**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**

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| ***A. Staff Recruitment / Remuneration / Promotion*** | |
| 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 in accordance with section 76 of the Education Regulations, Cap. 279A. |
| 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 school has made reference to the remuneration of teachers in aided schools when determining the remuneration packages for senior positions. |
| 5 | Records in different processes of the promotion exercise are properly kept. [[1]](#footnote-1) *(For record retention and disposal, please see footnote 1.)* |
| ***B. Management of Staff Performance / Leave / Complaints*** | |
| 6 | The mechanism for assessing staff performance includes the following:   1. staff performance assessment is conducted periodically; and |
| 1. levels of staff responsible in the appraisal process are defined, e.g. reporting and review of the appraisal reports. |
| 7 | Staff appraisal records are properly kept. *(For record retention and disposal, please see footnote 1.)* |
| 8 | Leave and attendance records are properly kept. *(For record retention and disposal, please see footnote 1.)* |
| 9 | The staff list and justifications for contract renewal or termination are submitted to the SMC/IMC for endorsement when the SMC/IMC’s decisions are sought. |
| 10 | Dismissal of a teacher who is employed in the school for a term of not less than six months is approved by the majority of managers of the SMC/IMC at a meeting of the SMC/IMC in accordance with section 76 of the Education Regulations, Cap. 279A. |
| 11 | The school has formulated procedures for handling complaints. |
| 12 | The procedures for handling complaints are endorsed by the SMC/IMC, properly documented and made known to stakeholders. |

**II. Financial/Resources Management Matters**

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| 1. ***Procurement***   *(i) Basic Safeguards* | |
| 1 | The procurement policy sets out circumstances under which the approved procurement methods may be waived (e.g. not obtaining the required number of quotations due to urgency or a sole supplier situation) and corresponding authorization levels for such purchases. |
| 2 | All the purchases are made according to the school’s approved procurement policy. |
| *(ii) Tenders / Quotations* | |
| 3 | There is a shortlist of suppliers/contractors approved and reviewed periodically by a panel comprising at least two staff members for frequently purchased items or services.  *[Selection of sufficient numbers of suppliers/contractors from the list for invitation to bid for the items/services should be conducted on a fair share basis.]* |
| 4 | The school has specified the minimum number of suppliers to be invited for tenders or quotations. |
| 5 | Evaluation criteria are included in tender documents for information of the tenderers. |
| 6 | The school has specified the minimum period of time between repeated purchases of the same item. |
| 7 | Tenders are assessed in accordance with the criteria by the evaluation panel. |
| 1. ***Trading Operation*** | |
| 8 | Prior approval is obtained from the EDB (for SMC schools) or the IMC (for IMC schools) for trading operations. |
| 9 | The profit from sale of trading items is limited to 15% of the cost of purchase.  *[Except for sale of textbooks which should not generate any profit]* |
| 10 | The profits or net income arising from trading operation are applied only for the purpose directly benefiting the students of the school. |
| 1. ***Investment and Purchase of Property*** | |
| 11 | If there is any investment made with the approval by the SMC/IMC, the school   1. has kept additional subsidiary ledgers to record detailed transactions of each type of investment activities such as date of purchase, cost of acquisition, annual depreciation, revaluation, disposal, income and expenses, etc.; and 2. has confined the source of funding to funds of the long service payment reserve, donations with specific purposes and/or the reserve for construction, maintenance and upgrading of above-standard facilities only. |
| 12 | If there is any property purchased with the approval of the SMC/IMC, the school has kept at least an amount equivalent to six months’ operating expenditure in cash in the operating reserve after the purchase of property. |
| 1. ***Acceptance of Donations (in Money or in Kind)*** | |
| 13 | The donations (in money or in kind) to the school are expended on the school and for educational purposes and a register is kept for the donations accepted. |
| 14 | The donations (in money or in kind) received are disclosed in the school report. |

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| 1. ***Operating Reserve and Designated Reserves*** | |
| 15 | The operating reserve and the four designated reserves (including usage, transfer in/out, reserve ceiling, investment, records keeping, etc.) are set up and operated in accordance with the EDB’s prevailing requirements. |
| 16 | Sufficient operating reserve is maintained to meet at least two months’ operating expenses. |
| 17 | The part of the operating reserve grandfathered is used according to the plan approved by the EDB. |
| 18 | Reserve for Construction, Maintenance and Upgrading of Above-standard Facilities  The school has sought prior approval from the EDB for transfer of more than 10% of school fee income to this reserve or if after the transfer of not more than 10% of school fee income, the cash in the operating reserve account falls below six months’ expenses. |
| 1. ***Fund Raising Activity*** | |
| 19 | The school has requested organizations which are not approved charitable institutions to provide documentary proof of EDB’s approval before raising funds for the organizations. |
| 20 | A financial statement has been prepared for each fund raising activity, displayed for a reasonable period of time on the schools’ notice boards for the information of teachers, parents and students and retained for audit purposes. |
| 1. ***Use of Government Funds / Non-Government Funds and Accounting Practices*** | |
| 21 | Separate bank accounts maintained for government and non-government funds are in the name of the school. |
| 22 | School has kept separate accounts for self-financing activities. |
| 23 | Only the approved expenditure items of educational nature as stipulated in the prevailing [EDB circular](http://www.edb.gov.hk/UtilityManager/circular/upload/EDBC/EDBC07015E.pdf) have been charged to the government fund account. |
| 24 | An updated certified bank mandate of the authorized bank signatories is kept. |
| 25 | All expenses of the school are properly authorized and supported by vouchers and original invoices before payments are made and preparation and authorization of payment vouchers are conducted by different persons. |
| 26 | There are proper school-based arrangements for the safe custody of school assets, cash and other valuables under schools’ control. |
| 27 | Discrepancies found during physical stocktaking of assets are investigated and reported to the SMC/IMC. |
| 1. ***External / Internal Control*** | |
| 28 | A statement stating whether the school has used the government subsidies in accordance with the rules promulgated for the DSS is included in its auditor’s reports. |
| 29 | The school’s annual audited accounts are submitted to the EDB before the deadline set by the EDB. |
| 30 | The school has submitted the management letter of the EDB’s audit inspection as well as the school’s responses to the management letter to the SMC/IMC for discussion and endorsement, if required. |
| 31 | The school has sent the management letter of the EDB’s audit inspection to the school’s auditor for information and copy the covering letter to the EDB, if required. |

**III. Fee Remission / Scholarship Schemes**

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| 1. ***Fee Remission/Scholarship Scheme*** | |
| 1 | When the reserve for the fee remission/scholarship scheme has reached a cumulative amount that exceeds the school’s half-year total fee income, a plan on how this specific reserve could be effectively deployed has been devised and submitted to the EDB. |
| 2 | The school has consulted the SMC/IMC or parent-teacher association about the operation of the school fee remission/scholarship schemes and how the related information should be presented to ensure that it can be easily understood by parents and prospective parents of the school. |
| 1. ***Eligibility for Financial Assistance*** | |
| 3 | Details of the school fee remission/scholarship schemes, including the amount of school fee, eligibility criteria and levels of fee remission have been provided:   1. in the application form for admission; |
| 1. in the School Profile published by the Committee on Home-School Co-operation (a hyper-link is included through which details of the school fee remission/scholarship schemes can be obtained on the schools’ websites); |
| 1. for all students newly admitted to the school by enclosing such details with the letter offering admission; |
| 1. in the school prospectuses and on the school’s website. |
| 4 | When notifying students of the application results for financial assistance provided by Student Financial Assistance Agency, the school has provided an application form for the school fee remission/scholarship schemes for each of the eligible students. |
| 5 | The school processed applications for the school fee remission/scholarship scheme from newly admitted students before the new school year begins as far as possible so that those eligible students will not be required to pay the school fee in advance. |
| 6 | The school has processed applications received during the school year as far as possible so that those eligible students will not be required to pay the school fee in advance. |
| 7 | The school has provided a simulation test for school fee remission on the school’s website so that parents will know in advance the level of fee remission their children will be granted, as encouraged by the EDB. |

1. A school is required to retain crucial records, such as accounts and vouchers, for a period of not less than 7 years. Under school-based management, DSS schools may exercise discretion to formulate its record retention and disposal policy, which should be properly documented. [↑](#footnote-ref-1)