

Preparation for Management and Financial Audit (MFA)



**School Administration 3 Section
9 July 2015**

MFA - Four Specific Aspects



- General Administration of the SMC/IMC
- Human Resources Management
- Financial Management
- School Fee Remission/Scholarship Schemes

Self-evaluation Checklist

MFA - Four Specific Aspects



The audit on the management aspect is anchored on the *self-evaluation checklist*



enhance school governance and internal control

Continuous School Self-evaluation and Improvement



- How self-evaluation checklist is completed by schools?
- How the GRSC verifies the completed checklist and takes forward review in major school-based policies and procedures based on the observations in a 3-year cycle?
- How is it put under the SDA framework?

Fee Remission/Scholarship Schemes

EDBC No. 10/2012



- **Operation of the Schemes**
- **Enhance transparency and access of information**
- **Better utilization of the fee remission/scholarship reserve**

Fee Remission/Scholarship Schemes

EDBC No. 10/2012



Enhance transparency and access of information:

- Consult SMC/IMC or PTA
- Relevant details, e.g. school fees, eligibility criteria, level of assistance, assistance to needy students receiving CSSA/SFAA and enquiry points in:
 - Application form for admission
 - Letter offering admission
 - School Profile
 - Prospectus
 - School website, etc.

Fee Remission/Scholarship Schemes

EDBC No. 10/2012



**Better utilization of the fee remission/
scholarship reserve:**

- **Utilization rate of the reserve**
- **Effectiveness of the measures in the deployment plan (when reserve exceeding school's half-year's school fee income)**

Records and Information



- The checklist of records and information for MFA from School Audit Section (*available 2 months before MFA*)
- Some documents will be collected 1 month before MFA
 - SDP, ASP & SR
 - Completed self-evaluation checklist(s)
 - School-based policy on fee remission and scholarship schemes

Review Process



Test-check basis

- Based on the samples collected and within the period under review

Review Process



Compliance check

- Statutory and administrative requirements, relevant regulations, legislations and prevailing Government policies, e.g.:
 - Composition and operation of SMC/IMC as stipulated in SSB Service/Education Ordinance (EO);
 - Manager registration in accordance with EO;
 - DSS policy: minimum operating reserve of 2-months' expenses; &
 - Fee remission scheme: eligibility for financial assistance

Review Process



- To vet and examine relevant records and documents to see if school-based policies are in place:
 - Deliberation and approval of SMC/IMC;
 - Proper consultation with relevant stakeholders, if necessary; &
 - Known to stakeholders concerned, including the appeal mechanism.

Review Process



- To vet and examine relevant records and documents to see if school-based policies are implemented properly:
 - Delegation of authority in granting approvals;
 - Escalation of authority in handling deviations;
 - Sufficient control systems to ensure checks and balances; &
 - Proper record keeping.

Review Process



- To collect evidence to substantiate observation/findings;
- To meet school personnel to gather information;
- To identify irregularities and room for improvement; &
- To make recommendations for rectification/improvement.

Good Practices in School Governance and Administration



- **Governance of SMC/IMC and internal communication**
 - **Organization purposes and outcomes**
 - **Clearly defined functions and roles**
 - **Delegation of authority and reporting mechanism**

Good Practices in School Governance and Administration



- **Transparency of the organization**
 - **Manager level**
 - **Staff level**
 - **Parent level**
 - **Feedback channels**

Good Practices in School Governance and Administration



- **Strengthening of Internal Control**
 - Formulation of school-based policies
 - Management of conflicts of interest
 - Internal control systems
 - Measures to prevent and detect errors and irregularities



Conflict of Interest



- Standard declaration form- EDBC No. 17/2012
- Designate an authority to decide whether a member of staff having declared a perceived or existing conflict of interest shall be required to abstain from the duty assigned
- Record considerations if the staff concerned is not required to refrain from performing the duty



Internal Control



An Example

Staff Recruitment

- Keep records of different stages of the recruitment process
- Random supervisory check
- Designate a higher authority to approve the appointment if the recruitment procedures deviated from the school-based policy



Enquiries



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THANK YOU