A stylized, light green illustration of a plant with several leaves and a cluster of small, round buds or flowers, positioned on the left side of the slide.

Briefing for Governance Review Sub-committee (GRSC) Members

**Education Bureau
30 October 2014**

Composition and Functions of Governance Review Sub-committee

Purpose of the Set Up

- Assist the SMC/ IMC
- Review key management and financial control systems and procedures
- Find out if different checks and balances are working as intended.

COMPOSITION

At least three members:

- **one school manager**
- **one preferably with experience and qualification in accounting/ financial management**
- **an independent member**

COMPOSITION

Persons who should NOT be invited:

- parents of students
- paid staff of the school

Chairperson:

- elected among members
- selected by the SMC/ IMC

Role of Principal, Senior Teachers/ Heads of Functional Committees

- **Resource persons**
- **Attend restricted sessions**
- **Comment on advance copy of finalize reports**

Functions

Areas to be reviewed:

- human resources management matters
- financial management matters
- school fee remission and scholarship schemes

Other management functions:

e.g. appointment of external auditors

Implementation Details

- Number of meetings per school year - determined by individual SMC/ IMC on a need basis
- Review cycle - 3 years to complete all the school-based policies and procedures under the three domains (Doc 1)
- Focused areas to be reviewed each year - determined by the SMC/ IMC
- Review report - submitted to the SMC/ IMC annually

Implementation Details

- **First review cycle to be completed by the end of the 2016/17 s.y.**
- **Subsequent review cycle: changes to be deliberated and decided by the SMC/ IMC**

Implementation Details

■ Confidentiality

■ Advance copy of the review report to the principal and senior teachers for information and/ or comment:


- ✓ give response to the GRSC direct; or
- ✓ submit a written response to the SMC/ IMC

Flowchart of procedures of review

CHECKING - school-based policy are in place with proper deliberation and approval of the SMC/IMC




EXAMINING - school-based policies: complied with requirements, properly implemented with sufficient control systems



RECOMMENDING - improvements on the school-based policy, its implementation and control system as necessary



PROVIDING – the principal and senior teachers/ head of functional committees an advance copy of the GRSC report for information and/ or comments



REPORTING - findings to the SMC/IMC

Review Items for Governance Review Sub-committee

Essential Tasks

1. Completed Self-evaluation Checklist

- Review items marked with “No”- find out the reasons for non-compliance and make recommendations for improvement
- Verify items marked with “N.A.”
(Doc 2)

Essential Tasks

2. School-based Policies and Procedures under Review Each School Year

- ❑ Random cross-checking one to two items of the self-evaluation checklist (Doc 3)
- ❑ Review other school-based policies and procedures with a more thorough evaluation (Doc 4)

As and When Appropriate

3. Management Letters and Relevant Responses on Audit Inspections

- Study EDB's findings and examine the school's proposed follow-up actions
- Assess if the school has satisfactorily addressed the issues raised by EDB
- Submit recommendations (including improvement measures) to the SMC/ IMC

As and When Appropriate

4. Internal/ External Audit Reports

- Review matters raised by the auditors and consider the proposed follow-up actions to be taken by the school
- Put forward recommendations for improvement

Key Domains to be Reviewed by Governance Review Sub-committee

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

- (1) Staff Recruitment
- (2) Remuneration Policy
- (3) Staff Performance Management (including Promotion and Demotion)
- (4) Complaint Mechanism (Staff and Public)
- (5) Others, e.g. Granting of Leave

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(1) Staff Recruitment

What are the key points to note when reviewing the item?

[Discuss in pairs or groups]

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(1) Staff Recruitment

- ✓ Is the policy on staff recruitment approved by the SMC/ IMC documented?
- ✓ Does the approved policy on staff recruitment cover all paid staff in the school?
- ✓ Is there a mechanism for declaration of interest or for avoidance of conflict of interest by staff involved in the recruitment exercise?
- ✓ Are transparent, fair and open recruitment procedures put in place (e.g. advertising job vacancies in newspapers or via other channels)?

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(1) Staff Recruitment

- ✓ Are records in different processes of the recruitment exercise (e.g. selection result) properly kept?
- ✓ Is a recruitment panel formed to conduct the selection (e.g. interviews, skill tests, etc.) according to the school-based recruitment policy?
- ✓ Is an objective assessment method devised?
- ✓ Is a standard form used to record assessment by individual panel members?
- ✓ Is the approval from the majority of managers of the SMC/ IMC obtained for appointment of a teacher for a term of not less than six months?

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(2) Staff Remuneration Packages

What are the key points to note when reviewing the item?

[Discuss in pairs or groups]

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(2) Staff Remuneration Packages

- ✓ Is the policy on staff remuneration approved by the SMC/ IMC documented?
- ✓ Does the policy on staff remuneration approved by the SMC/ IMC cover all paid staff in the school?
- ✓ Are the criteria for determining the remuneration package of an appointee clearly set out?
- ✓ Does the SMC/ IMC clearly set out who/ which school personnel to be the approving authority for determining the remuneration package of an appointee and any subsequent salary adjustment?

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(3) Performance Management

- ✓ Is the policy on staff remuneration approved by the SMC/ IMC documented?
- ✓ Does the policy on staff remuneration approved by the SMC/ IMC cover all paid staff in the school?
- ✓ Are the criteria for determining the remuneration package of an appointee clearly set out?
- ✓ Does the SMC/ IMC clearly set out who/ which school personnel to be the approving authority for determining the remuneration package of an appointee and any subsequent salary adjustment?

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(3) Performance Management

Including policies on promotion and demotion

- ✓ **Is the policy (including the formulation of objective criteria) on staff promotion approved by the SMC/IMC documented, and made known to the staff concerned?**
- ✓ **Are records in different processes of the promotion exercise properly kept?**

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(4) Handling of Staff Complaints

- ✓ Are there procedures for complaint handling formulated taking into account of the EDB's guidelines on handling of complaints by schools?
- ✓ Are the procedures for handling complaints endorsed by the SMC/ IMC, properly documented and made known to stakeholders? e.g. staff administration manual

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

(5) Leave

- ✓ Is the policy on paid and no-pay leave approved by the SMC/ IMC documented?
- ✓ Are leave and attendance records kept properly?

KEY DOMAINS TO BE REVIEWED

Domain A: Human Resources Management

For Good School Governance

To review if policies are:

- approved by SMC/IMC
- transparent and open
- proper internal control and reporting mechanism
- to ensure prudent use of funds
- with proper records kept

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

1. Government Fund

Source:

- ❑ Recurrent per capita government subsidy based on the average unit cost of an aided school place

Use:

- ❑ Only approved expenditure items (List of Approved Items of Expenditure at Annex 2 to EDBC No. 17/2012)

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

2. Non-government Fund

Source:

- ❑ School Fees and Other Collections, Trading Operations, Hire of Accommodation, Fund-raising Activities, Donations, Sponsorships, etc.

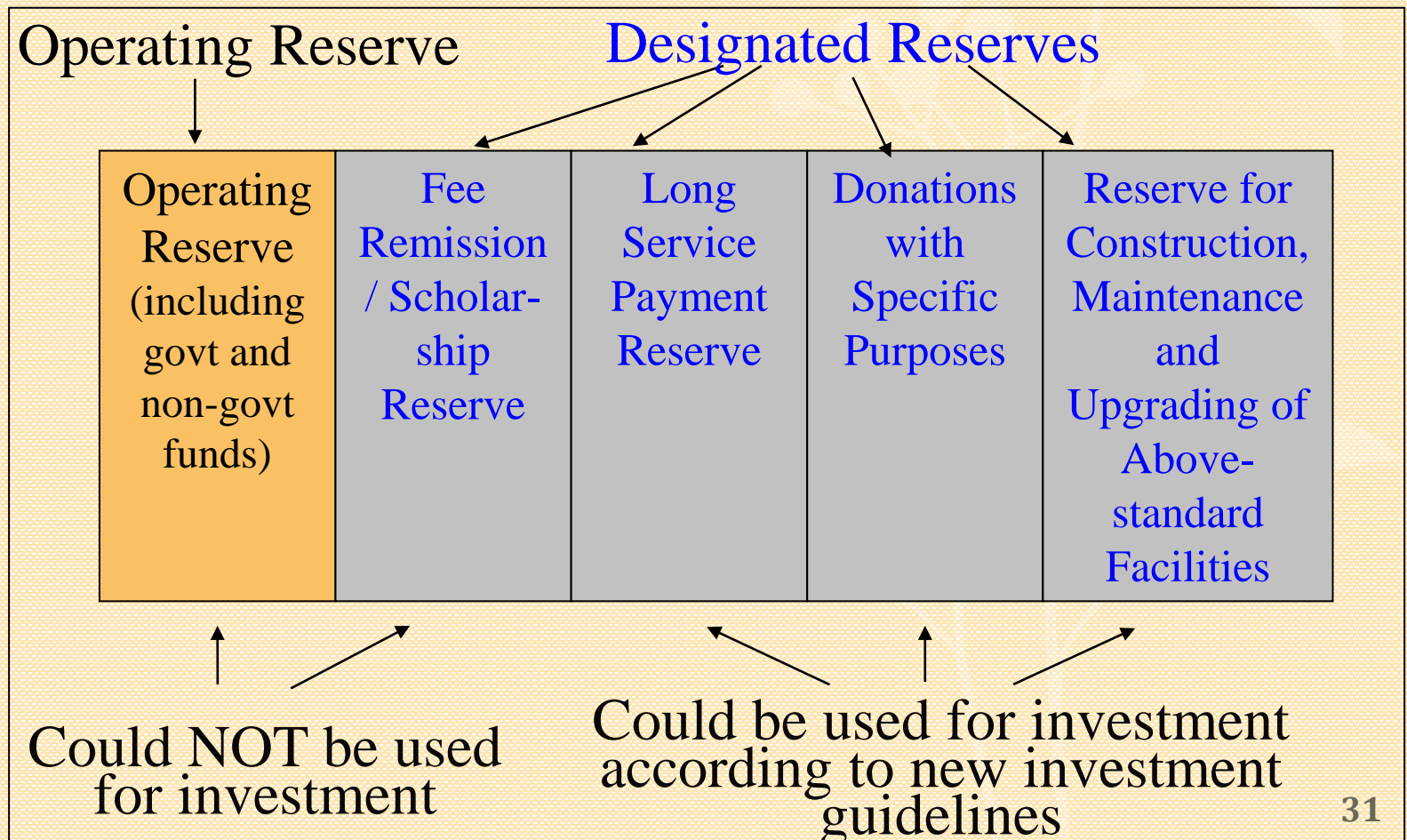
Use:

- ❑ For educational and school needs in the best interest of the students

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

3. Delineation of Reserves



KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

- (1) **Fees and Collection Policy**
- (2) **Budgeting and Accounting Practices**
- (3) **Tendering and Procurement Policy**
- (4) **Trading Operations**
- (5) **Investment Policy**
- (6) **Acceptance of Advantages and Donations**
- (7) **Fund Raising Activity**
- (8) **Others**

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

(1) Fee and Collection Policy

- Approved list attached to EDBC No. 1/2011
- Discussed and endorsed by SMC/IMC
- Promulgation
- Financial assistance to needy students
- Records

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

(2) Accounting Practices

- Separate income and expenditure accounts for Government and non-Government funds
- Bank Accounts
- Fixed assets register
- Record management

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

(3) Tendering and Procurement Policy

- Procedures with reference to EDB's guidelines
- School-based policy approved by SMC/IMC
- Conflict of Interest
- Fair and competitive
- Promulgation
- Control Checks (e.g. segregation of duties)
- Administrative and financial records

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

- (4) Trading Operations
- (5) Investment Policy
- (6) Acceptance of Advantages and Donations
- (7) Fund Raising Activity

KEY DOMAINS TO BE REVIEWED

Domain B: Financial/ Resources Management

Concerns:

- EDB guidelines/rules and regulations
- Procedure propriety
- Prior approvals from SMC/ IMC
- Control checks
- Declaration of interest
- Transparency
- Records

KEY DOMAINS TO BE REVIEWED

Domain C: Fee Remission and Scholarship Scheme

Policy

- ❑ To set aside at least 10% of school's total school fee income
- ❑ School fee = $\frac{2}{3}$ to $2\frac{1}{3}$ of DSS unit subsidy rate:
 - to set aside 50 cents for every additional dollar charged over and above $\frac{2}{3}$ of the DSS unit subsidy rate
- ❑ Eligibility criteria should be no less favourable than Government financial assistance schemes

KEY DOMAINS TO BE REVIEWED

Domain C: Fee Remission and Scholarship Scheme

Keys Points to Note

- ✓ Criteria for award of fee remission/scholarship
- ✓ Application procedures, approving and appeal mechanism
- ✓ Publicity of fee remission/scholarship

Review Report

Annual Review Report

- ❑ Put forward recommendations for follow-up action
- ❑ Advance copy to the principal and senior teachers/ heads of functional committees for information/ comments.
- ❑ Focused review report to SMC/ IMC
- ❑ Released to stakeholders for information

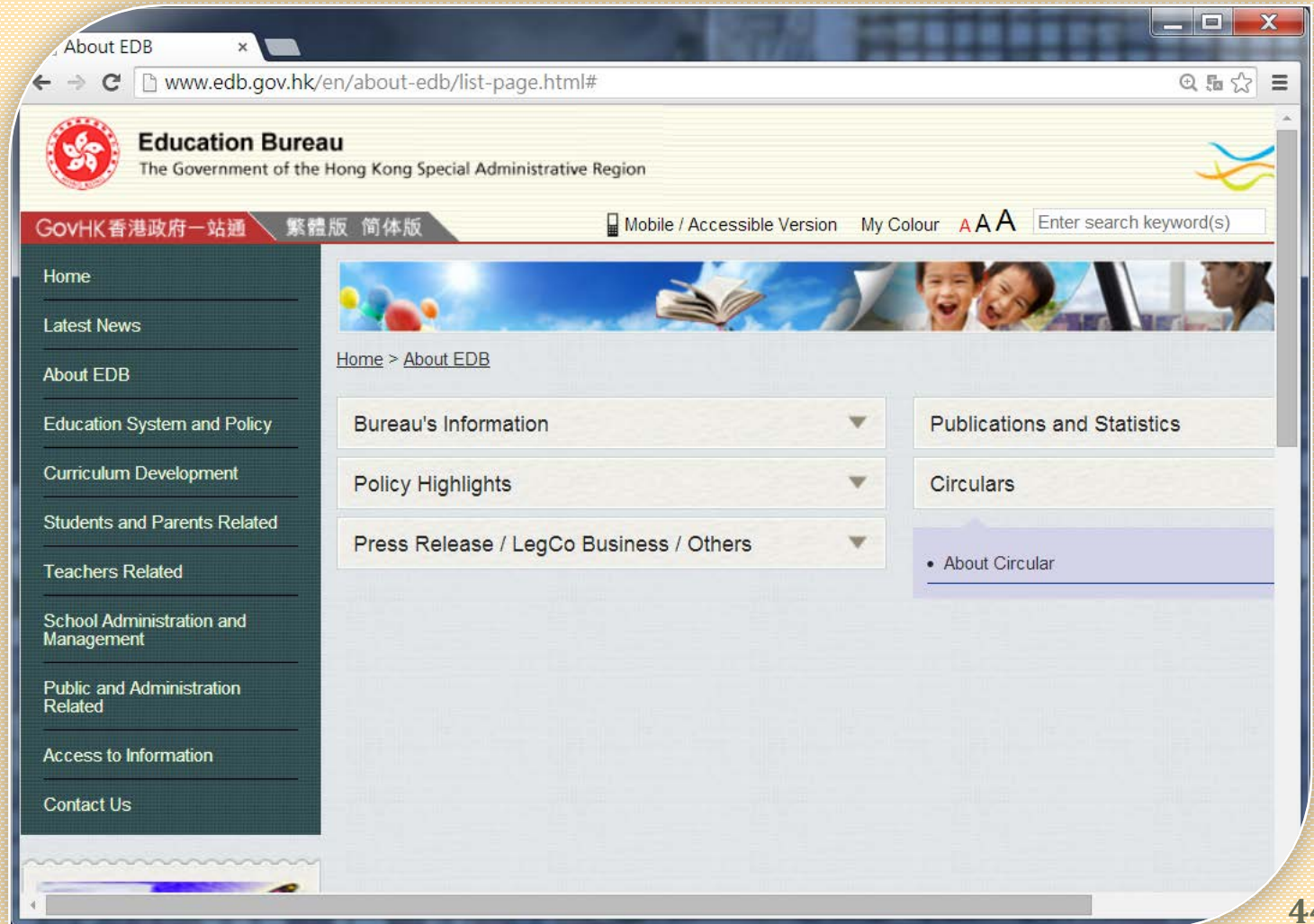
Comprehensive Review Report

- Within a 3-year cycle
- To submit to SMC/ IMC

Resources/ References for Governance Review Sub-committee

1. Circulars

Home > About EDB



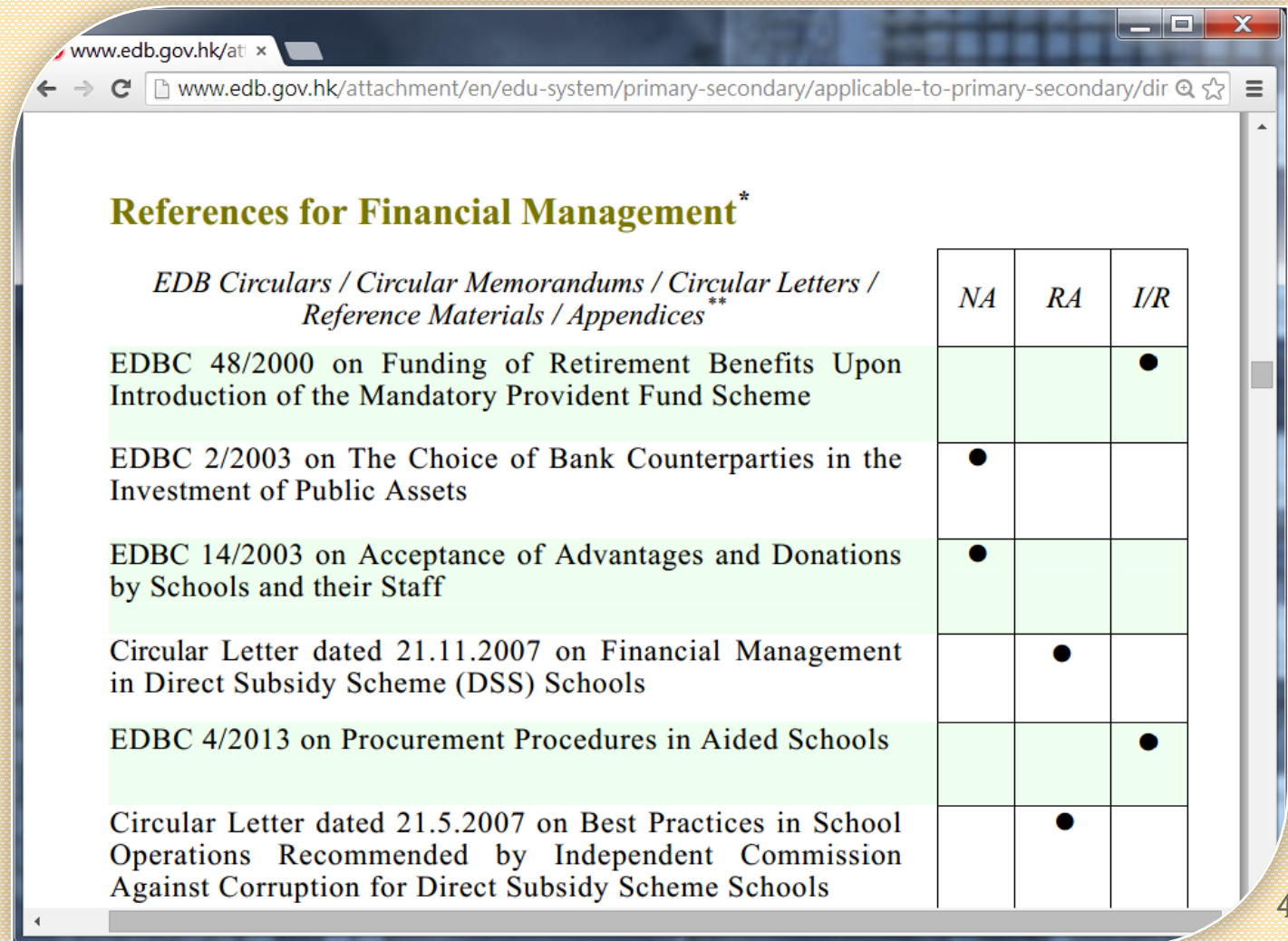
Important circulars

- ✓ **EDBC No. 7/2012** on “Improvement Measures to Strengthen the Governance and Internal Control of Direct Subsidy Scheme (DSS) Schools”
- ✓ **EDBC No. 10/2012** on “Fee Remission/Scholarship Schemes in Direct Subsidy Scheme (DSS) Schools”
- ✓ **EDBC No. 16 /2012** on “Delineation of Reserves and Reserve Ceiling for the Operating Reserve of Direct Subsidy Scheme (DSS) Schools”
- ✓ **EDBC No. 17/2012** on “Use of Government and Non-government Funds in Direct Subsidy Scheme (DSS) Schools”

2. Reference Documents on Management and Administration of Direct Subsidy Scheme Schools

- ✓ to facilitate school personnel of DSS schools in operating their schools smoothly and effectively
- ✓ a quick reference on the actions required in school administration and operation
- ✓ developed by EDB and the Hong Kong DSS Schools Council
- ✓ EDB circulars/ circular memorandums/ circular letters and good practices related to school management, personnel management, financial management and daily operation are incorporated

Home > Education System and Policy > Primary and Secondary School Education > Applicable to Primary and Secondary School > Direct Subsidy Scheme > Information for schools



The screenshot shows a web browser window with the address bar displaying www.edb.gov.hk/attachment/en/edu-system/primary-secondary/applicable-to-primary-secondary/dir. The main content area features a section titled "References for Financial Management*" in bold green text. Below this title is a table with three columns: NA, RA, and I/R. The table lists six references, each with a green background. The references are: EDBC 48/2000 on Funding of Retirement Benefits Upon Introduction of the Mandatory Provident Fund Scheme; EDBC 2/2003 on The Choice of Bank Counterparties in the Investment of Public Assets; EDBC 14/2003 on Acceptance of Advantages and Donations by Schools and their Staff; Circular Letter dated 21.11.2007 on Financial Management in Direct Subsidy Scheme (DSS) Schools; EDBC 4/2013 on Procurement Procedures in Aided Schools; and Circular Letter dated 21.5.2007 on Best Practices in School Operations Recommended by Independent Commission Against Corruption for Direct Subsidy Scheme Schools.

<i>EDB Circulars / Circular Memorandums / Circular Letters / Reference Materials / Appendices**</i>	NA	RA	I/R
EDBC 48/2000 on Funding of Retirement Benefits Upon Introduction of the Mandatory Provident Fund Scheme			●
EDBC 2/2003 on The Choice of Bank Counterparties in the Investment of Public Assets	●		
EDBC 14/2003 on Acceptance of Advantages and Donations by Schools and their Staff	●		
Circular Letter dated 21.11.2007 on Financial Management in Direct Subsidy Scheme (DSS) Schools		●	
EDBC 4/2013 on Procurement Procedures in Aided Schools			●
Circular Letter dated 21.5.2007 on Best Practices in School Operations Recommended by Independent Commission Against Corruption for Direct Subsidy Scheme Schools		●	

3. Reference Items on the Administration and Management of DSS Schools

Home > Education System and Policy > Primary and Secondary School Education > Applicable to Primary and Secondary School > Direct Subsidy Scheme

✓ Appendix 2 to “Review of School-based Policies and Procedures by the GRSC” available on EDB webpage

✓ A list of items for schools’ reference and internal training

Reference Items on the Administration and Management of DSS Schools

To facilitate DSS schools in strengthening their administration and management, a list of items is compiled for schools’ reference. DSS schools may use the list for internal training if they so wish. DSS schools should note that the list is by no means exhaustive.

I. Human Resources and Personnel Matters

<i>A. Staff Recruitment / Remuneration / Promotion</i>	
1	The approval from the majority of managers of the SMC/IMC is obtained for appointment of a teacher for a term of not less than six months.
2	When approving the appointments, if deviations from the laid down procedures are made by the SMC/IMC or the delegated person/team as the approving authority, the justifications are recorded.
3	The SMC/IMC clearly sets out who/which school personnel is the approving authority for determining the remuneration package of an appointee and any subsequent salary adjustment.
4	The EDB encourages schools to make reference to the remuneration of teachers in aided schools when determining the remuneration packages for senior positions. The school has done so.
5	Records in different processes of the promotion exercise are properly kept. ¹ (For record retention and disposal, please see footnote 1.)
<i>B. Management of Staff Performance / Leave / Complaints</i>	
6	The mechanism for assessing staff performance includes the following:

4. Explanatory Notes

Home > Education System and Policy > Primary and Secondary School Education > Applicable to Primary and Secondary School > Direct Subsidy Scheme > Information for schools

- ✓ [P/S Section 2 - Criteria and Conditions for Admission of Aided Primary Schools to DSS](#)
- ✓ [S/S Section 2 - Criteria and Conditions for Admission of Aided Secondary Schools to DSS](#)

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Home > Education System and Policy > Primary and Secondary School Education > Applicable to Primary and Secondary School > Direct Subsidy Scheme > Information for schools

Useful Materials



- [Direct Subsidy Scheme Explanatory Notes for Primary Schools](#) 
- [Direct Subsidy Scheme Explanatory Notes for Secondary Schools](#) 
- [Reference Documents on Management and Administration of Direct Subsidy Scheme Schools](#) 
- [Projected DSS Unit Subsidy Rate for 2013/14 School Year](#) 
- [Collection of Fines, Charges and Fees in Schools under the Direct Subsidy Scheme](#) 

5. Other Information on EBD Webpage on DSS

Home > Education System and Policy > Primary and Secondary School Education > Applicable to Primary and Secondary School > Direct Subsidy Scheme

Information for Schools

Briefings

-  Report of the Working Group on Direct Subsidy Scheme
-  Reference Materials for the Implementation of the Improvement Measures Put Forward by the Working Group on Direct Subsidy Scheme

6. Other Information on EBD Webpage

Home > Home > School Administration and Management > Regulations

- ✓ **School Administration Guide**
- ✓ **Codes of Aid**
- ✓ **Checklist on Common Administrative Issues in Aided Schools**

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