

Formal Version

Self-evaluation Checklist (Checklist)

on Governance and Administration of Direct Subsidy Scheme (DSS) Schools

Preamble

I. Purpose

- This Checklist aims to help DSS schools enhance their internal control mechanism as well as their awareness of the need to put in place checks and balances for self-improvement. Specifically, the items in the Checklist facilitate their compliance with the requirements as set out in relevant Education Bureau (EDB) circulars.
- DSS schools may adapt the Checklist to suit their own needs. Any variation from the Checklist should be approved by the School Management Committee (SMC)/Incorporated Management Committee (IMC) and documented.

II. Basic Principles

- Schools shall always observe the following:
 - Education Ordinance and Education Regulations;
 - Employment Ordinance and related legislation such as the Minimum Wage Ordinance, Employees' Compensation Ordinance, and Occupational Safety and Health Ordinance;
 - Legislation on equal opportunities including the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance and Race Discrimination Ordinance;
 - Other related ordinances such as the Personal Data (Privacy) Ordinance, Mandatory Provident Fund Schemes Ordinance and Prevention of Bribery Ordinance, etc; and
 - Other new statutory requirements introduced/issued from time to time such as “Enhanced Measures on Appointment” and “Sexual Conviction Record Check”, etc.
- To enhance schools' own governance and internal accountability, schools should comply with the requirements as set out in relevant EDB circulars, especially the following:
 - EDBC No. 7/2012 on *Improvement Measures to Strengthen the Governance and Internal Control of DSS Schools*;
 - EDBC No. 10/2012 on *Fee Remission/ Scholarship Schemes in DSS Schools*;
 - EDBC No. 16/2012 on *Delineation of Reserves and Reserve Ceiling for the Operating Reserve of DSS Schools*; and
 - EDBC No. 17/2012 on *Use of Government and Non-government Funds in DSS Schools*.
- Schools are also encouraged to make reference to the following documents for appropriate actions and decisions:
 - “Best Practice Checklist: Governance and Internal Control in Schools” drawn up by the Independent Commission Against Corruption; and

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- “Code of Practice on Human Resources Management” issued by the Office of the Privacy Commissioner for Personal Data.
- Schools should always consider the following for proper management and implementation:
 - Whether endorsement/ approval from the SMC/IMC or the EDB has been sought as appropriate;
 - Whether other stakeholders, such as parents, should be consulted;
 - Whether declaration of conflict of interest is necessary and properly made; and
 - Whether random checks on schools’ established policies and mechanisms are conducted on a regular basis to ensure proper implementation and detect inadvertent irregularities, etc.

**Self-evaluation Checklist
on Governance and Administration of DSS Schools**

School Year: _____

Part One: Major Policies on School Governance and Administration

(To be completed by the SMC/ IMC)

	Checklist	Yes/ No/ N.A.	Major Reference
A. Composition and Operation of SMC/IMC			
1	(a) [For SMC school bound by the Service Agreement] The SMC comprises the stakeholders as managers as required in the Service Agreement.		The requirement in the service agreement signed by the SMC
	(b) [For IMC school] (i) The IMC comprises the managers as stipulated in section 40AL(2) of the Education Ordinance. (ii) Parent managers of the IMC are elected through a secret-ballot election conducted by the PTA of the school, in which all parents can participate. (iii) Proper records of the election as mentioned in point (ii) above are kept. (iv) Teacher managers of the IMC are elected according to section 40AN(2)(c) of the Education Ordinance.		Section 40AL(2) and Section 40AN(2)(c) of the Education Ordinance
2	All school managers are registered in accordance with the EDB's requirements.		Section 27 of the Education Ordinance
B. Declaration of Conflict of Interests			
3	Members of the SMC/ IMC and school staff declare any conflict of interest in writing that may influence, or appear to influence, their judgment or action in the performance of official duties with proper records maintained ^{Note} .		Para. 4 and Annex 1 of EDBC No. 17/2012
C. Discussion and Approval from SMC/ IMC on the Following Issues			
4	<u>Financial Management</u> (a) financial documents (including annual school budgets and annual audited accounts);		Para. 15(b), (c) and (d) of EDBC No. 7/2012

^{Note} On the principle of school-based management, DSS schools may exercise discretion to formulate its record retention and disposal policy. Nonetheless, schools should comply with the provisions in the Personal Data (Privacy) Ordinance and refer to the Code of Practice on Human Resources Management issued by the Office of the Privacy Commissioner for Personal Data in formulating the policy, which should be properly documented.

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Checklist		Yes/ No/ N.A.	Major Reference
	(b) large-scale capital works;		
	(c) thresholds for different modes of procurement of services/ goods; and		
	(d) services/ goods with significant financial implications that are procured through tendering.		
5	<p><u>Investment and Purchase of Properties</u></p> <p>(a) investment policy and update (funds in the operating reserve or the fee remission/ scholarship reserve not allowed for investment while only investment in (i) Hong Kong (HK) dollar bonds or (ii) HK dollar certificates of deposits according to the prescribed criteria/ conditions being allowed); and</p> <p>(b) purchase of properties (not through mortgages or any other borrowing arrangement and still keeping at least an amount equivalent to six months' operating expenditure in cash).</p>		Para. 15(g) of EDBC No. 7/2012, and Paras. 23 & 27 and Annex 3 of EDBC No. 17/2012
6	<p><u>Human Resources Management</u></p> <p>the human resources policy, including staff recruitment, remuneration, performance management, promotion, leave and summary dismissal.</p>		Para. 15(a) of EDBC No. 7/2012
7	<p><u>Fee Remission/ Scholarship Scheme</u></p> <p>the policy and the report of the annual summary of implementation on the fee remission/ scholarship scheme.</p>		Para. 15(e) of EDBC No. 7/2012
8	<p><u>School Fee</u></p> <p>the fee revision proposals.</p>		Para. 15(f) of EDBC No. 7/2012
<i>D. Quality Assessment and Compliance</i>			
9	<p>The SMC/ IMC has discussed and approved the following documents under the School Development and Accountability Framework:</p> <p>(a) School Development Plan;</p> <p>(b) Annual School Plan; and</p> <p>(c) School Report.</p>		Para. 15(i) of EDBC No. 7/2012
10	<p>The SMC/IMC has discussed and rectified the irregularities in response to the advisory letter(s)/ warning letter(s) issued by the EDB (e.g. the management letter from School Audit Section).</p>		Para. 15(h) of EDBC No. 7/2012

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Checklist		Yes/ No/ N.A.	Major Reference
<i>E. Governance Review Sub-committee (Effective from the 2014/15 School Year)</i>			
11	The governance review sub-committee has a minimum of three members while one of them is a manager of the school, and no parents of students studying in the school and paid staff of the school (including the principal and senior teachers/heads of functional committees) serve as member.		Appendix of EDBC No. 7/2012

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Part Two: Human Resources and Personnel Matters

(To be completed by Principal/ Heads of Functional Committees)

	Checklist	Yes/ No/ N.A.	Major Reference
A. Staff Recruitment / Remuneration / Promotion			
1	The school has put in place a recruitment policy that comprises transparent and open procedures (e.g. advertising job vacancies in newspapers or via other channels). The following are kept/ available in the process: (a) records in different processes of the recruitment exercise (e.g. selection result) ^{Note} ; and (b) a recruitment panel to conduct selection.		Para. 5 of EDBC No. 17/2012
2	The school has put in place a remuneration policy with criteria including qualification and experience. The deviations from the policy have been approved by the SMC/IMC and documented.		Paras. 5 and 6 of EDBC No. 17/2012
3	The policy (including the formulation of objective criteria) on staff promotion is made known to the staff concerned.		Chapter 6 of “Best Practice Checklist: Governance and Internal Control in Schools” by the ICAC
4	There is a mechanism for declaration of interest or for avoidance of conflict of interest by staff involved in the recruitment exercise, in determining/approving the remuneration packages for individual staff and in the promotion exercise.		Ditto, and Paras. 4, 5 & 6 and Annex 1 of EDBC No. 17/2012
B. Management of Staff Performance / Leave			
5	A mechanism for assessing staff performance has been set up and staff appraisal records are properly kept.		Para. 5 of EDBC No. 17/2012

^{Note} On the principle of school-based management, DSS schools may exercise discretion to formulate its record retention and disposal policy. Nonetheless, schools should comply with the provisions in the Personal Data (Privacy) Ordinance and refer to the Code of Practice on Human Resources Management issued by The Office of the Privacy Commissioner for Personal Data in formulating the policy, which should be properly documented.

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Checklist		Yes/ No/ N.A.	Major Reference
6	The school has put in place policies on both paid and no-pay leave.		

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Part Three: Financial/ Resources Management Matters

(To be completed by Principal/ Heads of Functional Committees)

	Checklist	Yes/ No/ N.A.	Major Reference
A. Procurement			
<i>(i) Basic Safeguards</i>			
1	The school has put in place a school-based procurement policy with the following procedures: (a) The staff members concerned are informed of the procurement procedures and there is segregation of duties (e.g. sourcing of suppliers, evaluation of bids, approval of purchases, receipt of goods, etc.) among the staff involved; (b) The staff involved in purchasing and supplies duties are required to sign an undertaking that they will declare any conflict of interest; and (c) Documentation of all procurements (including verbal quotations) is maintained ^{Note} .		Paras. 7 to 9 of EDBC No. 17/2012 and EDBC No. 4/2013
2	The departures from the procurement policy (e.g. insufficient number of quotations/ tenders invited, lower offers not accepted) are justified, properly authorized and documented according to the laid down procedures.		Ditto
<i>(ii) Tenders</i>			
3	Two separate committees are set up for all tender exercises, one for tender opening and vetting (evaluation panel) and the other for tender approval. <i>[Late tenders should be rejected.]</i>		Ditto
B. Trading Operation			
4	Being complied with school-based procurement policy, contractors/ suppliers are selected through competitive		Para. 13 of EDBC No.

^{Note} A school is required to retain crucial records, such as accounts and vouchers, for a period of not less than 7 years. On the principle of school-based management, DSS schools may exercise discretion to formulate its record retention and disposal policy, which should be properly documented.

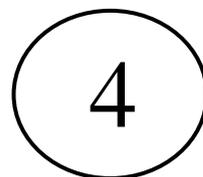
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Checklist		Yes/ No/ N.A.	Major Reference
	tender/ quotation exercises at regular intervals, preferably not exceeding three years.		17/2012 and EDBC No. 10/2016
5	There is a mechanism for declaration of interest or for avoidance of conflict of interest by staff involved in the selection of contractors/suppliers.		Ditto
C. Purchase of Property			
6	Schools' stakeholders are consulted when the school intends to purchase properties.		Paras. 27 & 28, and Annex 3 of EDBC No. 17/2012
D. Acceptance of Donations (in Money or in Kind)			
7	The policy and guidelines on acceptance of donations (in money or in kind) by the school and staff are formulated according to the prevailing EDB circular on <i>Acceptance of Advantages and Donations by Schools and Their Staff</i> , endorsed by the SMC/ IMC, documented and implemented properly.		Para. 17 of EDBC No. 17/2012
E. Operating Reserve and Designated Reserves			
8	<u>Long Service Payment Reserve</u> The SMC/ IMC has endorsed the transfer of funds above the level of minimum requirements under the Employment Ordinance from the operating reserve to long service payment reserve and proper documentation is kept.		Paras. 12 to 16 of EDDB No. 16/2012
9	<u>Reserve for Donations with Specific Purposes</u> (a) The school has kept details of donations with specific purposes and proof of the intended uses as specified by the donors.		Paras. 17 to 19 of EDDB No. 16/2012
	(b) For donations kept in this reserve without specified uses by the donors, the SMC/ IMC has endorsed their planned uses including timeframes for planned projects/ activities with proper documentation kept.		Ditto
F. Fund Raising Activity			
10	Guidelines on fund raising activities are formulated, endorsed by the SMC/ IMC, documented and implemented properly.		Paras. 15 and 16 of EDDB No. 17/2012

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Checklist		Yes/ No/ N.A.	Major Reference
<i>G. Accounting Practices/ Internal Control</i>			
11	The Fixed Assets Register clearly states description of items, source of funding, date of purchase, quantity, location, date and reasons of write-off, the approval signature of write off.		Annex 4 of EDBC No. 17/2012
12	Physical stocktaking of assets is conducted on a regular basis (at least once every three years) while stocktaking of valuable items such as notebook computers on a yearly basis.		Ditto

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Part Four: Fee Remission/ Scholarship Schemes

(To be completed by Principal/ Heads of Functional Committees)

Checklist		Yes/ No/ N.A.	Major Reference
A. Fee Remission/Scholarship Scheme			
1	The required amount ^{Note} of school fee income has been set aside for the school fee remission/ scholarship scheme.		Paras. 2 & 3 of EDBC No. 10/2012 and para. 6 of EDBC No. 16/2012
B. Eligibility for Financial Assistance			
2	The school has adopted eligibility benchmarks no less favourable than the government financial assistance schemes for the fee remission/scholarship scheme. [For schools with exemption from the above requirement granted by the EDB, please enter N.A. Students receiving fee remission before schools adopt the revised eligibility criteria should not be affected.]		Paras. 2, 8 and 9(b) of EDBC No. 10/2012

^{Note} At least 10% of the school's total school fee income should be set aside to provide fee remission/ scholarship for deserving students. If a DSS school charges a school fee between $\frac{2}{3}$ (two-third) and $2\frac{1}{3}$ (two and one-third) of the DSS unit subsidy rate, the school should set aside 50 cents for the fee remission/scholarship scheme for every additional dollar charged over and above $\frac{2}{3}$ (two-third) of the DSS unit subsidy rate.