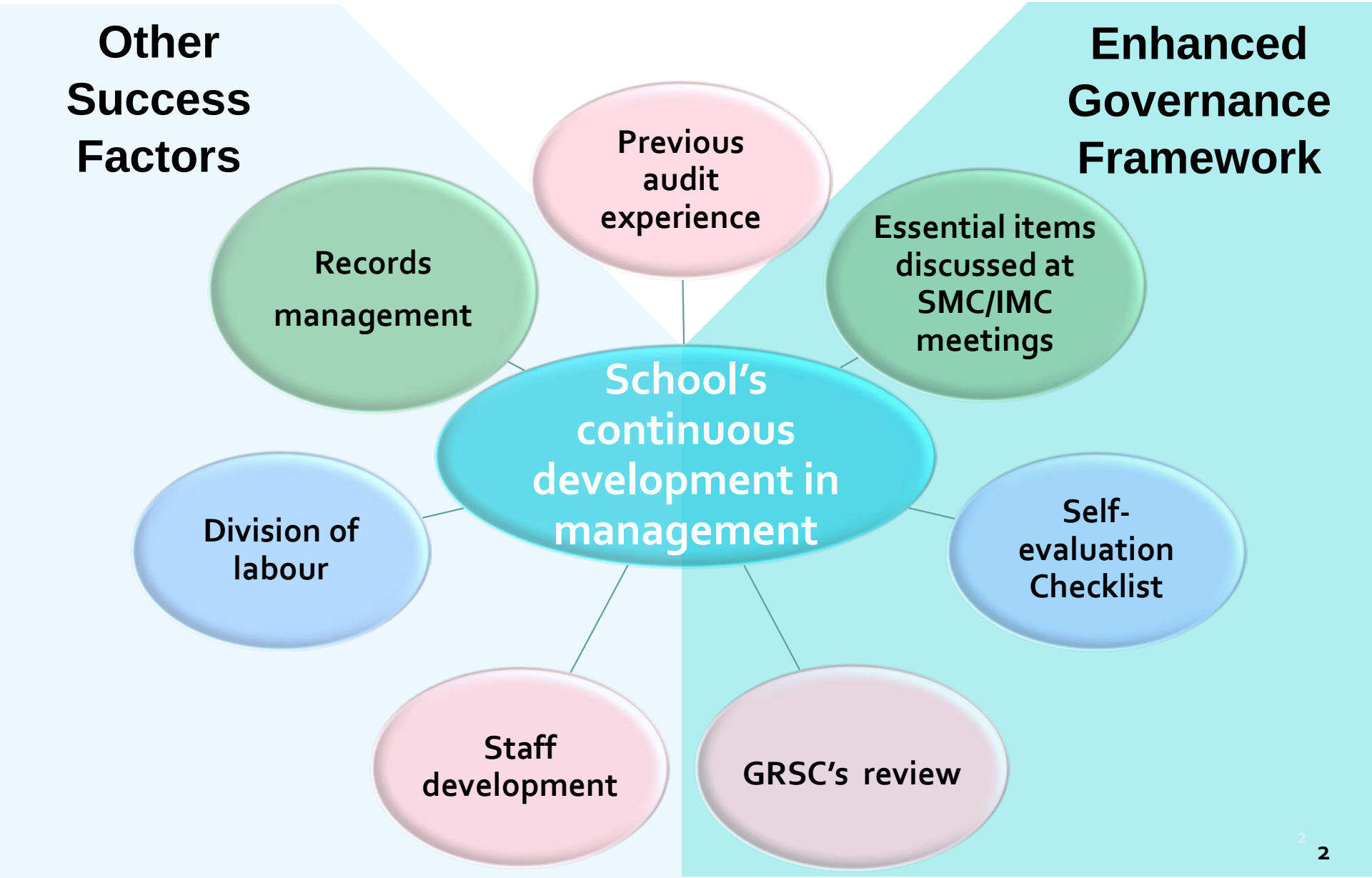
Sharing on Audit Findings : Management Aspects 2025/26

School Governance and Efficiency 1 Section, EDB

6 November 2026

Management and Financial Audit (MFA)



MFA - Four Specific Aspects

- General Administration of the School Management Committee (SMC) / Incorporated Management Committee (IMC)
- Human Resources(HR) and Personnel Matters
- Financial Management Matters
- Fee Remission / Scholarship Schemes

3

Human Resources and Personnel Matters (1)

Human Resources (HR) Policies

Major observations:

- Updated policies and/or procedures not endorsed by SMC/IMC
- **Not all paid staff are covered**, including non-teaching staff and **teaching staff on a part-time or temporary basis**
- Major aspects such as **appraisal, and promotion** are not covered.
- **Implementation not in place**
- **Incomplete/ improper records of process(es)**

Human Resources and Personnel Matters (2)

Reference:
- EDBC No. 17/2012 (paras 2 and 5)
- ICAC's "Best Practice Checklist: Governance and Internal Control in Schools"

HR Policies

Recommendations:

- School-based HR policies, including staff recruitment, appraisal, promotion, disciplinary procedures and staff complaint, **should**:
  - ✓ cover all paid staff
  - ✓ have the procedures laid out as clearly as possible for staff to follow
  - ✓ be endorsed by SMC/IMC with proper documentation
  - ✓ be implemented accordingly
  - ✓ be reviewed regularly, if necessary, and made known to all staff for transparency

(More details in ICAC's sharing)

Human Resources and Personnel Matters (3)

Staff Recruitment

Major observations:

Reference:
- EDBC No. 14/2023

- Recruitment procedures **not conducted in accordance with school-based policies**
- **Improper/ missing records** of staff recruitment process(es) (e.g. **no records of candidate shortlisting based on pre-set assessment criteria**.)
- **Incomplete declarations for teaching staff** as required under Paragraph 4 of *EDBC No. 14/2023 on Measures for Strengthening the Protection of Students: Appointment of Teaching and Non-teaching Staff in Schools*

Human Resources and Personnel Matters (4)

Staff Recruitment

Recommendations:

- Conduct staff recruitment in a **transparent, fair and open manner**
- Draw up policies and procedures on staff recruitment, which **include pre-set criteria for shortlisting and assessing candidates**
- Keep proper records throughout the selection process

Reference:

- *"Recommendations on Administration of Teaching Staff in Schools under DSS" from ICAC in the EDB's circular letter dated 21.5.2007*
- *Item 6.3.2 of ICAC's "Best Practice Checklist: Governance and Internal Control in Schools"*

(More details in ICAC's sharing)

Case Study A - Human Resources and Personnel Matters : Staff Recruitment (1)

1. The staff member had been hired as a teaching assistant in the previous year and was offered a full-time teaching post without going through an interview in the current year.
2. A retired teacher was re-appointed directly without undergoing recruitment procedures.
3. Due to a high turnover rate of staff, e.g. janitor, temporary short contract was offered and recruitment procedures were skipped.

Any problem(s)?



Case Study A - Human Resources and Personnel Matters : Staff Recruitment (2)

4. There was only one candidate left after shortlisting as all other applicants did not fit the job requirements. The school found the candidate suitable for appointment after interview without keeping any assessment records.
5. A candidate who applied and was assessed for a Subject Panel post was subsequently appointed to a Subject Teacher post.
6. A candidate applied for an advertised position and underwent the corresponding selection process but was subsequently appointed to a different (higher-ranking) position.

Any problem(s)?



Case Study A - Human Resources and Personnel Matters : Staff Recruitment (3)

Reference:
- ICAC Best Practice Checklist Chapter 6.3.2

Recommendations

- Schools **should**:
  - Ensure that staff recruitment **is,** and **is seen to be**, conducted **in a transparent, fair and open manner**, and there should be **proper staff recruitment procedures** in place with **SMC/IMC's endorsement**
    - ✓ Advertise all job vacancies publicly
    - ✓ Include pre-set criteria for shortlisting and assessing candidates
    - ✓ Keep proper records of candidate assessment and selection decisions throughout the entire recruitment process, including cases involving only one candidate

Case Study A - Human Resources and Personnel Matters : Staff Promotion (4)

1. Only a short brief for the recommendation of promotion of a teacher was recorded as a result of the sudden change of manpower of the school.
2. The school-based promotion policy required the Principal's recommendation on the applicant's performance for promotion, and only appraisal reports and IMC/SMC endorsement records were available.
3. Applicants for promotion did not receive any written notification from the management regarding their application result.

Any problem(s)?



Case Study A - Human Resources and Personnel Matters : Staff Promotion (5)

Reference:
- ICAC Best Practice Checklist Chapter 6.3.7

Recommendations

- Schools **should**:
  - Review and/ or revise the school-based policy, as appropriate, to address any emergency situations
  - Issue notifications of application results to all applicants
  - Include objective criteria to select candidate(s) for promotion
  - Keep proper records of candidate assessment and selection decisions throughout the promotion process, including cases involving only one candidate

Human Resources and Personnel Matters (5)

Staff Complaint Handling

Major observations:

- EDB Guidelines for Handling School Complaints adopted without school-based adaptation

Recommendations :

- Formulate school-based policies/procedures for handling staff complaints, which should be deliberated and endorsed by SMC/IMC

Reference:

- *Guidelines for Handling School Complaints (Revised in October 2023)*
- *Item 4.4.1 of School Administration Guide*

(More details in ICAC's sharing)

Human Resources and Personnel Matters : Sharing of Good Practices (1)

- School-based HR policies and procedures endorsed by SMC/IMC were properly promulgated to all staff concerned

Staff Recruitment

- Job vacancies were advertised on the school's website and other media, with relevant details provided
- Clear recruitment procedures, including designated interviewers for different positions, were stipulated in the school-based HR policies and procedures
- Objective assessment methods with pre-set criteria and individual assessment forms were adopted throughout the staff selection process

Human Resources and Personnel Matters : Sharing of Good Practices (2)

Staff Promotion

- Procedures for staff promotion were well-established:
  - ✓ Announcing the promotional exercise to all staff for application via emails/ notices
  - ✓ Describing clearly the eligibility criteria of the promotional posts
  - ✓ Appointing promotion board which assesses with the use of standard forms with justifiable pre-set criteria
  - ✓ Announcing the promotion results to all staff via emails/ notices
  - ✓ Setting up of an appeal board for unsuccessful candidates



Fee Remission / Scholarship Schemes (1)

Criteria for Awarding Fee Remission

Major observations:

- Students not granted fee remission or granted fee remission less favorable than government financial assistance scheme owing to
  - **inclusion of MPF/Provident Fund**
  - **miscalculation**
- Strict requirement for the submission of Comprehensive Social Security Assistance (CSSA) certificates or financial assistance certificates from the Student Finance Office (SFO) when applying for the school-based fee remission scheme

Fee Remission / Scholarship Schemes (2)

Criteria for Awarding Fee Remission

Major observations:

- Requirements and procedures for fee remission were not stipulated in the school-based policy, admission application form, or information sheet
- Needy **non-local students were not eligible for** the Fee Remission Scheme and could only be considered for scholarships based on predefined assessment criteria (e.g. academic performance, conduct, or other school-defined criteria)

Fee Remission / Scholarship Schemes (3)

Criteria for Awarding Fee Remission

Recommendations:

- Ensure fee remission eligibility criteria are **no less favourable than** those under the Government's financial assistance schemes, and that students' eligibility for fee remission is assessed **solely** on the basis of their parents' **financial circumstances**

Reference:

- *EDBC No. 10/2012*

SFO's website:

Fee Remission / Scholarship Schemes (4)

Criteria for Awarding Fee Remission

Recommendations:

- **Enhance internal control** to ensure that fee remission is offered in accordance with the school-based eligibility criteria
  - ✓ Periodically review school-based eligibility criteria and procedures
  - ✓ Consult and seek endorsement from SMC/IMC for any revisions of eligibility criteria and procedures
  - ✓ Set up a mechanism to check against the results of school-based assessment with students' eligibility for CSSA and SFO result

Fee Remission / Scholarship Schemes (5)

Publicity

Major observations:

- **Insufficient transparency / accessibility** to the information as required under *para. 5 of EDBC No. 10/2012*
- No records of **consultation with SMC/IMC or Parent-Teacher Association (PTA)** on the publicity of the Fee Remission/Scholarship Scheme

Fee Remission / Scholarship Schemes (6)

<u>Publicity</u>

Recommendations:

- (1) Application form for admission, (2) letter offering admission, (3) school website, (4) school profile and (5) prospectus should include:
  - ✓ **Details** - school fee, eligibility criteria and levels of remission
  - ✓ **Clear statement** - needy students including those receiving assistance under CSSA and SFO could apply & be eligible for fee remission
  - ✓ **Contact information** – designated telephone number for enquiry

A hyperlink/ QR code of school website through which the details can be obtained directly.

<u>Points to note</u>:
Consult parents on how the related information should be presented to ensure that it can be easily understood by parents/ prospective parents.

Fee Remission / Scholarship Schemes (7)

Reference:

Checklist on the Operation of the Fee Remission/ Scholarship Schemes in the **Management Toolkit**

Case Study B – Fee Remission Scheme (1)

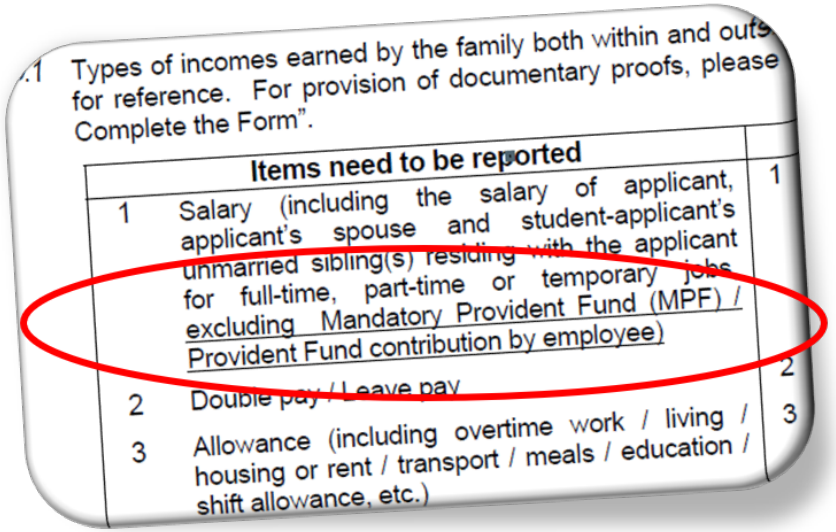
Extract of “the Items to be Reported for Application for the Fee Remission Scheme” of a School:

*“Salary (**including** salary of applicant, applicant’s spouse and student-applicant’s unmarried sibling(s) residing with the applicant for full-time, part-time or temporary jobs, contributions to Provident Fund/ MPF)”*

Any problem(s)?



SFO



.1 Types of incomes earned by the family both within and outs for reference. For provision of documentary proofs, please Complete the Form”.

	Items need to be reported	
1	Salary (including the salary of applicant, applicant’s spouse and student-applicant’s unmarried sibling(s) residing with the applicant for full-time, part-time or temporary jobs excluding Mandatory Provident Fund (MPF) / Provident Fund contribution by employee)	1
2	Double pay / Leave pay	2
3	Allowance (including overtime work / living / housing or rent / transport / meals / education / shift allowance, etc.)	3

Case Study B – Fee Remission Scheme (2)

Recommendations:

- To ensure that the school-based eligibility benchmarks are no less favourable than the government financial assistance schemes across all levels of remission

Reference:

- *EDBC No. 10/2012*



Fee Remission / Scholarship Schemes : Sharing of Good Practices (1)

- School-based eligibility criteria regularly reviewed against the latest SFO updates
- A mechanism was set up to check against the results of school-based assessment with students' eligibility for CSSA and SFO result
- An online income simulator/ fee remission self-assessment platform was provided for prospective parents to estimate the level of fee remission to be granted before they could make an informed choice of schools
- Bilingual versions of the scheme details were offered on the school website to cater for the different language needs of parents
- Designated staff members equipped to provide support on fee remission enquiries

General Administration of SMC/IMC(1)

Declaration of Conflict of Interest

Major observations:

- School-based conflict of interest policies and procedures for school personnel were **not endorsed** by SMC/IMC
- **Incomplete / Missing records** of declaration forms and/or deliberations and resolutions made by IMC/SMC for declared cases

General Administration of SMC/IMC(2)

Declaration of Conflict of Interest

Recommendations:

- Obtain SMC/IMC endorsement of **comprehensive conflict of interest guidelines covering all managers and staff**, including procedures related to staff recruitment, promotion, and student admission
- Maintain **all declarations made in writing** (using a standard form), **the action taken and considerations made** in respect of each declared case

Reference:

- *EDBC No. 17/2012 (Para 4 and Annex 1)*

Resources provided by the ICAC (1)

- **Sample Declaration of Conflict of Interest by Managers**

ICAC Best Practice Checklist: Governance and Internal Control in Schools (Appendices 1 – FORM B)

Declaration of Conflict of Interest by Managers

Part A – Declaration *(To be completed by Declaring Manager)*

To : (Management Committee/Incorporated Management Committee (IMC)*)

I would like to report the following existing/perceived* conflict of interest situation in relation to the discussion item:

(i) Matter to be discussed by the Management Committee/IMC*
(ii) Brief description of my connection with the matter in (i) above (e.g. directorship in a company which is connected with the matter)

(Name of Declaring Manager)

(Date)

Part B – Approval *(To be completed by Management Committee/IMC*)*

To : (Declaring Manager)

(a) The information contained in your declaration form of (Date) is noted. It has been decided that:

- ❑ You may continue to speak and vote on the matter as described in Part A, provided there is no change in the information declared above.
- ❑ You may continue to speak but should not vote on the matter as described in Part A, provided that there is no change in the information declared above.
- ❑ You may remain in the meeting as an observer (but not to speak or vote) on the matter as described in Part A, provided that there is no change in the information declared above.
- ❑ You should withdraw from the meeting and immediately return any documents regarding the matter sent to you earlier.
- ❑ Others (please specify): _____

(b) The justification(s) for the measure(s) as described in Part B(a) above is/are:

(Chairperson (or the Management Committee/ IMC)*)

(Date)

* *Please delete as appropriate.*

Resources provided by the ICAC (2)

- **Sample Declaration of Conflict of Interest by Staff**

ICAC Best Practice Checklist: Governance and Internal Control in Schools (Appendices 2 – FORM B)

Declaration of Conflict of Interest by Staff

Part A – Declaration *(To be completed by Declaring Principal/Staff Member*)*
To : (Management Committee/Incorporated Management Committee (IMC)/Supervisor/Principal*)

I would like to report the following existing/perceived* conflict of interest situation arising during the discharge of my official duties:

Persons/companies with whom/which I have offical deadlings
My relationship with the persons/companies (e.g. relative)
Relationship of the persons/companies with our School (e.g. supplier)
Brief description of my duties which involved the persons/companies (e.g. handling of quotation/ tender exercise, processing student admission)

_____
(Name of Declaring Principal/Staff Member*)
(Date)

Part B – Approval *To be completed by Management Committee/IMC/ Supervisor/Principal*)*

To : (Declaring Principal/Staff Member*)

(a) The information contained in your declaration form of (Date) is noted. It has been decided that:

- ❑ You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- ❑ You may continue to handle the work as described in Part A, provided that there is no change in the information declared above, and you must uphold the School's interest without being influenced by your private interest.
- ❑ Others# (please specify): _____

(b) The justification(s) for the measure(s) as described in Part B(a) above is/are:

_____

_____
(Chairperson (or the Management Committee/IMC)/Supervisor/Principal*)

(Date)

* *Please delete as appropriate.*

\# *Examples of other measures: (i) relinquish the personal/private interest (e.g. divest of the investment involved); (ii) continue to handle the work but an independent officer would be assigned to participate in, oversee or review part or all of the decision-making process*

Resources provided by the ICAC (3)

- **Sample Declaration of Conflict of Interest for Specific Duties**

ICAC Best Practice Checklist: Governance and Internal Control in Schools (Appendix 4)



APPENDIX 4 SAMPLE FORM FOR DECLARATION OF INTEREST

(For specific duties such as procurement and recruitment)

Part A – Declaration *(To be completed by Declaring Staff)*

To : *(Approving Authority) via (supervisor of the Declaring Staff)*

I would like to report the following existing/potential* conflict of interest situation arising during the discharge of my official duties :-

Persons/companies with whom/which I have official dealings
My relationship with the persons/companies (e.g. relative)
Relationship of the persons/companies with our school (e.g. supplier, job applicant)
Brief description of my duties which involved the persons/companies (e.g. handling of tender or recruitment exercise)

(Name of Declaring Staff)

(Date) (Title/Department)

Part B – Acknowledgement *(To be completed by Approving Authority)*

To : *(Declaring Staff) via (supervisor of the Declaring Staff)*

Acknowledgement of Declaration

The information contained in your declaration form of (Date) is noted. It has been decided that :–

- ❑ You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- ❑ You may continue to handle the work as described in Part A, provided that there is no change in the information declared above, and you must uphold the Company's interest without being influenced by your prvate interest.
- ❑ Others (please specify) : _____

(Name of Approving Authority)

(Date) (Title/Department)

** Please delete as appropriate*

Case Study C – Declaration of Conflict of Interest(1)

Extract of the policy about Declaration of Conflict of Interest in a school's ***Staff Handbook***

"School staff are required to sign an undertaking on procurement to the School indicating any perceived / actual conflict of interest they and / or their families might have with suppliers or contractors. The staff members concerned may be requested to refrain from participating in the quotation and / or tender exercise(s), subject to the resolution of the School."

Any problem(s)?

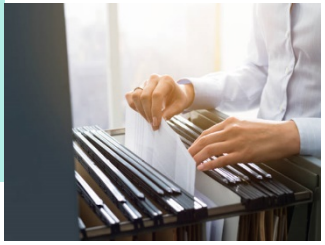


Case Study C – Declaration of Conflict of Interest(2)

Recommendations:

- A standard declaration form, in addition to the annual undertaking form, should be designed for staff members who need to disclose their conflict of interest with suppliers and / or contractors
- Staff members should be required to notify the school any updates in their status in relation to suppliers and / or contractors by submitting a revised declaration form timely





Case Study C – Declaration of Conflict of Interest(3)

Reference:

- EDBC No. 17/2012 (para 4, Annex 1)

- For IMC Schools: 40BF1(a)(b) of the EO, Cap 279 -

  "A manager of a school shall, at least once in every 12 months, make to the incorporated management committee of the school a written declaration which (a) states the particulars of any pecuniary or other personal interest, direct or indirect, that he has in any matter that raises or may raise a conflict with his duties as a manager of the school; or (b) states that he has no such interest."

- For IMC Schools: 40BF2 of the EO, Cap 279 -

  "Within one month after a change occurs in any matter stated in a declaration, the manager who made the declaration shall make to the incorporated management committee another written declaration which states the change."

Declaration of Conflict of Interest : Sharing of Good Practices (1)

- A sound mechanism on declaration of conflict of interest which covered **ALL** of the following was established:
  - ✓ general annual declaration
  - ✓ procurement
  - ✓ staff recruitment
  - ✓ Promotion
  - ✓ textbook selection
  - ✓ student admission
  - ✓ outside services/ part-time jobs



- Any participants in attendance of SMC/ IMC meetings who had actual or perceived conflict of interest was required to make declaration

General Administration of SMC/IMC(3)

Quality Assessment and Compliance

Major observations:

- SMC/IMC did not comprise **all** the stakeholders as managers as required in the Service Agreement / Education Ordinance / Memorandum and Article of Association
- **Did not inform** the EDB within one month after **cessation** of school manager
- **No withdrawal of remunerated managers** from discussion on school matters involving actual/perceived conflict of interest, including remunerated related matters

General Administration of SMC/IMC(4)

Quality Assessment and Compliance

Recommendations:

- Fulfil the requirements in accordance with the SMC/IMC's Memorandum & Articles of Association and Education Ordinance

Reference:
Section 27 of the Education Ordinance, Cap. 279 "No person shall act as a manager of a school **unless he is registered as a manager of the school under section 29(1)**"

Section 40AK of the Education Ordinance, Cap. 279 "The supervisor of a school shall—…(b**)within one month** from the happening of any of the following events, give notice of the event to the Permanent Secretary— (i) any person ceases to be a manager of the school"

SMC/IMC Constitution/ Memorandum and Articles of Association "a **remunerated director shall not be entitled to attend and vote** at all meetings and discussions concerning his own appointment, conditions of service and remuneration"

General Administration of SMC/IMC(5)

Quality Assessment and Compliance - the Operation of Review Sub-committee (GRSC)

Major observations:

- No records of **GRSC review reports** on areas reviewed in accordance with the review schedule
- No records of **GRSC's annual review of the Self-evaluation Checklist**
- No records of submission of **GRSC's findings and recommendations** on the Self-evaluation Checklist to **SMC/IMC** for consideration
- **Did not inform** EDB within 14 days after **change in GRSC membership**

General Administration of SMC/IMC(6)

Quality Assessment and Compliance - the Operation of Review Sub-committee (GRSC)

Recommendations:

Recommendations:

- School to complete all four parts of the Self-evaluation Checklist by end-November and forward to GRSC annually
- GRSC to review the completed checklist and submit its findings together with recommendations to the SMC/IMC for consideration
- Official members of GRSC to finalize reports/ findings in restricted sessions

General Administration of SMC/IMC(7)

Quality Assessment and Compliance - the Operation of Review Sub-committee (GRSC)

Recommendations:

- SMC/IMC to endorse GRSC review schedule, review reports including findings on the checklist
- Notify EDB of any change in GRSC membership using standard forms within 14 days

Reminder

The review schedule of the 4th review cycle covering the period from the 2026/27 to 2031/32 school years should be submitted to the EDB via SMM or email **by 31 December 2026**.

Reference:

- EDBC No. 7/2012 (Para 10 and Appendix)
- Circular letter dated 2 July 2026

Sample Notification for Change Membership of GRSC



Sample Notification of Change in Membership of Governance Review Sub-committee

To : School Governance and Efficiency 1 Section
Education Bureau
5/F, East Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong.

[Attn: Education Officer (School Governance and Efficiency)12]
[Fax: 2572 5402]

Notification of Change in Membership of Governance Review Sub-committee

I write to inform you of the recent change in membership of my school's Governance Review Sub-committee (GRSC) in accordance with the Education Bureau Circular No. 7/2012 on *Improvement Measures to Strengthen the Governance and Internal Control of Direct Subsidy Scheme (DSS) Schools.*

Please kindly note the cessation of service of the following GRSC member(s):

	Name		Position in the GRSC	Effective Date (DD/MM/YYYY)
	English	Chinese		
1.			Chairperson / Member*	
2.			Chairperson / Member*	
3.			Chairperson / Member*	

The updated membership list of the GRSC is as below:

Chairperson of the GRSC			
English Name:			
Chinese Name:		Title:	
Category#: ☐ Supervisor ☐ Manager ☐ Independent member@			
With experience and qualification in accounting/financial management#: ☐ Yes ☐ No			
Date of assumption of office (DD/MM/YYYY):			

Member of the GRSC			
English Name:			
Chinese Name:		Title:	
Category#: ☐ Supervisor ☐ Manager ☐ Independent member@			
With experience and qualification in accounting/financial management#: ☐ Yes ☐ No			
Date of assumption of office (DD/MM/YYYY):			

1

Signature of Supervisor : _____

Name of Supervisor : _____

Date : _____

Name of School : _____

c.c. respective Senior School Development Officer

2

Thank you!