Sharing on Governance and Internal Control of Schools

Corruption Prevention Department,
ICAC
6 November 2026

Contents

- ✓ **Integrity Management**
  - "Prevention of Bribery Ordinance"
  - Conflict of Interest
- ✓ **Internal Controls**
  - Procurement
  - Staff Administration
  - Student Admission
- ✓ **Corruption Prevention Resources and Services**

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Integrity Management

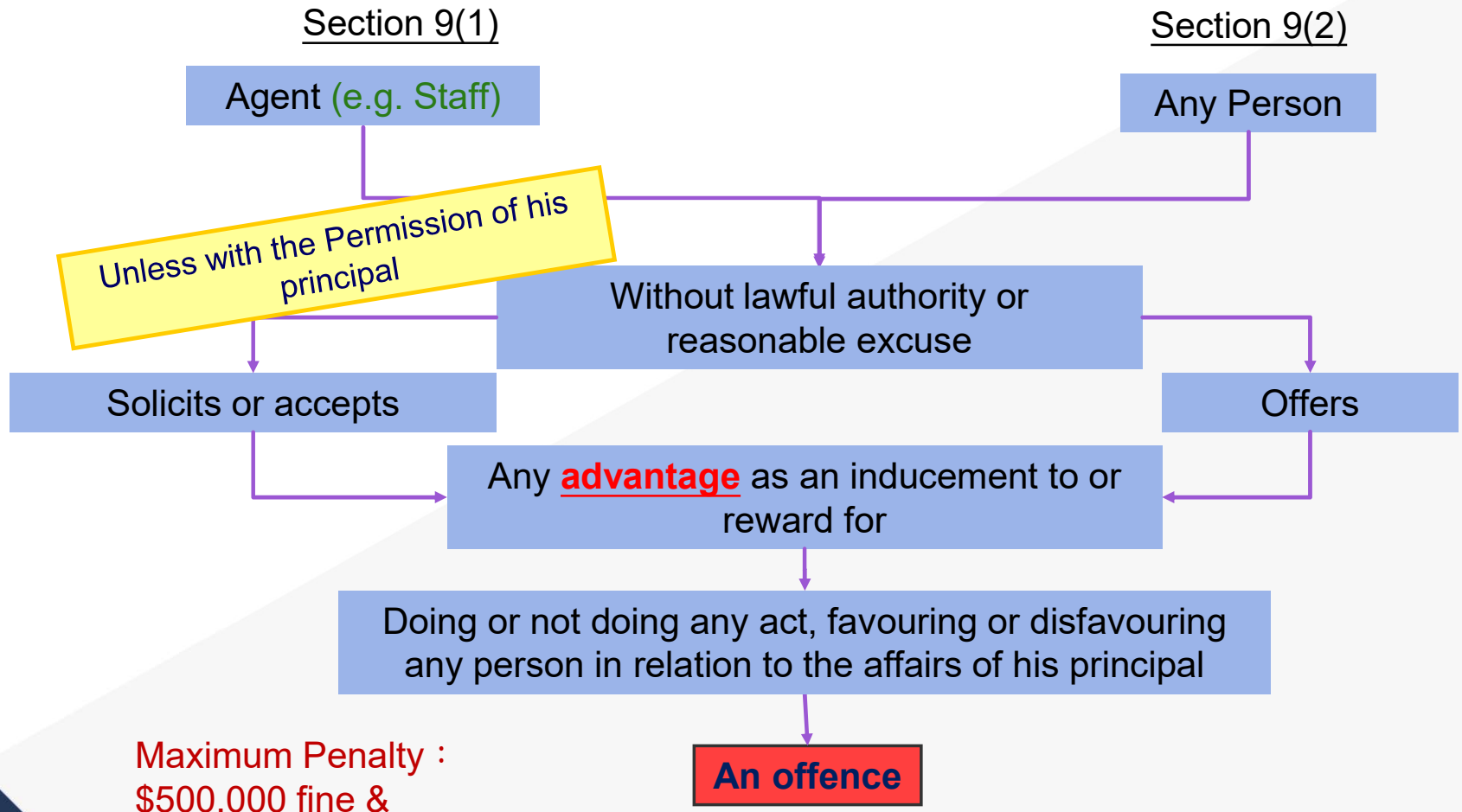
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Prevention of Bribery Ordinance

(Cap. 201)

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Prevention of Bribery Ordinance: Sections 9(1) & 9(2)



Maximum Penalty：
$500,000 fine &
7 years' imprisonment

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Principal & Agent

Principal

(Employer –
e.g. School Management Committee)

Agent

(Any person employed by or acting for another – e.g. Director, staff, volunteer)

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Advantages

Gift, loan, fee, reward or commission

Office, employment or contract





Service or Favour (Other than Entertainment)



Advantages

Payment, release, discharge of loan or other liability

Exercise of any right or any power or duty



Entertainment: Provision of food or drink for *consumption on the occasion when it is provided*, and of any other entertainment provided at the same time

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Prevention of Bribery Ordinance: Advantage

What is the threshold value of advantage specified in the "Prevention of Bribery Ordinance"?

A. $500

B. $200

C. Not Specified

D. $1,000

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Prevention of Bribery Ordinance: Principal's Approval

- Prior permission given by the advantage acceptor's principal
  - E.g. School Management Committee; Not the direct supervisor

- Retrospective approval to be applied for and given as soon as reasonably possible



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NOT a Defence

"Prevention of Bribery Ordinance" Section 11

- Did not actually have the power, right or opportunity to do so
- Did not intend to do so
- Did not in fact do so



"Prevention of Bribery Ordinance" Section 19

- **Customary** in any profession, trade, vocation or calling

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Prevention of Bribery Ordinance: Section 9(3)

Agent (e.g. Staff),
with intent to deceive his principal, uses:

the principal is interested + **false, erroneous or defective** + **Intended to mislead the principal**

Receipt / account / other documents

An offence

Maximum Penalty: $500,000 fine and 7 years' imprisonment



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Conflict of Interest

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Examples of Conflict of Interest

- Being responsible for approving a procurement exercise involving a supplier which you or your family members have pecuniary interests
- Taking up part-time job in a supplier's company
- Interviewing or recruiting a relative or friend who is applying for a job at the school
- Accepting frequent / lavish entertainment from supplier



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Conflict of Interest

"…when the "private interests" of a staff compete or conflict with the interests of the School…"



Is Conflict of Interest an Offence?

YES

No



Is Conflict of Interest an Offence in Law?

Yes

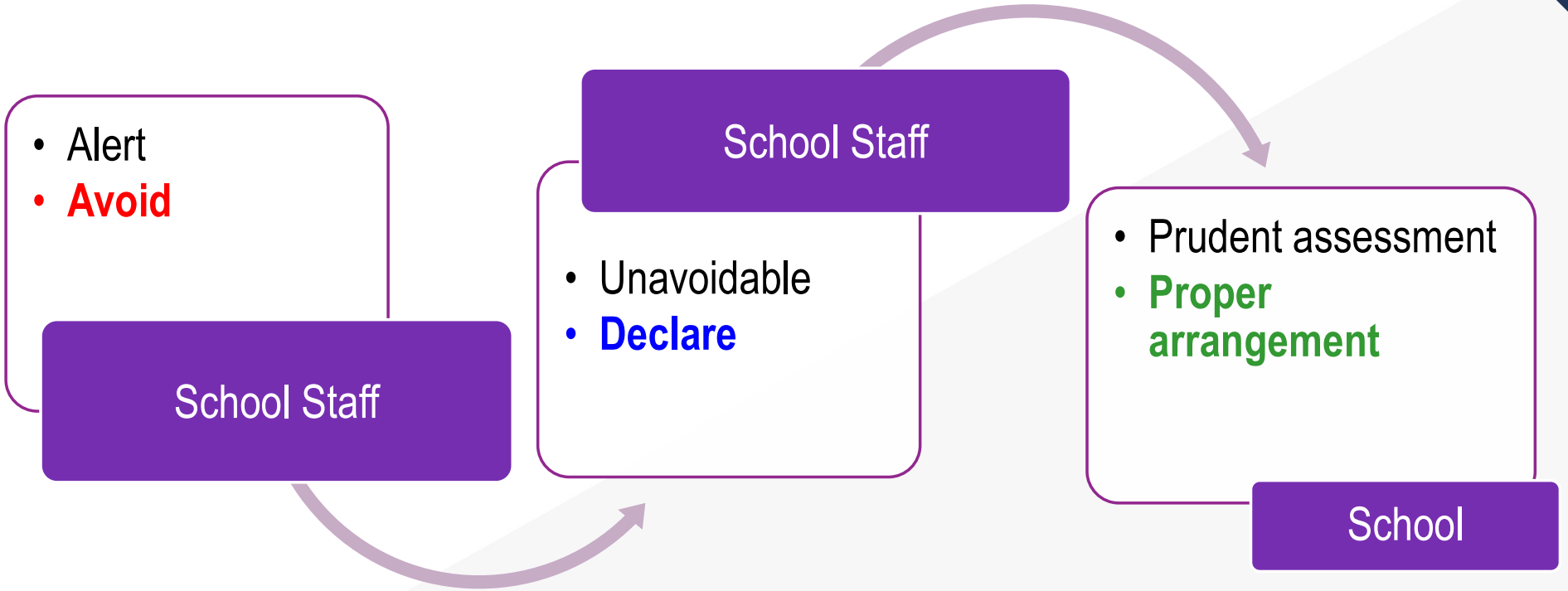
Conflict of Interest → Abuse of power for personal gains → Bogus documents / Fraud → Offence



No

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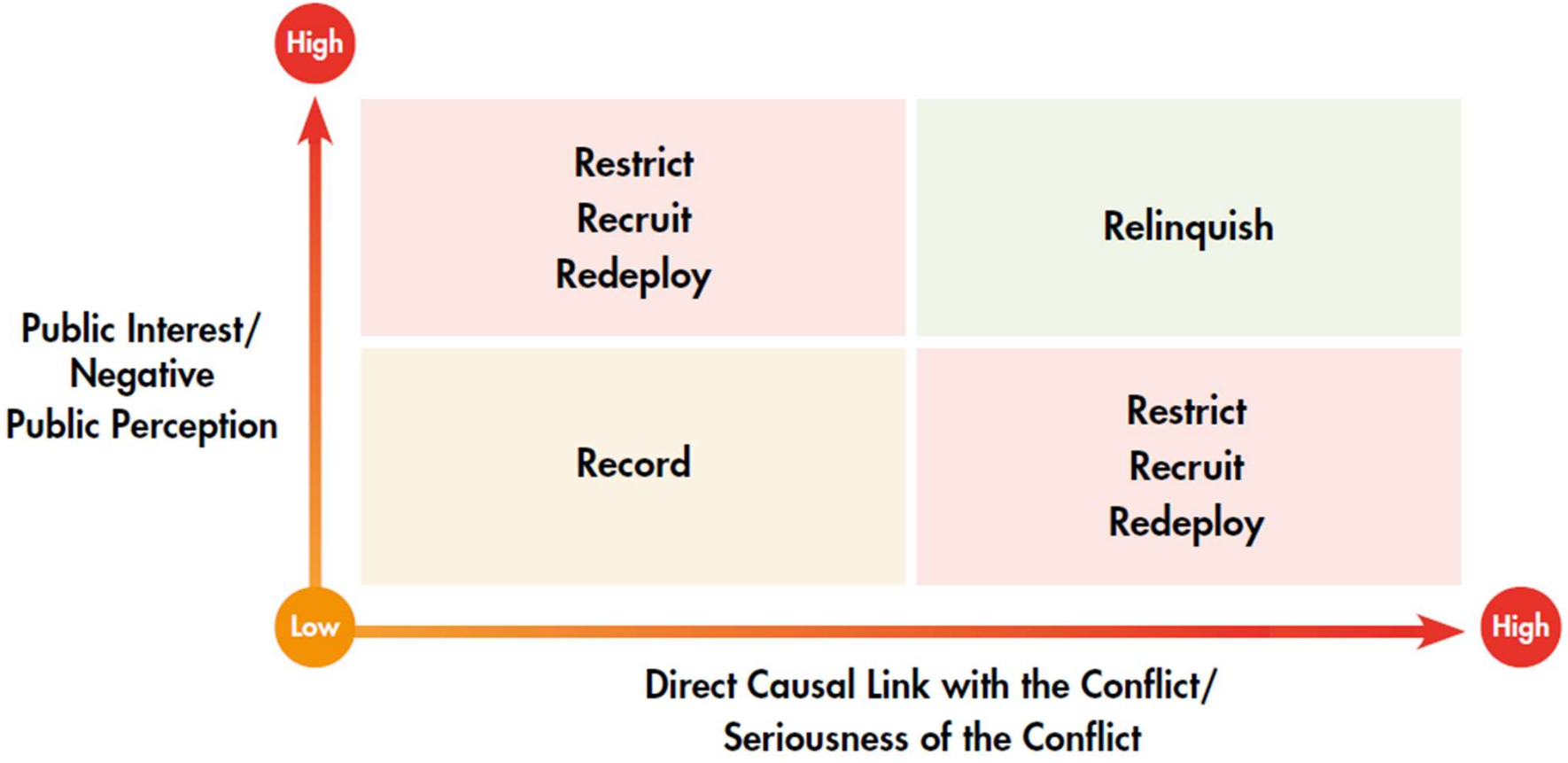
Handling of Conflict of Interest



- Record declared conflict of interest and the decision/action
- School staff have duties to avoid and declare conflict of interest

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Decision Matrix on Mitigating Actions



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Internal Controls

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Key Elements of Internal Control

Clear Policies, Work Procedures and Guidelines



Checks and Balances



Record Keeping and Information Security



Supervisory Monitoring and Accountability



Training and Communication



Complaint and Reporting Channels



Corruption Risk Assessment and Management



Reviews and Audits



Procurement

Corruption Risks &
Corruption Prevention Measures

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Key Procurement Procedures

- Initiating Purchase Requisitions
- Preparing Quotation/Tender Documents
- Receiving and Opening Quotations/Tenders
- Evaluating Quotations/Tenders
- Receiving Goods/Services
- Processing Payment



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Initiating Purchase Requisition

Principle: Strict Compliance

Corruption Risks	Corruption Prevention Measures
💣 Unnecessary / excessive orders [increased expenditures] 💣 Split high value purchase into various small value purchases [to circumvent strict monitoring]	Before ✓ Clearly understand and review the details when granting approval, so as to ensure: ✓ the purchase is necessary and suitable ✓ there are no split orders in repeating purchases After ✓ Compile management information & exception reports regularly

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Preparing Quotation/Tender Documents

Corruption Risks	Corruption Prevention Measures
Unclear specifications/provisions [Manipulation of evaluation] Unnecessary additional criteria [Weakened competition]	✓ Tender/quotation invitation documents: ✓ Clear specifications/provisions ✓ Specify the required functions/standards only ✓ Avoid specific brand ✓ Include probity provisions

Principles: Competitiveness, Clarity

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Receiving and Opening Quotations/Tenders

Corruption Risks	Corruption Prevention Measures
💣 Leakage/destruction of quotation/tender information 💣 Submission of bogus quotations [Weakened competition & fairness]	✓ Avoid tampering or leakage of quotation/tender – Restricted access of quotation/tender – Tender Box: Double-locked with two keys kept by different staff ✓ Prohibit opening of tender/quotation before the submission deadline

Principles: Confidentiality, Security, Accountability

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Evaluating Quotations/Tenders

Principles: Fairness, Objectivity, Independency

Corruption Risks	Corruption Prevention Measures
Lack of objective evaluation criteria [Subject to manipulation] Moving goalposts [Unfair evaluation results]	✓ Before the invitation of quotation/tender: – Pre-determine objective evaluation criteria (e.g. the lowest conforming bid) – If price is not the only selection criteria ○ State the evaluation criteria and their weightings on the invitation documents ○ Pre-determine detailed marking scheme ✓ Disallow the modification of the criteria, weightings and marking schemes after opening of bids

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Receiving Goods/Services

Corruption Risks	Corruption Prevention Measures
• Discrepancies between the quantities or specifications of goods • Substandard services [Connivance at underperforming supplier causing losses to School]	✓ Receipt of Goods/Services : – Assign a staff not involved in the procurement process, as far as practicable – For high-value purchase: assign a supervisor to monitor the receiving process and counter-sign the receipt ✓ Set a timeframe to certify acceptance upon receipt – Record any defective or substandard conditions and follow up promptly

Principles: Satisfactory quantity and quality of goods/service; Accountability

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Processing Payment

Principles: Accuracy, Authenticity

Corruption Risks	Corruption Prevention Measures
• Exaggerating work progress to expedite contract payment • Double Payments [Causing losses to School]	✓ Require contractor to submit invoice and other supporting documents (e.g. photos showing the works progress)
	✓ Require the submission of receipt/invoice for reimbursement ✓ Stamp "PAID" on the receipt/invoice to prevent staff from double claim of reimbursement ✓ If the receipt/invoice cannot be provided, specify and certify the reasons

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Staff Administration

Corruption Risks &
Corruption Prevention Measures

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Staff Recruitment

Corruption Risks	Corruption Prevention Measures
• Unclear guidelines • Cronyism • Conflict of Interest • Vague entry requirements and evaluation criteria • Poor documentation	✓ Set out clear staff recruitment procedures
	✓ Put in place a mechanism for declaring and handling conflict of interest ✓ Verify supporting documents provided by candidates ✓ Conduct interviews by a selection panel ✓ Compile a priority list for candidates found suitable for employment
	✓ Clearly define the entry requirements ✓ Pre-determine objective assessment criteria and the corresponding weightings
	✓ Clearly record the comments of each selection panel member using a standard recruitment form

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Staff Supervision

Corruption Risks	Corruption Prevention Measures
💣 Lack of a performance appraisal mechanism 💣 Unclear performance standards 💣 Lack of a channel for handling requests for review	✓ Pre-determine the core duties, competencies and performance standards of each rank and post ✓ Use a standard appraisal form ✓ Put in place a moderation mechanism to ensure a consistent benchmark ✓ Make known to all staff the performance standards ✓ Allow the appraisees to read and respond to the comments made in their appraisal reports, properly record their responses ✓ Establish a channel for handling appraisees' requests for review of the performance appraisal.

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Staff Supervision

Corruption Risks	Corruption Prevention Measures
Lack of transparency in eligibility requirements and promotion procedures	✓ Lay down and announce the promotion policy and procedures ✓ Make known to all staff the timing of a promotion exercise ✓ Appoint a promotion board to assess candidates based on the pre-determined criteria, with reference to their performance appraisal reports
Favouritism in taking disciplinary actions	✓ Lay down and make known to all staff the circumstances warranting different disciplinary actions and the procedures

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Student Admission

Corruption Risks &
Corruption Prevention Measures

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Corruption Risks and Recommended Measures

Corruption Risks	Corruption Prevention Measures
Inadequate guidelines	✓ Lay down assessment criteria and scoring guidelines ✓ Maintain proper documentation of assessment results
Lack of transparency	✓ Publicise critical application information (e.g. website)
Lack of checks and balances in the decision-making process	✓ Task more than one assessor as far as practicable to assess each applicant
Deficiencies in the verification of applicants' supporting documents	✓ Set out procedures on verification of different types of supporting documents (e.g. verifying with the issuing authorities directly, adopting two-tier checking mechanism)

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Corruption Risks and Recommended Measures

Student Admission Talk

- Clearly state the school's **policy**: "managers / staff are not allowed to solicit / accept advantages in their official dealings (including student admission)"
- Appeal parents' support to the policy and remind them **not** to offer any advantage to the managers / staff

Student Admission Application Form

- Provide a reminder to parents **not** to offer any advantage to the school's managers / staff regarding the student admission



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Corruption Prevention Resources and Services

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Corruption Prevention Resources and Services

Best Practice Checklist
"Governance and Internal Control in Schools"

- *Governance*
- *Integrity Management*
- *Internal Control*
- *Procurement*
- *Trading Operations*
- *Staff Administration*
- *Admission of Students*
- *Fund-raising, donations and sponsorships*
- *Building Maintenance*



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Private Sector Integrity Centre (PSIC)

- Advisory services for private organisations:
  - Webinars
  - Written advice on Code of Conduct and work procedures
  - Corruption prevention training for managers

PSIC 私營機構 誠信建設中心 Private Sector Integrity Centre







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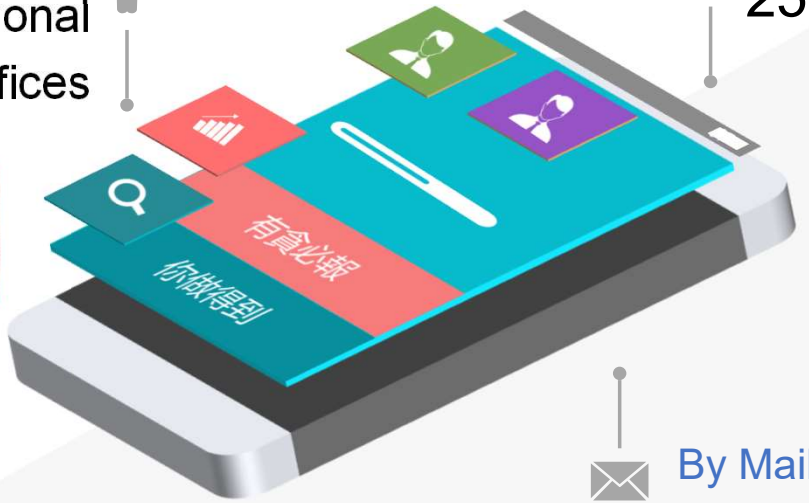
Report Corruption

In Person

Report Centre / 7 Regional Offices

24-hour Hotline

25 266 366



By Mail

G.P.O. Box 1000, Hong Kong

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THANK YOU

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