

**Sharing Session on Financial Management
for Members of Governance Review Sub-committee (GRSC)
7 July 2017 (Friday)**

Questions-and Answers

Way Forward of GRSC

Q1: As the coverage of each of the three key domains for GRSC's review is different from one another, the time required for completing the review of all the areas of every domain may vary. In planning for the second review cycle, can GRSC choose to concentrate on two domains in the forthcoming three years based on schools' specific needs instead of reviewing one domain each year?

A1: In principle, GRSC is required to complete a review of all the school-based policies and procedures under the three domains as set out in Annex I of EDB Circular No. 7/2012 within a 3-year cycle. It was noted that the GRSC in some schools covered different areas from more than one domain each year within the first review cycle. Having regard to the experience gained and the findings in the first cycle, GRSC can put up its own review plan with specific foci for the next cycle with justifications for deliberation and decision of its School Management Committee (SMC)/Incorporated Management Committee (IMC).

Q2: Is it necessary to set a longer duration for the second review cycle, say four years, in order to have sufficient time to follow up the findings and recommendations of the previous cycle?

A2: It is important to take prompt follow-up actions regarding the findings and recommendations in GRSC's annual/3-year review reports. Action plans including specific actions to be taken, time frame and responsible school staff could be formulated by schools to ensure that rectifications of irregularities and improvement could be made in the school systems earliest possible. As for GRSC, it is necessary to include monitoring of the progress of follow-up actions taken by the school for the previous review report(s) in its regular work schedule. The whole process of planning, implementation and evaluation in school development is ongoing. Direct Subsidy Scheme (DSS) schools are encouraged to continue to spread the review over three years so that timely rectification or improvement can be made at the earliest possible time. Any deviation from the above schedule should be discussed and endorsed by the SMC/IMC, and properly documented.

Procurement

- Q3: It may be difficult for a school to find a suitable school bus service company that can serve its students who are residing in different districts. In the interest of students, can schools award contract to more than one service provider in one single procurement exercise?*
- A3: When handling trading operations, schools are required to observe the principles of openness, fairness, transparency and competitiveness. In calling quotation/tender for school bus service, schools should state clearly the service specifications, such as detailed routes and stops, spell out the pre-determined assessment criteria, such as fares and quality of service, and marking scheme, if applicable, as well as the basis of acceptance in the quotation/tender documents, such as the lowest bid of individual item(s) which comply/complies with the specifications or the bid attained with the highest overall score. Subject to the conditions stated in the contract, more than one service provider may be selected through competitive bidding.
- Q4 Why is the threshold for procurement by written quotations set at above \$50,000 for aided schools? Is the financial limit too high for school setting?*
- A4: The financial limits of procurement and their corresponding procurement arrangements for aided schools are set with reference to those adopted in the Government. The threshold for procurement requiring written quotations has been raised from above \$30,000 to above \$50,000 for aided schools since 2013 upon consultation with the schools sector.

While DSS schools are given flexibility in formulating their own procurement policy, including the financial limits of purchases, they should follow as far as possible the “Guidelines on Procurement Procedures in Aided Schools (April 2013)”. Any variation from the Guidelines has to be approved by the SMC/IMC and documented for information of stakeholders. Furthermore, DSS schools have to observe other relevant procurement requirements as set out in the EDB Circular No. 17/2012 on “Use of Government and Non-government Funds in DSS Schools” in drawing up their procurement policy and practice.