form to the Official Director for conducting future performance appraisals of the Executive Director.

4.36 Audit considers that EDB needs to, in consultation with the Board, set timeframe for completing performance appraisals for the Executive Director and ensure that performance appraisals of the Executive Director are completed within the specified timeframe.

4.37 Audit considers that HKEdCity needs to take measures to ensure that the appropriate performance appraisal form is provided for conducting performance appraisals of the Executive Director.

Note 16: *As at 30 September 2025, the Principal Assistant Secretary (Innovation Technology Education) of EDB was the Alternate Director to the Official Director of HKEdCity.*

Audit recommendations

4.38 **Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:**

- (a) **take further measures to ensure that salary increment for promotion is determined in accordance with the guidelines and the relevant resolutions passed by the Board, and approvals from the Board are sought in cases where there are any deviations from the guidelines or the relevant resolutions passed by the Board; and**
- (b) **take measures to ensure that the appropriate performance appraisal form is provided for conducting performance appraisals of the Executive Director.**

4.39 **Audit has also *recommended* that the Secretary for Education should, in consultation with the Board, set timeframe for completing performance appraisals for the Executive Director and ensure that performance appraisals of the Executive Director are completed within the specified timeframe.**

Response from Hong Kong Education City Limited

4.40 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that HKEdCity will conduct a review of the salary increment mechanism associated with staff promotion to ensure that the salary increment for promotion complies with relevant guidelines.

Response from the Government

4.41 The Secretary for Education agrees with the audit recommendation. She has said that EDB in consultation with the Board will establish a timeframe for the completion of annual performance appraisals for the Executive Director and will ensure that the appropriate appraisal form is duly completed within the stipulated period.

PART 5: OTHER ISSUES

5.1 This PART examines other issues related to HKEdCity, focusing on the following areas:

- (a) performance management (paras. 5.2 to 5.18);
- (b) procurement of goods and services (paras. 5.19 to 5.41); and
- (c) other administrative issues (paras. 5.42 to 5.49).

Performance management

5.2 HKEdCity monitors the performance in its provision of services through two sets of indicators:

- (a) ***Performance pledges.*** To enhance its services and satisfy the needs of users, HKEdCity has set out, and published on its website, 9 targets in its performance pledges under 4 categories, namely user account opening/registration, web service, customer service and publication. The targets and the achievements in the performance pledges are included in HKEdCity's Annual Reports; and
- (b) ***Performance indicators.*** According to the agreement signed between the Government and HKEdCity (see para. 1.12), HKEdCity shall set out annual performance targets based on the list of performance indicators (i.e. KPIs) included in the agreement. Such annual performance targets should be approved by the Board. These annual performance targets are set out in the triennial plans and the levels of achievements are reported in Board meetings.

Need to ensure that achievements of targets in performance pledges reported in Annual Reports are accurate

5.3 Audit examined the achievements of the 9 targets in the performance pledges as reported in HKEdCity's Annual Reports in the period from 2019-20 to 2023-24. Audit noted that according to the Annual Reports, a target relating to web service (i.e. to provide accessible and stable web service 99.9% of time (24 hours every day and 7 days in every week in normal operation)) was not met in 4 (80%) of the 5 years. The target was 92% achieved in 2020-21, 83% achieved in 2021-22, 92% achieved in 2022-23 and 90% achieved in 2023-24. However, according to HKEdCity:

- (a) the target of the performance pledge for web service was 99.9% uptime over a year. "99.9%" referred to the target annual uptime, not the target weekly uptime;
- (b) in fact, HKEdCity successfully achieved "99.9% uptime over a year" from 2019-20 to 2023-24;
- (c) while HKEdCity aimed to present that HKEdCity achieved such annual uptime of 99.9% from 2020-21 to 2023-24, the weekly achievement rate was reported in its Annual Reports to give readers an idea of how HKEdCity upheld availability on a weekly basis; and
- (d) to avoid potential misinterpretation by non-technical readers, HKEdCity planned to enhance the presentation of performance pledge for web service in its future Annual Reports.

5.4 Noting that HKEdCity had reported the levels of achievements against the target weekly uptime instead of those against the target annual uptime in its Annual Reports, Audit considers that HKEdCity needs to take further measures to ensure that the achievements of the targets in the performance pledges reported in its Annual Reports are accurate. Moreover, in Audit's view, in the absence of an explanatory note on the target relating to web service (i.e. to provide accessible and stable web service 99.9% of time (24 hours every day and 7 days in every week in normal operation)), the public might misinterpret such target relating to web service referred to weekly uptime instead of annual uptime. HKEdCity needs to take further measures to ensure clarity in reporting the performance pledges in its Annual Reports

Other issues

(e.g. adding an explanatory note on the definition of the targets of the performance pledges).

Lack of supporting documentation on achievements of some targets in performance pledges

5.5 Audit examination of the supporting documentation for calculating the achievements of the 9 targets in the performance pledges in the period from 2019-20 to 2023-24 revealed that for 2 (22%) targets relating to customer service (i.e. response to voicemail enquiries at the hotline on working days and handling written (including emails) enquiries), there was no documentary evidence showing that HKEdCity had recorded the actual achievements of the targets in the performance pledges for each enquiry responded or handled. There was also no documentary evidence showing the calculation of the actual achievements of the 2 targets. Notwithstanding this, the achievements of 99% to 100% were reported in HKEdCity's Annual Reports for these 2 targets in the performance pledges in the period (see Table 8).

Table 8

**Reported achievements of 2 targets in performance pledges in
HKEdCity's Annual Reports lacked supporting documentation
(2019-20 to 2023-24)**

Customer service	Target	Achievement reported in Annual Report				
		2019-20	2020-21	2021-22	2022-23	2023-24
Response to voicemail enquiries at the hotline on working days	Reply within 3 hours (recorded before 3 p.m.) / Reply before 12 p.m. on the next working day (recorded after 3 p.m.)	99%	99.9%	100%	100%	100%
Handle written (including emails) enquiries	Within 7 working days	100%	100%	100%	100%	100%

Source: *HKEdCity Annual Reports*

5.6 According to HKEdCity:

- (a) regarding the target for the response to voicemail enquiries at the hotline on working days, under the current protocol, case officers were required to report to their managers if a case could not be responded to within the scheduled timeframe. These enquiries were then escalated and formally recorded as cases. In 2023-24, no instances were reported where officers failed to return calls within the designated call window. To strengthen the approach, HKEdCity is exploring the implementation of a voice recording system to ensure accurate record-keeping. Additionally, HKEdCity has planned to extract inbound and outbound call logs on a monthly or quarterly basis to improve traceability and accountability; and

Other issues

- (b) regarding the target for handling written (including emails) enquiries, as the first response to any enquirer, HKEdCity used an automated system to confirm receipt of the enquiry via email. This ensured that every sender would receive immediate acknowledgement once the sender's message was submitted. Since this response was system-generated and triggered automatically, HKEdCity could confidently confirm a 100% achievement rate for initial replies.

5.7 Audit considers that HKEdCity needs to take further measures to ensure that the reported achievements of the targets in the performance pledges in its Annual Reports are well supported and the relevant supporting documentation is properly kept.

Annual performance targets not met

5.8 According to the agreement signed between the Government and HKEdCity, HKEdCity shall set out annual performance targets based on the list of performance indicators (i.e. KPIs) included in the agreement. Such annual performance targets should be approved by the Board. These annual performance targets are set out in the triennial plans and the levels of achievements are reported in Board meetings.

5.9 Audit examined the achievements of the annual performance targets set out in the triennial plans in the period from 2019-20 to 2023-24 and noted that 4 to 19 (averaging 10) of the annual performance targets were not met each year in the period. The percentage of annual performance targets not met ranged from 11% to 50% (averaging 26%) each year (see Table 9).

Table 9

**Achievements of annual performance targets
set out in the triennial plans
(2019-20 to 2023-24)**

	2019-20	2020-21	2021-22	2022-23	2023-24
Number of annual performance targets set out (a)	39	36	38	38	36
Number of annual performance targets not met (b)	7	4	9	19	10
Percentage of annual performance targets not met (c)=(b)÷(a)×100%	18%	11%	24%	50%	28%

Source: Audit analysis of HKEdCity records

5.10 Audit further examined the 20 KPIs with annual performance targets set out in all 5 years in the period and found that for 9 (45%) of 20 KPIs, the annual performance targets were not met for more than one year. Of the 9 KPIs, for 2 KPIs, the annual performance targets were not met for 3 (60%) of the 5 years. For 1 KPI, the annual performance targets were not met for 4 (80%) of the 5 years.

5.11 Audit considers that HKEdCity needs to ascertain the reasons for not meeting the annual performance targets, in particular for those targets not met for some years, and take appropriate follow-up actions to ensure that the annual performance targets are met.

Need to ensure that annual performance targets are set out for all KPIs stipulated in the agreement

5.12 Audit examined the annual performance targets set out in the triennial plans in the period from 2019-20 to 2023-24 and noted that annual performance targets had

Other issues

not been set out for some KPIs stipulated in the agreement signed between the Government and HKEdCity:

- (a) while annual performance targets were set out for the KPIs “number of resources downloaded from the Resources Depository” or “number of pageviews of the Resources Depository” in the period from 2019-20 to 2022-23 (see para. 2.3), and for the KPI “viewing time in minutes for Go eLearning” in the period from 2020-21 to 2022-23 (see para. 3.15), annual performance targets on the stipulated KPI “access, viewing and downloading statistics of learning and teaching resources” had not been set out since 2023-24; and
- (b) annual performance targets had not been set out for the stipulated KPIs “number of registered members (parents/others)” and “number of active members (parents/others)” in the period.

5.13 Audit considers that HKEdCity needs to take further measures to ensure that annual performance targets are set out for all KPIs stipulated in the agreement signed between the Government and HKEdCity.

Need to consider improving disclosure of annual performance targets and achievements of annual performance targets in Annual Reports

5.14 According to HKEdCity’s manual on financial management and control, to ensure that the Annual Report provides a clear and objective account and assessment of HKEdCity’s structure, activities, achievements, financial positions and performance prospects, the Annual Report will consist of, among others, achievements of annual performance targets (see para. 5.8).

5.15 Audit examined HKEdCity’s Annual Reports in the period from 2019-20 to 2023-24 and noted that of the KPIs stipulated in the agreement signed between the Government and HKEdCity:

- (a) ***Annual performance targets not disclosed.*** The annual performance targets for all KPIs were not disclosed in the Annual Reports in the period. Therefore, the levels of achievements of the annual performance targets could not be ascertained; and

- (b) *Actual performance not disclosed for some KPIs.* Actual performance of 19 to 24 (averaging 21) KPIs were not disclosed each year, representing 53% to 67% (averaging 57%) of all the KPIs each year (see Table 10).

Table 10

**Disclosure of KPIs stipulated in the agreement
in HKEdCity’s Annual Reports
(2019-20 to 2023-24)**

	2019-20	2020-21	2021-22	2022-23	2023-24
Number of KPIs	39	36	38	38	36
Number of KPIs with annual performance targets not disclosed	39 (100%)	36 (100%)	38 (100%)	38 (100%)	36 (100%)
Number of KPIs with actual performance not disclosed	21 (54%)	19 (53%)	21 (55%)	21 (55%)	24 (67%)

Source: Audit analysis of HKEdCity records

5.16 With a view to enhancing transparency and accountability, Audit considers that HKEdCity needs to consider improving the disclosure of annual performance targets and achievements of the annual performance targets in its Annual Reports.

Audit recommendations

5.17 **Audit has recommended that the Executive Director, Hong Kong Education City Limited should:**

- (a) **take further measures to ensure that the achievements of the targets in the performance pledges reported in HKEdCity’s Annual Reports are accurate;**
- (b) **take further measures to ensure clarity in reporting the performance pledges in HKEdCity’s Annual Reports (e.g. adding an explanatory note on the definition of the targets of the performance pledges);**

Other issues

- (c) **take further measures to ensure that the reported achievements of the targets in the performance pledges in HKEdCity's Annual Reports are well supported and the relevant supporting documentation is properly kept;**
- (d) **ascertain the reasons for not meeting the annual performance targets, in particular for those targets not met for some years, and take appropriate follow-up actions to ensure that the annual performance targets are met;**
- (e) **take further measures to ensure that annual performance targets are set out for all KPIs stipulated in the agreement signed between the Government and HKEdCity; and**
- (f) **consider improving the disclosure of annual performance targets and achievements of the annual performance targets in HKEdCity's Annual Reports.**

Response from Hong Kong Education City Limited

5.18 The Executive Director, Hong Kong Education City Limited generally agrees with the audit recommendations. He has said that:

- (a) further checks will be conducted on the achievements of the targets in the performance pledges reported in HKEdCity's Annual Reports to ensure accuracy, with all supporting documents properly retained; and
- (b) HKEdCity will review the annual performance targets and follow-up actions will be taken as appropriate.

Procurement of goods and services

5.19 HKEdCity has issued a procurement and payment policy setting out the requirements (e.g. by quotation or tender, the number of quotations/tenders required, etc.) applicable to procurements with different purchase values. According to the policy:

- (a) staff should prepare written invitations for quotation with specifications of the items to be purchased for all procurements with value exceeding \$5,000. Staff should select suppliers from the supplier list for the procurement of goods and services with an aim that sufficient quotations can be received;
- (b) goods or services with value exceeding \$1 million may only be procured by tenders. Staff should seek separate tenders from at least five suppliers normally selected from the supplier list. If other possible sources of supply can be identified, they may also be invited to tender; and
- (c) in cases of exceptional circumstances such as receiving quotations less than the stipulated numbers, approval from the approving authority for the next higher financial limit shall be sought with full justifications in writing.

In the period from 2019-20 to 2024-25 (up to 31 July 2025), 1,666 procurements for goods and services were conducted with a total purchase value of \$98.2 million.

Insufficient numbers of quotations/tenders received for some procurements

5.20 Audit examined the records of 1,666 procurements conducted by HKEdCity in the period from 2019-20 to 2024-25 (up to 31 July 2025). Audit noted that for 324 (19%) procurements, the numbers of quotations/tenders received were less than the minimum numbers of quotations/tenders required:

- (a) for 173 (33%) of the 522 procurements with purchase values of more than \$5,000 to \$50,000, only 1 quotation was received, i.e. less than 2 as required;

Other issues

- (b) for 143 (68%) of the 211 procurements with purchase values of more than \$50,000 to \$1 million, the number of quotations received ranged from 1 to 4 (averaging 2), i.e. less than 5 as required; and
- (c) for 8 (62%) of the 13 procurements with purchase values of more than \$1 million, the number of tenders received ranged from 1 to 4 (averaging 3), i.e. less than 5 as required (see Table 11).

Table 11

Compliance with requirement on minimum number of quotations/tenders for procurement (2019-20 to 2024-25 (up to 31 July 2025))

Purchase value	Minimum number of quotations/tenders required	Number of procurements		
		Meeting requirement (a)	Not meeting requirement (b)	Total (c) = (a) + (b)
\$5,000 or less	1 written quotation	920 (100%)	– (0%)	920 (100%)
More than \$5,000 to \$50,000	2 written quotations	349 (67%)	173 (33%)	522 (100%)
More than \$50,000 to \$1 million	5 written quotations	68 (32%)	143 (68%)	211 (100%)
More than \$1 million	5 written tenders	5 (38%)	8 (62%)	13 (100%)
	Overall	1,342 (81%)	324 (19%)	1,666 (100%)

Source: *Audit analysis of HKEdCity records*

5.21 Audit considers that HKEdCity needs to ascertain the reasons why insufficient numbers of quotations/tenders are received for some procurements and take measures to ensure that sufficient numbers of quotations/tenders are received for procurements.

Need to ensure that prior approval is sought when quotations are invited from one supplier solely for special reason

5.22 According to HKEdCity's procurement and payment policy, if staff have to invite quotations for targeted goods or services from one supplier solely for special reason, staff should have valid justification and seek prior approval from the next higher financial limit approval authority for the procurement.

5.23 For 95 (6%) of 1,666 procurements conducted by HKEdCity in the period from 2019-20 to 2024-25 (up to 31 July 2025), quotation was invited from one supplier solely for special reason. Audit noted that for 7 (7%) of the 95 procurements, there was no documentary evidence showing that prior approval had been sought from the next higher financial limit approval authority for the procurements.

5.24 In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that:

- (a) verbal prior approval had been sought from the next higher financial limit approval authority with justifications for all the 7 procurements; and
- (b) for 1 of the 7 procurements, covering approval had been sought from the next higher financial limit approval authority after the quotation had been invited from the supplier.

5.25 Audit considers that HKEdCity needs to take further measures to ensure that when quotation has to be invited for targeted goods or services from one supplier solely for special reason, prior approval from the next higher financial limit approval authority is sought for the procurement with valid justification and such approval is properly documented.

Need to ensure that suppliers are selected from the supplier list to invite quotations for procurement

- 5.26 According to HKEdCity's procurement and payment policy:
- (a) all staff should select suppliers from the supplier list to invite quotations for the procurement of goods and services with an aim that sufficient quotations can be received; and
 - (b) effective from 3 April 2025, in case that suppliers which are not on the supplier list are selected to invite quotations for the procurement of any goods or services at a value up to \$50,000, prior approval from relevant approving authority is needed (i.e. suppliers that are not on the supplier list cannot be selected to invite quotations for any goods or services with purchase value over \$50,000).

In the period from 2019-20 to 2024-25 (up to 31 July 2025), HKEdCity conducted 1,652 procurements of goods and services by quotation, with invitations of quotations issued to 851 suppliers.

5.27 Audit examined the records of the 1,652 procurements and noted that for 23 (1%) procurements, invitations of quotations were issued to suppliers that were not on the supplier list, involving 24 suppliers, contrary to HKEdCity's procurement and payment policy:

- (a) for 22 procurements conducted before 3 April 2025, invitations of quotations were issued to suppliers that were not on the supplier list, involving 24 suppliers; and
- (b) for 1 procurement conducted after 3 April 2025 with purchase value over \$50,000, 2 suppliers (also included in the 24 suppliers in (a) above) that were not on the supplier list were invited to submit quotations.

5.28 Audit considers that HKEdCity needs to take further measures to ensure that suppliers are selected from the supplier list to invite quotations for the procurement of goods and services in accordance with the procurement and payment policy.

Need to ensure proper segregation of duties for tendering exercises

5.29 According to HKEdCity's tendering procedures:

- (a) the staff who approves and/or selects the suppliers for issuing invitations for tenders should not be the staff opening, evaluating or approving the tenders; and
- (b) to ensure proper segregation of duties, the tender opening team, the tender evaluation team and the tender approving team should comprise different staff without duplication of roles.

5.30 Audit examined all the 14 tendering exercises (Note 17) conducted in the period from 2019-20 to 2024-25 (up to 31 July 2025) and noted that in 13 (93%) tendering exercises, the staff who selected the suppliers for issuing invitations for tenders also evaluated the tenders.

5.31 Audit considers that HKEdCity needs to take further measures to ensure proper segregation of duties for tendering exercises in accordance with the tendering procedures.

Limited number of suppliers on the supplier list

5.32 According to the procurement and payment policy issued by HKEdCity, all staff should select suppliers from the supplier list for the procurement of goods and services. As at 19 August 2025, there were 1,744 suppliers in the supplier list under 172 types of goods or services. Audit examined HKEdCity's management of the supplier list and noted that:

- (a) ***Limited number of suppliers under some types of goods or services.*** Only 1 or 2 suppliers were recorded on the supplier list under some types of goods or services:

Note 17: *The 14 tendering exercises included 12 procurements with purchase values of more than \$1 million, and 2 procurements with purchase values of more than \$50,000 to \$1 million.*

Other issues

- (i) for 65 (38%) of the 172 types of goods or services, there was only 1 supplier; and
- (ii) for 20 (12%) of the 172 types of goods or services, there were only 2 suppliers; and
- (b) ***Methods and invitations for admission to supplier list not published.*** The methods and invitations for admission to supplier list were not published on HKEdCity's website. It is worth noting that according to the Government's practices, a department that maintains its own supplier list should publish the methods and invitations for admission to the list on its website.

5.33 Audit considers that HKEdCity needs to:

- (a) ascertain the reasons for the limited number of suppliers under some types of goods or services on the supplier list and take measures to enhance the supplier list; and
- (b) consider publishing methods and invitations for admission to the supplier list on HKEdCity's website.

Need to ensure that the dissolved or closed suppliers are removed from the supplier list

5.34 According to HKEdCity, a supplier will be removed from the supplier list if it is found that the supplier is dissolved or closed. Audit examined 50 inactive suppliers (i.e. those suppliers which neither had been invited for quotations/tenders nor had transactions with HKEdCity in the period from 2019-20 to 2024-25 (up to 31 July 2025)) from the supplier list as at 19 August 2025. Audit noted that, based on company search, 10 (20%) of the 50 suppliers were dissolved, with the earliest date of dissolution in 2006. However, all the 10 suppliers had not been removed from the supplier list. There were no guidelines on identifying the dissolved or closed suppliers and removing such suppliers from the supplier list.

5.35 Audit considers that HKEdCity needs to further enhance the existing mechanism for maintaining the supplier list by:

- (a) formulating guidelines on identifying the dissolved or closed suppliers and removing such suppliers from the supplier list; and
- (b) taking measures to ensure that the dissolved or closed suppliers are identified and removed from the supplier list according to guidelines.

Need to improve supplier evaluation

5.36 According to HKEdCity's guidelines on maintenance of the supplier list, an appraisal system is in place to regularly assess the performance of individual enlisted suppliers having transactions with HKEdCity by collecting users' comments.

5.37 ***No guidelines on frequency of conducting supplier evaluation.*** Since the implementation of the guidelines on maintenance of the supplier list in May 2012, HKEdCity conducted 6 rounds of supplier evaluation (in June 2012, December 2013, December 2014, February 2017, May 2020 and January 2025). The time gaps between successive rounds of supplier evaluation ranged from 12 months (i.e. 1 year) to 56 months (i.e. 4 years and 8 months). Audit noted that HKEdCity had not set any guidelines on the frequency of conducting supplier evaluations.

5.38 ***Suppliers having transactions with HKEdCity not evaluated.*** According to HKEdCity, in the supplier evaluation conducted in January 2025, suppliers having transactions with HKEdCity from February 2020 to December 2024 were evaluated. In the period from February 2020 to December 2024, 360 suppliers had transactions with HKEdCity. However, Audit noted that, in the supplier evaluation conducted in January 2025, 36 (10%) of the 360 suppliers were not evaluated.

5.39 Audit considers that HKEdCity needs to further enhance the existing mechanism for supplier evaluation by:

- (a) setting guidelines on the frequency of conducting supplier evaluations and ensuring that supplier evaluations are conducted according to the specified frequency; and

Other issues

- (b) assessing the performance of all enlisted suppliers having transactions with HKEdCity regularly in accordance with the guidelines on maintenance of the supplier list.

Audit recommendations

5.40 **Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:**

- (a) **ascertain the reasons why insufficient numbers of quotations/tenders are received for some procurements and take measures to ensure that sufficient numbers of quotations/tenders are received for procurements;**
- (b) **take further measures to ensure that when quotation has to be invited for targeted goods or services from one supplier solely for special reason, prior approval from the next higher financial limit approval authority is sought for the procurement with valid justification and such approval is properly documented;**
- (c) **take further measures to ensure that suppliers are selected from the supplier list to invite quotations for the procurement of goods and services in accordance with the procurement and payment policy;**
- (d) **take further measures to ensure proper segregation of duties for tendering exercises in accordance with the tendering procedures;**
- (e) **ascertain the reasons for the limited number of suppliers under some types of goods or services on the supplier list and take measures to enhance the supplier list;**
- (f) **consider publishing methods and invitations for admission to the supplier list on HKEdCity's website;**
- (g) **further enhance the existing mechanism for maintaining the supplier list by:**

- (i) **formulating guidelines on identifying the dissolved or closed suppliers and removing such suppliers from the supplier list; and**
- (ii) **taking measures to ensure that the dissolved or closed suppliers are identified and removed from the supplier list according to guidelines; and**
- (h) **further enhance the existing mechanism for supplier evaluation by:**
 - (i) **setting guidelines on the frequency of conducting supplier evaluations and ensuring that supplier evaluations are conducted according to the specified frequency; and**
 - (ii) **assessing the performance of all enlisted suppliers having transactions with HKEdCity regularly in accordance with the guidelines on maintenance of the supplier list.**

Response from Hong Kong Education City Limited

5.41 The Executive Director, Hong Kong Education City Limited agrees with the audit recommendations. He has said that:

- (a) HKEdCity will review and enhance the existing guidelines to support procurement and supplier maintenance, and ensure that the processes are conducted in accordance with the relevant guidelines; and
- (b) HKEdCity will further enhance the training to staff members, particularly new joiners, to ensure that they have a clear understanding of the procurement and supplier maintenance procedures, and comply with the relevant guidelines.

Other administrative issues

Need to ensure that sufficient quotations from banks are obtained before placing time deposits

5.42 According to HKEdCity's procedures on cashflow planning:

- (a) HKEdCity will receive subvention grant by two instalments in every September and March;
- (b) HKEdCity keeps on adopting the safest investment method, i.e. time deposits at the bank, to earn interest with its idle money; and
- (c) in September and March, HKEdCity will review half-year cashflow plan and propose the money to be placed as time deposit in different deposit periods at the banks. Ballpark interest rates from around two banks will be obtained by either calling the banks or checking the banks' websites for the latest interest rates.

5.43 Audit reviewed HKEdCity's records of 47 time deposits placed in banks in the period from 2023-24 to 2024-25 (up to 31 July 2025). Audit noted that for all the 47 time deposits, there were no records of quotations of interest rates obtained from banks. In response to Audit's enquiry, HKEdCity informed Audit in October 2025 that:

- (a) verbal quotations were obtained through the customer service hotlines of the banks for placing potential deposits, as no written quotations could be provided by the hotlines of the banks; and
- (b) in future, HKEdCity would record the related verbal quotations in writing.

5.44 Audit considers that HKEdCity needs to keep proper record of quotations obtained from banks and ensure that sufficient quotations from banks are obtained before placing time deposits in accordance with the procedures on cashflow planning.

Need to improve response rates of customer satisfaction surveys

5.45 HKEdCity conducted annual customer satisfaction surveys to collect feedback on its services provided. In the period from 2019-20 to 2023-24, questionnaires for customer satisfaction surveys were distributed to the subscribers of HKEdCity's e-newsletters via email.

5.46 Audit reviewed the response rates of the customer satisfaction surveys conducted in the period from 2019-20 to 2023-24 and noted that the response rates of the surveys were low, ranging from 0.19% to 3.41% (averaging 1.24%) (see Table 12).

Table 12**Response rates of customer satisfaction surveys
(2019-20 to 2023-24)**

Survey period	Response rate
2019-20	0.53%
2020-21	0.55%
2021-22	3.41%
2022-23	0.19%
2023-24	1.53%
Average	1.24%

Source: Audit analysis of HKEdCity records

5.47 Audit considers that HKEdCity needs to take further measures to increase the response rates of customer satisfaction surveys to collect feedback on its services provided.

Audit recommendations

5.48 **Audit has *recommended* that the Executive Director, Hong Kong Education City Limited should:**

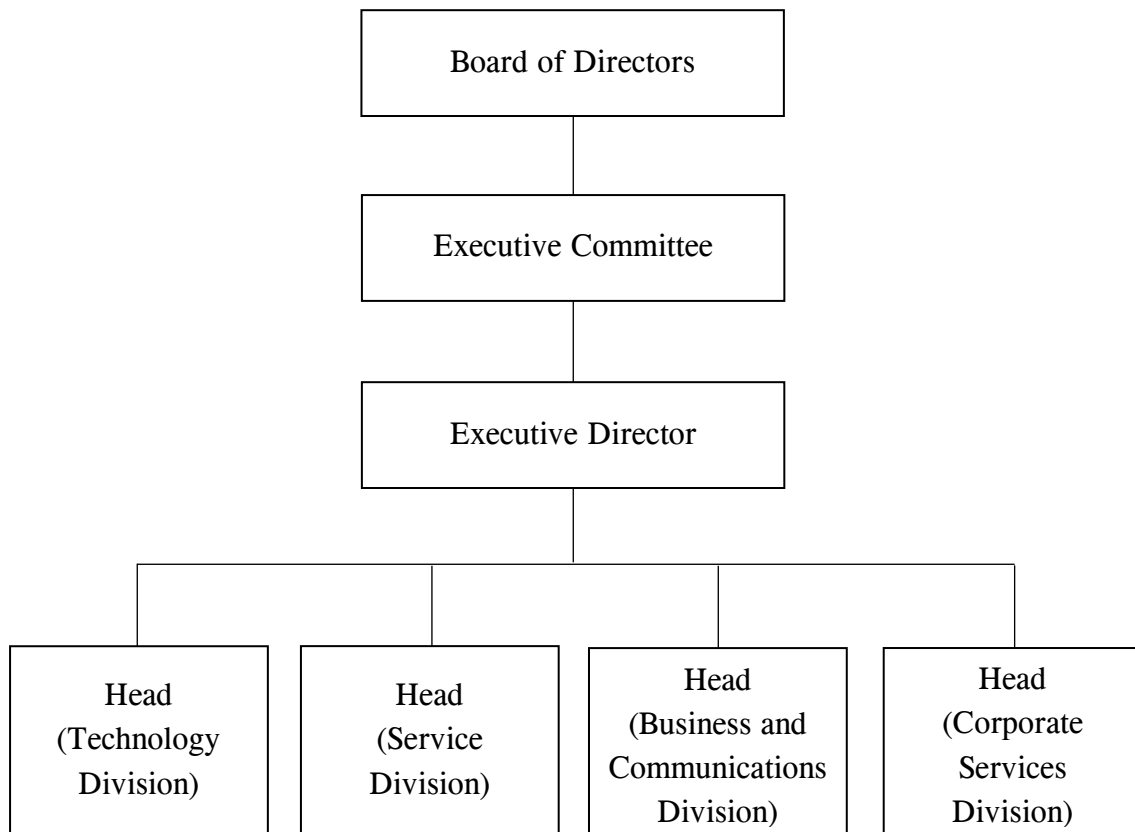
- (a) **keep proper record of quotations obtained from banks and ensure that sufficient quotations from banks are obtained before placing time deposits in accordance with the procedures on cashflow planning; and**
- (b) **take further measures to increase the response rates of customer satisfaction surveys to collect feedback on HKEdCity's services provided.**

Response from Hong Kong Education City Limited

5.49 The Executive Director, Hong Kong Education City Limited agrees with the audit recommendations. He has said that:

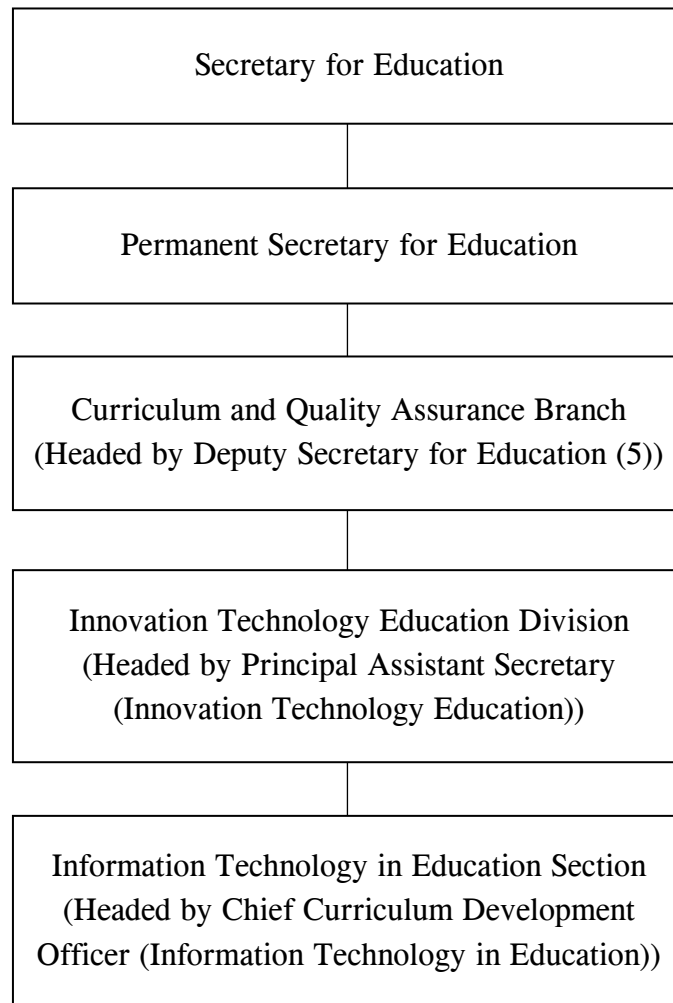
- (a) HKEdCity implemented measures in late September 2025 that verbal quotations obtained from the banks are recorded and approved by the Executive Director before placing time deposits; and
- (b) HKEdCity will explore additional methods and platforms for collecting user feedback, with a view to enhancing both response rates and operational efficiency.

**Hong Kong Education City Limited:
Organisation chart (extract)
(30 September 2025)**



Source: HKEdCity records

**Education Bureau:
Organisation chart (extract)
(30 September 2025)**



Source: EDB records

Acronyms and abbreviations

AI	Artificial intelligence
Audit	Audit Commission
Board	Board of Directors
CEDB	Commerce and Economic Development Bureau
CPD	Continuing Professional Development
EDB	Education Bureau
eREAP	eResources Acquisition Project
HKDSE	Hong Kong Diploma of Secondary Education Examination
HKEdCity	Hong Kong Education City Limited
HKSAR	Hong Kong Special Administrative Region
IT	Information technology
KPI	Key performance indicator
LTE	Learning and Teaching Expo