

Review of Self-evaluation Checklist (with Suggested Sharing Points)

You are a Governance Review Sub-committee (GRSC) member of Sunshine College and are now having a meeting with your members to review the completed Part Three of the 2014/15 Self-evaluation Checklist. Based on the findings/evidence gathered, please discuss among yourselves on each of the items on the Checklist and come up with some comments/recommendations you would make to the School Management Committee (SMC). Please refer to the extracts from the school's Financial Guide, where necessary.

Self-evaluation Checklist on Governance and Administration of DSS Schools

School Year: 2014/15

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Part Three: Financial/ Resources Management Matters

(To be completed by Principal/ Heads of Functional Committees)

Checklist	Yes/ No/ N.A.	Major Reference	Findings/ Evidence	Comments/ Recommendations for Improvement (Suggested Sharing Points)
A. Procurement				
<i>(i) Basic Safeguards</i>				
1	Yes	Paras. 7 to 9 of EDBC No. 17/2012 and EDBC No. 4/2013	<ul style="list-style-type: none"> ● As an annual arrangement, procurement procedures approved by the SMC were circulated among relevant staff by hand and were accessible at the School Portal. 	<ul style="list-style-type: none"> ● For improvement, the school may also require staff to sign to indicate that they have read and understand the school's procurement procedures through circulation, or arrange a briefing for relevant staff every year. ● Since specific ranks of staff are required for different stages in the procurement process, appropriate ranks of staff should be included in different teams.

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			<ul style="list-style-type: none"> ● Staff involved in procurement was grouped into various teams for job rotation and segregation of duties. 	<ul style="list-style-type: none"> ● Keep proper records of the staff assigned with the duties for future reference.
(b) The staff involved in purchasing and supplies duties are required to sign an undertaking that they will declare any conflict of interest; and	Yes		<ul style="list-style-type: none"> ● No record of undertakings signed by staff in the 2014/15 school year was found. ● Latest records of signed undertakings were of the 2013/14 school year. 	<ul style="list-style-type: none"> ● This requirement has not been complied with. ● The requirement should be annually brought to the notice of the staff involved by means of a circular by which they should be required to sign to indicate that they have read and understand it. Undertakings should be signed by all staff concerned annually. ● Non-staff members, such as any parents/ Parent-Teacher Association (PTA) representatives involved in the procurement should sign the undertaking as well.

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	(c) Documentation of all procurements (including verbal quotations) is maintained ^{Note} .	Yes		<ul style="list-style-type: none"> ● Records of quotation and tender exercises were kept for five years, while records of verbal quotation were kept for one month. 	<ul style="list-style-type: none"> ● This requirement has not been fully complied with. ● For audit purpose, the school should follow the school-based policy to retain records of quotation (both written and verbal) and tender exercises for three calendar years after completion of order.
2	The departures from the procurement policy (e.g. insufficient number of quotations/ tenders invited, lower offers not accepted) are justified, properly authorized and documented according to the laid down procedures.	No	Ditto	<ul style="list-style-type: none"> ● Written quotation for overseas study tour was invited from three suppliers. The lowest offer of \$201,000 was accepted by the school. ● Staff members explained that the cost of the service was estimated to be under \$200,000 and they could only find three available suppliers for the service. 	<ul style="list-style-type: none"> ● The lowest offer through quotation should not have been accepted as it exceeded the \$200,000 financial limit. Fresh tenders from 5 suppliers should have been invited instead. ● If it is not possible to invite sufficient number of suppliers, prior approval from SMC should be obtained with the circumstances justified and recorded on file.

^{Note} A school is required to retain crucial records, such as accounts and vouchers, for a period of not less than 7 years. On the principle of school-based management, DSS schools may exercise discretion to formulate its record retention and disposal policy, which should be properly documented.

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<i>(ii) Tenders</i>				
3	Two separate committees are set up for all tender exercises, one for tender opening and vetting (evaluation panel) and the other for tender approval. <i>[Late tenders should be rejected.]</i>	Yes	Ditto	<ul style="list-style-type: none"> ● The Principal appointed separate staff members for the Tender Opening and Vetting Committee (TOVC) as well as Tender Approval Committee (TAC). ● This requirement has not been fully complied with. ● Proper segregation of duties between the TOVC and TAC is fine. ● Yet, the TAC should comprise the School Supervisor/Manager, the Principal, a teacher and a representative of the PTA or a parent manager. Besides, the members are to be appointed by the SMC, with relevant records properly documented.
B. Trading Operation				
4	Being complied with school-based procurement policy, contractors/suppliers are selected through competitive tender/quotation exercises at regular intervals, preferably not exceeding three years.	Yes	Para. 13 of EDBC No. 17/2012 and EDBC No. 24/2008	<ul style="list-style-type: none"> ● Contractors/Suppliers of trading operations were selected through competitive bidding. The current contract with the tuckshop operator is for 3 years from the 2014/15 to 2016/17 school years, which includes a term for automatic extension of contract period for 2 years. ● This requirement has not been fully complied with. ● To ensure an open, fair and competitive manner, the school should select the trading operators/suppliers through another competitive tender/quotation exercises at a regular interval of 3 years. There should be no commitment to continue to use the service of the contractor.

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				<ul style="list-style-type: none"> ● If there is a genuine need to enter into a contract for more than 3 years, the justifications should be put up for deliberation and endorsement at a SMC meeting. Besides, any term for extension of contract period beyond 3 years should be subject to some mutually agreed conditions, instead of automatic extension. ● Prior permission from EDB is required for DSS schools operated under a SMC to conduct trading operations. Please refer to EDBC No. 24/2008.

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5	There is a mechanism for declaration of interest or for avoidance of conflict of interest by staff involved in the selection of contractors/suppliers.	Yes	Ditto	<ul style="list-style-type: none"> ● All along, staff has been required to declare in writing on a standard form annually if there is potential or actual conflict of interest. ● No mechanism for staff to make declaration on actual discharge of duties in the school's daily operation has been in place. 	<ul style="list-style-type: none"> ● For improvement, staff should be reminded of the school-based policy on declaration of interest or avoidance of conflict of interest, especially when they are actually carrying out related duties. ● There should be mechanism, including the specification of the authority, to handle any declared conflicts. ● If it is decided that staff with declared conflict should continue to discharge the duties, the considerations should be properly documented and, as and when necessary, there should be sufficient monitoring by senior staff or a second party to ensure impartiality.
C. Purchase of Property					
6	Schools' stakeholders are consulted when the school intends to purchase properties.	N.A.	Paras. 27 & 28, and Annex 3 of EDBC No. 17/2012	<ul style="list-style-type: none"> ● There was no purchase of property in the 2014/15 school year and the school has no plan to do so. 	<ul style="list-style-type: none"> ● Although there was no purchase of property and the school has no plan to do so, the school should formulate its school-based policy by making reference to EDB's guidelines in EDBC No. 17/2012, modify them where appropriate to suit the school's circumstances and seek SMC's endorsement.

Checklist	Yes/ No/ N.A.	Major Reference	Findings/ Evidence	Comments/ Recommendations for Improvement (Suggested Sharing Points)
D. Acceptance of Donations (in Money or in Kind)				
7	The policy and guidelines on acceptance of donations (in money or in kind) by the school and staff are formulated according to the prevailing EDB circular on <i>Acceptance of Advantages and Donations by Schools and Their Staff</i> , endorsed by the SMC/ IMC, documented and implemented properly.	Yes	Para. 17 of EDBC No. 17/2012	<ul style="list-style-type: none"> ● The school registered a donation of two air-conditioners from a supplier in December 2014. ● Lack of sufficient information to ascertain if the requirement had been fully complied with. ● In no circumstances may the school suggest to the supplier that the school will provide an advantage in return for the donation. ● The acceptance of the donations or advantages from trading operators/suppliers should be considered only in very exceptional circumstances with justification of compelling reasons and should be approved by SMC in advance. ● All donations should be expended on the school and for educational purposes only. ● A register for all donations received should be maintained.

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<i>E. Operating Reserve and Designated Reserves</i>				
8 <u>Long Service Payment Reserve</u> The SMC/ IMC has endorsed the transfer of funds above the level of minimum requirements under the Employment Ordinance from the operating reserve to long service payment reserve and proper documentation is kept.	N.A.	Paras. 12 to 16 of EDBC No. 16/2012	● The transfer of funds did not exceed the level of minimum requirements under the Employment Ordinance.	-
9 <u>Reserve for Donations with Specific Purposes</u> The school has kept details of donations with specific purposes and proof of the intended uses as specified by the donors.	N.A.	Paras. 17 to 19 of EDBC No. 16/2012	● No donation with specific purposes was received during the period.	-
For donations kept in this reserve without specified uses by the donors, the SMC/ IMC has endorsed their planned uses including timeframes for planned projects/ activities with proper documentation kept.	No	Ditto	<ul style="list-style-type: none"> ● A donation of \$50,000 without specified use was recorded in the Reserve for Donation with Specific Purpose. ● The school would decide on how to deploy the fund in the Reserve for Donation with Specific Purposes when it has accumulated to a substantive amount. 	● The SMC should have endorsed the designated purpose of the donation and its deployment plan, including the timeframe, before recorded it under the Reserve for Donations with Specific Purposes.

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<i>F. Fund Raising Activity</i>					
10	Guidelines on fund raising activities are formulated, endorsed by the SMC/ IMC, documented and implemented properly.	Yes	Paras. 15 and 16 of EDBC No. 17/2012	<ul style="list-style-type: none"> The school has all along been following the EDB's guidelines on conducting fund-raising activities as stipulated para. 1(d) of Chapter 6.2.2 of the School Administration Guide for aided schools. 	<ul style="list-style-type: none"> This requirement has not been complied with. The adoption of the guidelines as school-based policy should be endorsed by the SMC with proper documentation.
<i>G. Accounting Practices/ Internal Control</i>					
11	The Fixed Assets Register clearly states description of items, source of funding, date of purchase, quantity, location, date and reasons of write-off, the approval signature of write off.	Yes	Annex 4 of EDBC No. 17/2012	<ul style="list-style-type: none"> The write-off of fixed assets in the Fixed Asset Register was approved by the Principal. 	<ul style="list-style-type: none"> It is recommended that a report on the matter should be passed to the SMC for information.
12	Physical stocktaking of assets is conducted on a regular basis (at least once every three years) while stocktaking of valuable items such as notebook computers on a yearly basis.	Yes	Ditto	<ul style="list-style-type: none"> Physical checking of assets was conducted although records were not kept. 	<ul style="list-style-type: none"> Records of physical checking should be retained for audit purposes.