

Part 3

1. Areas for Special Attention

2. Financial Management

3. Staff Administration

1. Areas for Special Attention (i)

Acceptance of Advantages and Donations

- Under Section 9 of the Prevention of Bribery Ordinance (POBO), it is an offence for an employee to accept, without his/her employer's permission, an advantage as an inducement to or reward for doing or not doing an act in relation to the employer's business. The person who offers the advantage shall also be guilty of an offence.

1. Areas for Special Attention (ii)

Acceptance of Advantages and Donations

- SMCs /IMCs have the responsibility to **formulate policies and issue clear guidelines** for their schools and staff on the acceptance of advantages and donations.
- SMCs/IMCs should ensure that their schools are being managed and operated in a **fair and just** way.
- Schools should adopt a sound **control system**, maintain proper **records** and conduct periodic **inspections**.
- Acceptance of donations by school **should not jeopardise the interests of the students** and has to be approved by SMCs/IMCs.

1. Areas for Special Attention (iii)

Principles on Acceptance of Advantages and Donations

- Schools should note that donations giving rise to actual or perceived **conflict of interest** would be the subject of criticism from parties having interest or members of the public.
- Acceptance of donations or advantages from the suppliers/contractors should be considered only in very **exceptional circumstances with compelling reasons** and should be approved by SMCs/IMCs.
- Any benefits contributed by suppliers/contractors, if any, would rather go to students **direct**

1. Areas for Special Attention (iv)

Principles on Acceptance of Advantages and Donations

- SMC/IMC members and school staff are required to **declare conflict of interest** in the official dealings of school. Schools should properly record any declarations or disclosures made and necessary action taken to avoid any actual or perceived conflict of interest.
- Schools are required to maintain **donation register** properly (donations received, approval of SMC/IMC, compelling reasons and subsequent disposal).

2. Financial Management

School Incomes:

- **Government Funds**
- **Non-government Funds**

Fundamental Principles of Expenses of Funding :

- **For educational and school needs**
- **In the best interest of students**
- **Justified and publicly defensible**

2. Financial Management

Use of Government Funds

- List of Approved Items of Expenditure for the DSS Government Subsidy

- **Observation(s) detected by EDB Audit Inspection:**
 - Disallowable expenditure items such as donations to charitable organizations/another schools
 - Meal expenses for staff
 - Transfer of funding to third parties, including SSB (such as sponsorship and oblation expenses)

2. Financial Management

Use of Non-government Funds

Income Sources:

- School fees, donations, profits from trading operations
- **Observation(s) detected by EDB Audit Inspection:**
 - Excess expenses on fringe benefits and staff welfare
 - Donation to SSB/charitable organizations

3. Staff Administration

■ Staff Recruitment and Staff Remuneration Policy

- Required to draw up policies on various staff administrative matters
- Required to put in place a proper and transparent mechanism to determine remuneration packages for individual staff
- Comparison with the remuneration of civil servants at comparable ranks

References:

- **EDBC No. 17/2012 *Use of Government and Non-government Funds in DSS Schools***
- **EDBC No. 14/2003 *Acceptance of Advantages and Donations by Schools and their Staff***

~ *Thank You* ~