Expenditure of Kindergartens under the Pre-primary Education Voucher Scheme

Guiding Principles on Scope of Expenditure

Aim

The following paragraphs set out some guiding principles on the scope of expenditure for kindergartens (KGs) under the Pre-primary Education Voucher Scheme (PEVS).

Guiding Principles

2. In the use of resources from school fees including the fee subsidy under PEVS, KGs should be prudent and always put students’ interest as the first priority. KGs should have sound financial planning and good budgeting in deploying their resources and should ensure that expenditure incurred is reasonable and necessary. Expenditure of KGs should be basically devoted to supporting teaching and learning activities, the operation of the KG and maintenance of the standard of education service. Details of the scope of expenditure are listed below:

(a) Salaries (including payment for supply teachers), provident fund, mandatory provident fund, long service payment of teaching and non-teaching staff employed

(b) The remuneration of school supervisors

(c) Rent and management fees, rates and government rent for the KG/KG-cum-CCC premises

(d) Furniture and equipment for school and education purposes

(e) Teaching aids such as library books, reference materials and worksheets for teachers and students

(f) Expenses on repairs, maintenance and improvement works of the KG/KG-cum-CCC premises including installation of air-conditioners, double-glaze windows and exhaust fans, maintenance contract, inspection fees for maintaining fire, gas, electrical installation and building safety

(g) Water and electricity (including air-conditioning) charges, telephone line, fax line and internet service charges

(h) Cleaning fees (including cleaning contract and the provision of cleaning facilities to students)

(i) Expenses on printing, paper, teachers’ stationery and other consumables for teaching activities

(j) Postage charges and publications

(k) Insurance premium and expenses on first aid and fire safety equipment

(l) Audit fees and other service charges in connection with school administration
(m) Transportation fees for school administration purposes

(n) Expenses on regular learning activities for all students, conducted either inside or outside the school premises (these should include expenses for birthday parties, graduation ceremony, school outing, picnics and visits.)

(o) Items such as student handbooks, profiles, student portfolios, graduation certificates and identity cards, etc which are necessary for the operation of the school

(p) Other expenses directly related to the teaching activities, school operation and maintenance of the standard of education service for educational purposes

3. Additional Points to Note:

3.1 Separate ledgers should be prepared to report all income and expenditure relating to the One-off School Development Grant for Kindergartens.

3.2 For PEVS KGs operating classes of both local and non-local curriculum, separate ledgers should be prepared to report all income and expenditure in respect of the classes for each of the two curriculums.

3.3 All income and expenditure relating to trading activities such as sale of school items that are collected under Education Bureau (EDB) Circular (C) No. 16/2013 should be analyzed as per the format in Statement 5 to EDB call circular memorandum for annual audited accounts of KGs.

3.4 As stipulated in the terms and conditions of PEVS for NPM KGs, the PEVS NPM KGs shall not transfer the surplus, in whatever form, to any of their sponsoring bodies or other organizations. Expenditure items not related to paragraph 2 above or not basically devoted to teaching and learning activities should be disallowed.

Procurement of Goods and Services

4. Guidelines for the use of the One-off School Development Grant for Kindergartens have been set out and announced for compliance by KGs via EDBCM No.101/2013. KGs under PEVS should establish a set of procurement procedures that can most suit the needs of their school and at the same time can be assured that the process is properly administered and accountable, and that checks and balances are in place to prevent malpractice and corruption. KGs are encouraged to make reference to the Corruption Prevention Best Practice on Procurement issued by ICAC via http://www.icac.org.hk/filemanager/en/Content_1031/procurepractices.pdf; and also to EDBC No. 15/2007 on “Tendering and Purchasing Procedures in Aided Schools”.

5. KGs should require all KG staff involved in purchasing duties to declare any current or future connection they or their families with suppliers (e.g. being relatives, owners, shareholders, etc.) by signing an undertaking and declaring their interest when conflict of interest arises. A sample “Undertaking by Staff Involved in Procurement of Goods and
Services” is at Appendix 1 and “Declaration of Interests by Staff Involved in Procurement of Goods and Services” at Appendix 2 for KGs’ reference.

Accounting

6. KGs are required to submit audited annual accounts and such other financial statements as required by EDB. Please refer to the latest relevant EDB circular memorandum for the reporting framework and detailed audited accounts requirements. KGs are also required to keep proper records of all income and expenditure relating to the operation of the KG and submit the same to EDB for inspection as and when required.

Education Bureau
Oct 2013 (Updated)
Appendix 1

Undertaking by Staff Involved in Procurement of Goods and Services

File/Quotation Ref: ________________

1. I undertake to hold in strict confidence all quotation information that I have access to through my involvement in procurement of goods and services for the school. Quotation information includes details of quotations received and any other sensitive, restricted or confidential information relating to a quotation.

2. I undertake not to make any unauthorized disclosure or take advantage of any quotation information referred to in paragraph 1 above whether or not for personal gain.

3. I undertake to declare any actual or perceived conflict of interest with my duty as a staff involved in procurement immediately when I become aware of any such conflict.

4. I undertake to take steps to avoid any conflict of interest with any prospective suppliers or suppliers by not putting myself in a position of obligation towards any of them; for example, by not accepting any favour or lavish or excessive entertainment, and not over-socializing with any of them.

5. I understand that I may be subject to disciplinary action should I fail to observe any of my above undertakings. [Whether to put this clause is subject to schools’ consideration.]

Signature:  

Name (in block letter):  

Post:  

School Name:  

Date:  

All staff involved in any activities relating to procurement of goods and services irrespective of its value must sign an undertaking [Appendix 1] and declare their interest when conflict of interest (whether actual, potential or perceived) arises [Appendix 2].
Appendix 2

Declaration of Interests by Staff Involved in Procurement of Goods and Services

File/Quotation Ref: __________________________

1. I declare that *I / my spouse / my family / my relatives / my close personal friends / the clubs and associations I belong / the persons to whom I am indebted or owe a favour *have/has private interests in relation to the goods or services being procured, or in relation to the parties offering the goods or services being procured. (*Delete whichever is inappropriate)

2. I declare the following conflict of interest situation described in 1 above –
(Use separate sheet if the space provided is insufficient.)

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

Signature : __________________________________________

Name (in block letter) : __________________________________

Post : __________________________________________________

School Name : __________________________________________

Date : __________________________________________________

All staff involved in any activities relating to procurement of goods and services irrespective of its value must sign an undertaking [Appendix 1] and declare their interest when conflict of interest (whether actual, potential or perceived) arises [Appendix 2].