**Task B - Review on Financial Management Policies**

You are a member of the Governance Review Sub-committee (GRSC) of ABC College. One of the selected review items for the 2014/15 school year is the arrangements of trading operations. A meeting is now held to review a sample of the school’s trading operations (Summary at FM R1). You can make reference to extracts from Appendices 2 and 3 to the EDB Circular No. 24/2008 on *Guidelines on Conducting Trading Operations* (FM R2) and S*pecific Principles/ Arrangements of Different Trading Operations* (FM R3) respectively while conducting the review. Please note down your observations and recommendations in the table below. Ignore the parts shaded in grey.

Areas to be reviewed: Procedures on Trading Operations

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|  | **Review Items** | **Yes** | **No** | **Findings/Evidence** | **Recommendations** | **Actions Required** |
|  | Is the school-based procurement policy followed in selecting trading operators? |  |  |  |  |  |
|  | Are contractors/ suppliers selected through competitive tender/ quotation exercises at regular intervals, preferably not exceeding three years? |  |  |  |  |  |
|  | Is prior approval obtained from the EDB (for SMC schools) or the IMC (for IMC schools) for trading operations? |  |  |  |  |  |
|  | Is the purchase or acceptance of paid services voluntary? |  |  |  |  |  |
|  | Are donations or advantages from trading operators/ suppliers only accepted in very exceptional circumstances with justification approved by SMC/ IMC?  |  |  |  |  | Group B - FM |
|  | Are the profits or net income arising from trading operations applied only for the purpose directly benefiting the students of the school? |  |  |  |  |  |
|  | Is the requirement that profits or net income arising from trading operations should not be transferred to PTA/ SSB strictly followed? |  |  |  |  |  |
|  | Is the profit from sale of trading items limited to 15% of the cost of purchase? |  |  |  |  |  |
|  | Is the requirement that no profit should be generated from sale of textbooks strictly followed? |  |  |  |  |  |
|  | Is there a mechanism for declaration of interest or avoidance of conflict of interest? |  |  |  |  |  |
|  | Is there a committee or a mechanism to regularly review the types of goods/ services provided by trading operators/ suppliers? |  |  |  |  |  |
|  | Are relevant records on trading operations properly kept? |  |  |  |  |  |
|  | Are staff members informed of the policy? |  |  |  |  |  |
|  | Are any deviations from the laid down procedures made by the SMC/ IMC and the relevant justifications recorded? |  |  |  |  |  |
|  | Is there a mechanism to consider suggestions and handle complaints from stakeholders? |  |  |  |  |  |

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|  | Items shaded in grey are included for the completeness of the checklist on the key domain on Financial and Resources Management. The information in the case study might not be sufficient to assess these items. |