

**CODE OF AID
FOR
AIDED SCHOOLS**

(Release 1.1, September 2005)

Education and Manpower Bureau

Note

1. This Code of Aid for Aided School is written for a pilot run among aided schools that are governed by an Incorporated Management Committee (IMC). Incorporated Management Committees should comply with the terms in the Code of Aid and abide by such requirements as promulgated in circulars and instructions issued by the Permanent Secretary for Education and Manpower from time to time and which are incorporated in the School Administrative Guide.
2. For interpretation of all regulations, rules and requirements stipulated in this Code, the relevant legislations, subsidiary legislations, Codes of Practice and promulgated guidelines on which such regulations, rules and requirements are based should be final.
3. All the terms and conditions prescribed in this Code are for the time being provisional and are subject to revision taking into account the feedback from users on their application and operation. We welcome views and suggestions to improve both the layout and contents of this Code of Aid.
4. Updated release of this Code will be published from time to time to reflect and incorporate the changes to the provisions and conditions of subvention as stipulated in this Code.

Table of Contents

Code of Aid for Aided Schools (Release 1.1)

Page No.

PART I INTRODUCTION

1	Interpretation and Definitions	1
2	General Clauses	2
3	Purposes of the Code	3

PART II GUIDING PRINCIPLES

4	Quality School Education and School-based Management	5
5	Roles and Responsibilities of an Incorporated Management Committee (IMC)	6
6	Roles and Responsibilities of the Permanent Secretary over the Management of Aided Schools	9
7	Regulation of the Provision and Level of Subvention	10

PART III PROVISIONS

8	General Rules and Requirements	12
9	Forms of Grant	12
10	Recurrent Grants	13
11	Non-Recurrent and Capital Grants	16
12	Other Provisions	17

PART IV CONDITIONS OF SUBVENTION

13	Staffing and Staff Management	
	13.1 General Rules and Requirements	19
	13.2 Appointment of Staff under Salaries Grant	20
	13.3 Promotion and Re-grading	24
	13.4 Acting Appointment	25
	13.5 Termination of Employment	25
	13.6 Deployment of Teaching Staff	27
	13.7 Change of Rank within Grade	28
	13.8 Retirement	29
	13.9 Leave	29

13.10	Employment of Non-teaching Staff under Administration Grant or Revised Administration Grant	30
13.11	Employment of Supply Staff and Temporary Staff	31
13.12	Provident Fund and Mandatory Provident Fund	31
13.13	Outside Duties	32
14	Financial Management	
14.1	Principles and Practice	32
14.2	Handling of Income and Expenditure	34
14.3	Collection of Fees and Charges	34
14.4	Acceptance of Donations	35
14.5	Accounting and Auditing	36
14.6	Compliance with Public Accounting Procedures for Procurement of Stores and Equipments	37
15	Student Matters	
15.1	Allocation and Admission of Students	37
15.2	Suspension and Expulsion of Students	37
15.3	School Days and School Holidays	38
15.4	Repetition	39
16	School Premises and Facilities	
16.1	IMC's Responsibility over Maintenance of School Premises	39
16.2	Use of Fund on Maintenance Works	39
16.3	Changes of Room Usage	39
16.4	Use of School Premises for Public and Educational Purposes	40
17	School Development and Accountability	
17.1	School Development Plans, Annual School Plans and School Reports	40
17.2	School Self-evaluation and External School Review	40
17.3	Documents for Inspection and Public Access	41
17.4	Submission of Information Concerning School and Students	42
18	Return of Grants	42

PART I INTRODUCTION**Source****Reference****1. Interpretation and Definitions**

1.1 Interpretation

This Code of Aid is

- (i) the Code of Aid for Primary Schools;
 - (ii) the Code of Aid for Secondary Schools; and
 - (iii) the Code of Aid for Special Schools
- as defined in section 3 of the Education Ordinance Cap. 279.

1.2 Definitions

In this Code of Aid, unless the context otherwise specifies –

“*financial management*” means the essential elements of financial management and control mechanism. It includes but is not limited to long-term financial planning, annual budgeting and budgetary control, accounting, disclosure and reporting, internal control and external auditing requirements.

“*grant*” refers to individual item of subvention for designated purposes to meet the operational need of individual aided school.

“*Permanent Secretary*” refers to the Permanent Secretary for Education and Manpower as defined in the Education Ordinance and also refers generally to the relevant officers in the Education and Manpower Bureau who are authorized to carry out any function of the Permanent Secretary for Education and Manpower.

“*principal*” means a teacher who is defined under section 3, and is approved as the principal of a school, both primary, secondary and special, under sections 53 or 57 and 57A or 58AA of the Education Ordinance, and is performing the functions of a principal as stipulated in section 58 of the Education Ordinance. When the term “teacher” is quoted in this Code of Aid, it should apply to principal as well.

“*qualified teacher*” refers to any teacher who meets the qualifications for appointment to an appropriate teaching grade in an aided school as specified and promulgated in Section 4 “Qualifications for New Recruit” in the Compendium to the Code of Aid for Aided Schools.

Source**Reference**

“*specialist staff*” refers to any person employed to work in a special school as a school social worker, speech therapist, physiotherapist, occupational therapist, occupational therapy assistant, educational psychologist, nurse, warden, assistant warden, houseparent-in-charge, houseparent, programme worker or braille staff.

“*subvention*” is the general description of all forms of government subsidy provided to aided schools, including money paid out of independent fund established by the Government for specific purposes, e.g. Quality Education Funds and Language Fund.

“*supervisor*” refers to the specific manager of the school as defined in section 40AJ of the Education Ordinance.

1.3 Where appropriate in this Code of Aid, the relevant section(s) or regulation(s) of an ordinance or its subsidiary legislation will be quoted in italics.

2. General Clauses

2.1 This Code of Aid sets out the basic principles and guiding directives which underpin the provision of government subvention for aided schools.

Revised
[Section 1] (a) It prescribes the provisions for aided schools with an Incorporated Management Committee to enable their delivery of quality school education under the spirit of school-based management in Hong Kong; and

New (b) It stipulates the conditions of subvention which the Incorporated Management Committee is required to observe in the delivery of educational outcomes to meet the needs and expectations of the community.

Revised
[Section 2] 2.2 The Permanent Secretary for Education and Manpower (The Permanent Secretary) delegates to officers of the Education and Manpower Bureau the day-to-day administration of the Code of Aid.

New 2.3 The provisions in this Code of Aid, unless otherwise specified, apply to all aided primary, secondary and special schools with and governed by an Incorporated Management Committee.

Revised 2.4 This Code of Aid must be read in conjunction with the Education

Source

[Section 3]

Ordinance and its subsidiary legislations, and the Compendium to the Code of Aid for Aided School which forms part of this Code of Aid. Incorporated Management Committees, as well as principals, are also required to comply with the relevant laws of Hong Kong and administrative guidelines including, but not limited to the following:

- (a) Education Ordinance;
- (b) Education Regulations;
- (c) Compendium to the Code of Aid for Aided Schools which provides details and supplementary information on a particular subject/issue originated and prescribed in this Code of Aid;
- (d) Other ordinances and codes of practice, e.g. Employment Ordinance, Employees' Compensation Ordinance, Prevention of Bribery Ordinance, Personal Data (Privacy) Ordinance, Copyright Ordinance, the various Ordinances with which the Code of Practice on Employment issued by the Equal Opportunities Commission is based (i.e. Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, etc.), as may be applied to school management and administration, and financial management and control, procurement of stores and services, which may not be mentioned or quoted in this Code of Aid; and
- (e) Circulars, instructions and guidelines issued by the Education and Manpower Bureau from time to time.

2.5 The Incorporated Management Committee, as well as the principal, should also refer to the School Administration Guide in establishing transparent and accountable administrative procedures and practices in respect of school management, and to observe the rules and requirements as promulgated from time to time in those circulars, instructions and guidelines that are incorporated in or attached to the Guide.

3. Purposes of the Code

New

3.1 This Code of Aid prescribes the terms and conditions under which Government gives subvention to aided schools as follows:

Reference

Source**Reference**

which Government gives subvention to aided schools as follows:

Part II – Guiding Principles

Part III – Provisions

Part IV – Conditions of Subvention

Details and supplementary information in respect of the various provisions and the requirements and conditions as attached to such provisions are prescribed in the Compendium.

- New 3.2 By receiving such government subsidies as elucidated in this Code of Aid, the Incorporated Management Committee, being the trustee of government subvention, and the aided school under its management are required to observe the principles underlying the provision of grants and comply with the conditions of subventions and other requirements as stipulated in Parts II to IV of this Code of Aid. Failure to comply with the terms and conditions of this Code of Aid may lead to withdrawal of subsidies from Government.
- New 3.3 Under the provisions of this Code of Aid, the Incorporated Management Committee, as well as the principal, should also observe and assume:
- (a) the statutory requirements which they must observe in operating an aided school and the sanctions provided under the law for any breach of the provision;
 - (b) the requirements for receiving the various government subvention for funding the operation of an aided school;
 - (c) their roles and responsibilities over the operation and management of the school;
 - (d) their roles and contributions to the professional education community through sharing of education expertise and resources; and
 - (e) their obligations over the updating of school data and timely submission of accurate information in respect of their schools, teachers and students as requested by the Education and Manpower Bureau from time to time.

PART II GUIDING PRINCIPLES**Source****Reference****4. Quality School Education and School-based Management**

4.1 The successful delivery of quality school education in Hong Kong requires the joint efforts of the Education and Manpower Bureau, Incorporated Management Committees and other stakeholders.

4.2 Broadly speaking, quality school education bears the following characteristics:

(a) a clear focus on student learning outcomes which meet the aspirations of the community in an accountable and effective way;

(b) high expectations in the pursuit of excellence in both academic and other domains of education;

(c) moral leadership and team work among stakeholders including the school managers, the principal, teachers and parents; and

(d) catering for individual differences through appropriate use of learning and teaching strategies and flexible deployment of resources to meet individual needs.

4.3 School-based management is an initiative to support schools in delivering quality school education. It devolves to schools the responsibility for ensuring the effectiveness of student learning and decision-making discretion on the use of resources, and provides schools with enhanced flexibility and autonomy in managing their own operation, as well as in planning for school development in accordance with their own circumstances and the needs of their students.

4.4 Schools are obliged to practise and support school-based management through the establishment of a corporate governance structure in the form of Incorporated Management Committee. An Incorporated Management Committee is to build quality school education on the basis of participatory decision-making, transparency and accountability in ways that reflect the individuality and characteristics of the school.

4.5 For the establishment of a proper corporate governance structure, the Incorporated Management Committee is reminded to elect its

Part IIIB,
Education
Ordinance

Section 40AL,
Education

<u>Source</u>		<u>Reference</u>
	Managers in an open and fair manner as provided for in its constitution and in accordance with the Education Ordinance. A fiduciary and committed team of Managers sharing the vision and values of the school and providing strategic decision for the school's development is the keystone for success in delivering quality school education.	Ordinance
	4.6 Incorporated Management Committee Managers should fully commit themselves to the principle of honesty, integrity and fair play in managing the school, and ensure that the school affairs and business are dealt with in a transparent and impartial manner. The Incorporated Management Committee must put in place an effective and adequate system of checks and balances to avoid conflict of interests among Managers and Managers must declare personal interests in accordance with the requirements of the Education Ordinance – and guidelines issued by the Education and Manpower Bureau.	Section 40BF, Education Ordinance
	4.7 The Incorporated Management Committee must ensure that both its Managers and staff have observed the Prevention of Bribery Ordinance (Cap. 201), in particular Section 9 governing the solicitation and acceptance of advantages in relation to the school's affairs or businesses.	Prevention of Bribery Ordinance
New [in line with Sections 40AD, 40AE & 40AF of Education Ordinance]	5. Roles and Responsibilities of an Incorporated Management Committee	
	5.1 The Incorporated Management Committee should familiarise with the roles and responsibilities over the management and operation of the school under the school-based management and corporate governance framework as delineated in this Code of Aid.	Section 40AD, AE and AF, Education Ordinance
	5.2 The Incorporated Management Committee is ultimately responsible and accountable for the management and performance of an aided school and student learning outcomes. The Incorporated Management Committee should also ensure the cognitive, moral and affective development of students for achieving all-round development.	
	5.3 Under the school-based management and corporate governance framework, an Incorporated Management Committee should be responsible for:	

Source**Reference**

responsible for:

- (i) setting the strategic mission and policies of the school;
- (ii) providing leadership to put these mission and policies into effect;
- (iii) supervising the management of the school; and
- (iv) reporting to stakeholders on its stewardship.

5.4 At the strategic management level, an Incorporated Management Committee should:

- (a) align every Manager with a thorough and shared understanding of the purpose and goals of every school policy and education related initiative, and a shared commitment to achieve the desired outcomes;
- (b) formulate school-based education policies in accordance with the vision and mission set by the sponsoring body, uphold the integrity and propriety of the school, approve development plans which will ensure the best interests of the students, endorse learning and teaching strategies which focus on improving students' learning outcomes;
- (c) formulate effective school-based curriculum and assessment policies so as to enable each student to attain all-round development according to his/her own attributes, and to cater for the diverse and special educational needs of the individual students; and
- (d) formulate admission policies which should be open and fairly exercised for its school, and which dovetail education aims such as:
 - (i) the implementation of all-round development for students;
 - (ii) catering for individual differences and multiple intelligence of students;
 - (iii) enhancing students' motivation to learn and developing their ability of learning to learn; and
 - (iv) developing students' attitude and ability for life-long learning.

Source**Reference**

- | <u>Source</u> | <u>Reference</u> |
|--|------------------------------------|
| <p>5.5 At the supervisory management level, an Incorporated Management Committee should:</p> <ul style="list-style-type: none"> (a) being the trustee of government subvention, assume full responsibility in handling personnel and employment related matters, dealing with complaints from staff and the public, ensuring the use of funds in a cost-effective and value-for-money manner, and familiarising itself with the Education Ordinance and education policies and new initiatives; (b) ensure that financial and human resources are put to the best use to maximise the effectiveness and efficiency of learning and teaching, and to promote the interest of students. (c) dedicate resources and efforts for continuous self-improvement and strive for excellence by putting in place vigorous regular internal evaluation mechanism and participating in external evaluation which will ensure quality outcomes in learning and teaching; | <p>School Administration Guide</p> |
| <p>5.6 In accounting for and reporting to stakeholders on its stewardship, an Incorporated Management Committee should:</p> <ul style="list-style-type: none"> (a) be directly accountable to parents and the public for student learning outcomes, and the management and operation of the school; and (b) increase the transparency of school operation by sharing school data and information on school management with parents and other stakeholders. | |
| <p>5.7 An Incorporated Management Committee should also assume social responsibility towards contributing to the professionalism and well-being of the education community. This includes the obligation to</p> <ul style="list-style-type: none"> (a) provide practicum opportunities or internship for student teachers; (b) share information and education resources, disseminate expertise and good practices with schools with similar experiences and aspirations; and (c) assist in the conduct of public examinations, including but | |

<u>Source</u>		<u>Reference</u>
Revised [Sections 2 & 4]	<p data-bbox="416 241 1283 322">not limited to the provision of venue, invigilators, and setters and markers of examination questions.</p> <p data-bbox="277 360 1283 441">6. Roles and Responsibilities of the Permanent Secretary over the Management of Aided Schools</p> <p data-bbox="277 479 1283 658">6.1 The Permanent Secretary is responsible for the enforcement of education and related policies and regulations to promote quality education in Hong Kong, and safeguard the interests of students through:</p> <ul style="list-style-type: none"> <li data-bbox="352 685 1283 864">(a) allowing school management the necessary autonomy in general administration, finance and personnel matters but at the same time requiring a high degree of accountability for school performance; <li data-bbox="352 891 1283 972">(b) monitoring and ensuring the proper and effective use of grants and public funds by aided schools; <li data-bbox="352 999 1283 1124">(c) issuing directions and instructions from time to time concerning the management and administration of aided schools; <li data-bbox="352 1151 1283 1375">(d) conducting inspections of schools, as well as all internal documents and records as may be required to ensure quality, effectiveness and improvement in learning and teaching, and for purposes of assuring public accountability in the light of public interest; <li data-bbox="352 1402 1283 1581">(e) nominating public officer(s) to attend meetings of the Incorporated Management Committee if it appears to him/her that such participation will be conducive to the operation and performance of the school; and <li data-bbox="352 1608 1283 2047">(f) appointing “<i>managers of the school for such period as he thinks fit</i>” if it appears to him/her <ul style="list-style-type: none"> <li data-bbox="416 1715 1283 1841">(i) “<i>that a school is not being managed satisfactorily or that the education of the pupils is not being promoted in a proper manner</i>”; or <li data-bbox="416 1868 1283 2047">(ii) “<i>that the composition of the management committee of a school is such that the school is not likely to be managed satisfactorily, or is such that the education of the pupils is not likely to be promoted in a proper</i> 	<p data-bbox="1305 1151 1482 1276">Sections 80 – 81, Education Ordinance</p> <p data-bbox="1305 1402 1482 1527">Section 40BA, Education Ordinance</p> <p data-bbox="1305 1608 1482 1733">Section 41, Education Ordinance</p>

SourceReference

manner”; or

(iii) *“that for any reason a school has no manager”.*

Such cases in (f) (i) & (ii) above may include but not be confined to prolonged disputes among managers which are adversely affecting the normal operation of school, school's falling into serious financial chaos.. etc.

Revised
[Sections 9,
10 & 12]

7. Regulation of the Provision and Level of Subvention

- 7.1 The level of subvention is mainly based on the approved class structure of an aided school which, in turn, is determined by student enrolment at each level following the relevant school places allocation systems such as Primary One Admission, Secondary School Places Allocation, Junior Secondary Education Assessment and Secondary Six Admission in operation at the time, and other factors such as the established referral and placement mechanism in the case of special schools, the subsequent change in student enrolment at all levels arising from dropout and admission of students during a school year etc.
- 7.2 The accommodation and facilities available in individual schools, the quality of learning and teaching, the interests of students, school leadership and culture, and the needs and aspirations of the community will also be taken into account when approving the class structure of an aided school.
- 7.3 The Incorporated Management Committee may give its opinion and suggestion regarding the class structure of its school to the Permanent Secretary prior to his/her decision on the class structure of the aided school.
- 7.4 The Permanent Secretary, in consideration of particular circumstances and factors involved, has the discretion to determine provision and level of grants to each school as he/she considers necessary and appropriate.
- 7.5 As a general condition of government subvention, an Incorporated Management Committee is required to manage its school properly and to ensure that students are adequately prepared for further education or work, as the case may be. When an aided school fails to meet the requirements as stipulated in this Code of Aid, or if there is overwhelming evidence to suggest that:

Source

if there is overwhelming evidence to suggest that:

- (a) the school is not educating its students properly, or falling into serious financial chaos that impede the further development of the students; or
- (b) the conditions of subvention as stipulated in this Code of Aid is not complied with,

the Permanent Secretary will give notice of improvement to the Incorporated Management Committee. If the Incorporated Management Committee fails to make improvement within the period specified in the notice, the Permanent Secretary may revise the class structure of the school, or reduce, withhold or withdraw any grant made to the school as appropriate in the circumstances so as to safeguard the interests of students.

Reference

Section 82,
Education
Ordinance

PART III PROVISIONS**Source****Reference****8. General Rules and Requirements**

8.1 As a general rule, all subvention provided to aided schools are approved by the Finance Committee of the Legislative Council. The Permanent Secretary is authorized, in accordance with the approved funding ambit, to allocate the grants to schools for achieving the desired policy outcomes.

8.2 The Incorporated Management Committee must be prudent in and accountable for the use of public money, which is provided to school in the form of grants under this Code of Aid, and any other government funds of educational nature with designated purpose or use.

Revised
[Sections 9 &
10]

8.3 The Permanent Secretary may regulate the provision and level of grants provided under this Code of Aid and other educational fund in accordance with the requirements and procedures governing provision of such fund to ensure the use of public money in a cost-effective and value-for-money manner.

8.4 As a condition of grant, the Director of Audit may, if he considers it necessary in the public interest, have access to records and accounts of a school in receipt of grants under the terms of this Code of Aid and to the records and accounts of any controlling or any other agencies to which money from the school is diverted which is directly or indirectly involved with the expenditure of public money, or special funds established for educational development out of income of such a school derived otherwise than from Government grants.

9. Forms of Grant

Revised
[Section 7]

9.1 Aided schools are provided with subvention in the form of grants to cover the basic requirements of a school.

Revised
[Section 8]

9.2 Grants are provided in the form of recurrent, non-recurrent, or capital funding to serve a specific purpose or designated use.

New

In addition, the Incorporated Management Committee may apply for other sources of educational funds to support the need

Source**Reference**

and development of the school to enhance learning and teaching. These additional funds are to be used solely for the implementation of new educational initiatives and programmes as approved for the purpose by the education fund concerned.

10. Recurrent Grants

Recurrent grants are categorized into Salaries Grant and Non-salaries Grant.

Revised
[Section 17]

10.1 Salaries Grant

The approved Salaries Grant is paid monthly and consists of the approved salaries for all teaching and non-teaching staff covered under the approved staff establishment of the school as prescribed in the Compendium. The actual amount of Salaries Grant is subject to adjustment taking into account the income from approved tuition fee^{Note}, if any.

Compendium –
Section 1

(a) Rates of salaries and allowances for staff covered under the Salaries Grant

Revised
[Section 22]

- (i) The Incorporated Management Committee must pay the appropriate rates of salaries and allowances to all teaching and non-teaching staff, within the approved staff establishment covered by the Salaries Grant, in accordance with the salary scale and allowance as detailed in the Compendium.

Compendium –
Sections 2 and
8

Revised
[Section 23]

- (ii) Salaries of all staff should commence from the date of assumption of full duties, and should cease immediately after the last day of performance of full duties, except for the special conditions as detailed in the Compendium where staff may be granted salaries for an extended period beyond the assumption or performance of full duties.

Compendium –
Section 3

(b) Award/withhold of incremental credit

- (i) Salary increments are provided for staff on an annual basis when they fall due. Increments for part time

^{Note} For those fee-charging aided primary schools that receive a lower School and Class Grant, they will not have their fee income deducted from their Salaries Grant.

<u>Source</u>		<u>Reference</u>
Revised [Section 24(a)]	basis when they fall due. Increments for part-time teachers are based on the due proportion of the full-time scale, and also given on an annual basis when they fall due.	
Revised [Section 24(b)]	(ii) When it appears to the Incorporated Management Committee that the service of a member of the staff has been unsatisfactory, the Committee may withhold an annual increment. The decision to withhold an annual increment of a staff member, together with the reasons for so doing, must be endorsed and properly recorded at the meeting of the Incorporated Management Committee. For the purpose of salary administration, the Permanent Secretary should be informed immediately in writing.	School Administration Guide
Revised [Section 25]	(c) <u>Recognised experience for incremental credit</u> On appointment to an aided school, a teacher should receive incremental credit for full-time or part-time previous post qualification teaching experience on the basis of one increment for each year of full-time service or the equivalent in aggregated part-time service in: (i) a government school; (ii) an aided school; (iii) a caput school / school under the Direct Subsidy Scheme; or (iv) a private school offering formal curriculum ^{Note} . (d) Only recognised post-qualification experience supported by documentary evidence would be counted for increments. Service in schools outside Hong Kong would be assessed for the purpose of increments on a case by case basis according to individual merits.	School Administration Guide/Salary Guide

^{Note} Service in private schools offering formal curriculum prior to 1 September 1971 should be credited on the basis of one increment for two years full time service or the equivalent in an aggregated part-time service.

Source

Revised
[Section 26(b)
of COA for
Special Schools
& EMBC
No.38/2000]

- (e) Incremental credit for experience may also be awarded in accordance with the above principles to laboratory technicians, occupational therapists, physiotherapists, speech therapists, educational psychologists, nurses and staff in the social work officer or social work assistant grade.

10.2 **Non-salaries Grant**

New

Non-salaries Grants are provided for specific purpose or designated use to meet expenditure, other than salaries of staff covered within the approved staff establishment. They include:

Replacing
Sections 8, 36
on OEBG, 37
on CFEG and
38]

(a) **Expanded Operating Expenses Block Grant**

This is a recurrent block grant made up of virtually all non-salary recurrent grants to aided schools to meet the administration and operating expenses of schools. The Incorporated Management Committee is given the flexibility in the use and deployment of this grant to meet the operational and developmental needs of the school, and to use the surplus of this grant to top up

- (i) non-recurrent expenses for projects approved/funded by the Education and Manpower Bureau;
- (ii) recurrent expenses arising from government-funded projects; and
- (iii) recurrent expenses arising from furniture and equipment and other facilities or educational services acquired through private donations or other fund-raising schemes.

Schools should establish proper procedures, objective criteria and clear approving authority for transferring the surplus out of this Grant. Details of the grant and its ambit are set out in the Compendium.

(b) **Other Grants**

These grants are provided for specified purposes and cannot be deployed for other uses. Examples are the Teacher Relief Grant and the Dent and Dates Grant

Reference

Compendium –
Section 11

Source**Reference**

Teacher Relief Grant and the Rent and Rates Grant.

EMBCM
173/2005

(i) The Teacher Relief Grant is a cash grant to enhance schools' flexibility in employing temporary teaching-related staff and procurement of education-related services. It comprises two components; a basic cash grant and an optional cash grant. The basic cash grant is an annual recurrent cash grant for the employment of supply teachers, where necessary, to substitute teachers on approved leave for less than 30 days. In addition, schools may opt to obtain a further cash grant by freezing up to 10% of their teaching establishment, on a temporary or permanent basis. Details of the grant are set out in the Compendium.

(ii) The Rent and Rates Grant is to cover the rent and rates as assessed and approved by the Government and are paid on a reimbursement basis.

The level of provision of the above grants may vary for individual schools and their availability is subject to adjustment and review. The detailed operation guide and the basis of calculation can be found in the School Administration Guide.

Compendium –
Section 12

School
Administration
Guide

11. Non-Recurrent and Capital Grants

Revised
[Section 40]

11.1 The Permanent Secretary may approve non-recurrent grants in respect of major repairs projects under the annual estimate exercise which is announced through annual circulars, and furniture and equipment (not covered under Expanded Operating Expenses Block Grant) as announced through call circular from time to time. The level of provision for these grants is based on the approved tendered cost or actual cost, whichever is the less.

Revised
[Section 41&
42]

11.2 The Permanent Secretary may also approve capital grant in respect of extension to or re-provisioning of an existing school, administered under the terms of this Code of Aid. The application procedures and other details of these

Compendium –

<u>Source</u>		<u>Reference</u>
New	<p>non-recurrent grants are set out in the Compendium.</p> <p>11.3 The Permanent Secretary may also approve other one-off non-recurrent grants under designated policy initiatives. The level of provision for such grants will be determined by the objective and the ambit of the initiative.</p>	Section 13
12. Other Provisions		
<u>Government to carry the risk of damage or loss</u>		
Revised [Section 43(a)]	<p>12.1 The Government would carry the risk of damage or loss to the school premises of aided schools including furniture and equipment caused by fire, natural disasters, other perils or malicious acts of any person; loss of standard items and loss of government funds by theft and burglary. Details concerning the procedures for assessment and settlement of claims for damage, destruction or loss of standard items in the cases mentioned above, and related security measures are set out in the School Administration Guide.</p>	School Administration Guide
Revised [Section 43(b) to 43 (c)]	<p><u>Insurances and other forms of subsidies</u></p> <p>12.2 The following insurance is provided for all aided schools:</p> <p>(a) Public Liability Insurance covers accidental injury to any person, and accidental damage to or loss of property;</p> <p>(b) Employees' Compensation Insurance covers compensation to employees (whose salaries are subvented by the Education and Manpower Bureau) for death or injury by accident or disease under the Employees' Compensation Ordinance;</p> <p>(c) Group Personal Accident Insurance covers injury of students by accident while the students are participating in any school activities; and</p>	Section 40, Employees' Compensation Ordinance
New [EMBCM 173/2005]	<p>(d) Incorporated Management Committee Liability Insurance covers management liability, vicarious educator liability and employment related matters to protect managers from liabilities arising from decisions of the Incorporated</p>	

Source

Management Committee.

Details of the above insurance items [(a) to (d)] are announced through circular from time to time.

12.3 The Incorporated Management Committee may take out separate insurance cover for items by the above.

12.4 Non-recurrent subsidies of specific nature are provided, where necessary, to support learning and teaching needs such as the Teacher Professional Preparation Grant which enables schools to create space and opportunities for the professional development of teachers in preparing for the New Secondary School Curriculum.

Reference

RESTRICTED**PART IV CONDITIONS OF SUBVENTION****Source****Reference****13. Staffing and Staff Management**13.1 General Rules and Requirements

(a) The Incorporated Management Committee is responsible for the management of a professional and dedicated team of teaching and non-teaching staff in school. The school should be a professional learning community where all teaching staff would strive for quality school education in the interest of the students and commit themselves to continuous professional development.

(b) In all circumstances, the Incorporated Management Committee is required to adopt an open, fair and competitive appointment system, and to uphold the principles of meritocracy, natural justice, equal opportunity and fairness in handling all appointment, personnel and staff-related matters.

Revised
[Section 49
(a) (b)]

(c) The Incorporated Management Committee, being ultimately responsible and fully accountable for the appointment, promotion, resignation, retirement, termination, dismissal and any other staffing matters, must ensure compliance of relevant requirements of the Education Ordinance and Regulations, Employment Ordinance and employment-related ordinances, and relevant provisions in this Code of Aid, including such instructions as the Education and Manpower Bureau may issue from time to time.

School
Administration
Guide

(d) The Incorporated Management Committee should maintain a systematic and updated employment and personnel record of staff at all times. All cases of staff management issue should be well documented so that proof of evidence can be available in the event of any possible allegation of impropriety on staff management.

Section 49A,
Employment
Ordinance

Revised
[Section
51(d)]

(e) There should not be any discrimination against any employee or job applicant. The Incorporated Management Committee is reminded to observe the relevant provisions in the Code of Practice on Employment issued by the Equal Opportunities

RESTRICTED**Source****Reference**

Commission.

Revised
[Section
49(a) and
amendment
to ER 76]

- (f) For appointment and dismissal of teachers (including temporary teachers who are employed for a term of not less than 6 months), the Incorporated Management Committee is required to further observe regulations 76, 77 and 78 of the Education Regulations, in particular regulation 76 which stipulates that

Education
Regulations 76,
77 and 78

(i) *“The appointment of any teacher who is to be employed in the school – (a) to occupy a teacher post in the establishment of staff provided for in the code of aid for primary schools, code of aid for secondary schools or code of aid for special schools; or (b) for a term for not less than 6 months, shall be approved by the majority of the managers of the school”;* and

(ii) *“The dismissal of any teacher who is employed in the school – (a) to occupy a teacher post in the establishment of staff provided for in the code of aid for primary schools, code of aid for secondary schools or code of aid for special schools; or (b) for a term for not less than 6 months, shall be approved by the majority of the managers of the school at a meeting of the management committee or incorporated management committee (as may be appropriate).”*

Revised
[Section
49(b)]

- (g) For the purpose of salary administration, the Incorporated Management Committee should notify the Education and Manpower Bureau, in the first instance, of any staff changes stating such details as name and post, the effective date, the period of notice given. All staff record should be properly maintained and kept up to date for inspection by the Education and Manpower Bureau, if required.

13.2 Appointment of Staff under Salaries Grant

RESTRICTED

<u>Source</u>		<u>Reference</u>
Revised [Section 50(a)]	<p>(a) Appointment of the following staff under Salaries Grant is subject to the approval of the Permanent Secretary:</p> <ul style="list-style-type: none"> (i) Principal; (ii) Teachers above the age of sixty; (iii) any teachers other than qualified teachers as defined in this Code of Aid^{Note 1}; and (iv) temporary Native-speaking English Teachers. <p>Any recommendation for approval of appointment in the above categories must have the support of the majority of the members of the Incorporated Management Committee in accordance with regulation 76 as quoted in 13.1(f) above.</p>	Education Regulation 76
Revised [Section 50(b)]	<p><u>Verification of the eligibility for appointment and assessment of salaries</u></p> <p>(b) The principal is required to check the eligibility of a person for appointment and is responsible for accurately assessing the salaries of staff employed under the Salaries Grant in accordance with the requirements of this Code of Aid and relevant rules as promulgated in the circulars/documents issued by the Education and Manpower Bureau.</p>	School Administration Guide/Salary Guide
Revised [Section 17(b)]	<p>(c) The Incorporated Management Committee is responsible for making arrangement with the staff concerned to rectify any overpayment or underpayment of salaries. In the event of overpayment, the Education and Manpower Bureau will adjust any overpaid salaries identified in the next immediate subvention payment to the school concerned. The school should recover any such overpayment from the relevant staff and bear any loss if irrecoverable^{Note 2}. The Incorporated Management Committee is reminded to observe the</p>	Section 32,

Note 1 This includes registered teacher by merit of ten-year recognised teaching experience and “unqualified” teacher i.e. any teacher who does not meet the requirements for appointment as a “qualified teacher” as defined in this Code of Aid. The Incorporated Management Committee of an aided school may, if a qualified teacher is not available to fill a vacant teaching post, with full justification, temporarily employ an unqualified teacher except for the teaching of specific subjects which require teachers of special training or qualifications. The salary for “unqualified teacher” is shown in Section 2 of the Compendium to the Code of Aid.

Note 2 The Incorporated Management Committee is reminded that in accordance with Section 4 of the Limitation Ordinance, Cap 347, recovery of overpayment from staff concerned should be made within the 6-year liability period as prescribed in the Limitation Ordinance.

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<u>Source</u>		<u>Reference</u>
	Employment Ordinance in the recovery of any advance or overpayment of salary through salary reduction from staff concerned.	Employment Ordinance
Revised [Section 52(c)]	(d) Schools should keep all copies of certificates and testimonials, and appointment forms and any other relevant documents in respect of all staff employed for inspection as and when required.	
	<u>Qualifications required for employment of staff</u>	
Revised [Section 53]	(e) Qualifications required for employment of staff paid under the Salaries Grant in an aided school are promulgated through circular from time to time.	Compendium – Section 4
Revised [Section 54]	(f) The Incorporated Management Committee should, in considering the appointment of teaching staff, give preference to persons who, in addition to the minimum qualification for employment, possess a recognised degree and professional qualification in education.	
New [Replacing Section 50(a) & in line with	<u>Appointment of Principal</u>	
Section 57A of Education Ordinance]	(g) Appointment of principal must be approved by the Permanent Secretary in accordance with Sections 53 to 57 of the Education Ordinance.	
	<u>Selection of Principal</u>	
	(h) The Incorporated Management Committee must, before recommending any person to be appointed principal of the school for approval by the Permanent Secretary, comply with Section 57A of the Education Ordinance regarding the appointment of a principal selection committee -	Section 57A, Education Ordinance
	<i>“A principal selection committee shall be accountable to the incorporated management committee; and be composed of:</i>	
	<i>(i) representatives of the sponsoring body of the school;</i>	
	<i>(ii) managers of the school acting as representatives of the incorporated management committee; and</i>	
	<i>(iii) (where applicable) such other persons as may be provided for in the constitution of the incorporated</i>	

RESTRICTED

<u>Source</u>		<u>Reference</u>
Revised [Section 51(a)(b)(c)]	<p style="text-align: center;"><i>management committee."</i></p> <p>(i) The process of selecting the principal must be open, fair and transparent and in accordance with Section 57A of the Education Ordinance.</p> <p><u>Medical examination</u></p> <p>(j) The Incorporated Management Committee should, in consideration of maintaining a healthy school environment and in the interest of the students, decide whether to require each staff member (other than supply staff paid on daily rate) to undergo a medical examination including a chest X-ray examination by a registered medical practitioner before appointment.</p> <p>(k) <u>Letter of Appointment or Contract of Service</u></p>	Education Regulation 54 School Administration Guide
New	<p>(i) The Incorporated Management Committee should, before employment begins, inform employees clearly the terms of employment in the form of letter of appointment or contract of service, and its expectation on employees' performance which should be consistent with the education policies, relevant provisions in the Code of Aid, Employment Ordinance and other relevant ordinances.</p>	Employment Ordinance
Revised [Section 56(a) & (b)]	<p>(ii) For appointment of teachers under the Salaries Grant, the Incorporated Management Committee should furnish them with a letter of appointment in accordance with Education Regulation 77 which stipulates that</p> <p style="text-align: center;"><i>"The management authority shall be responsible for issuing to all teachers letters of appointment which shall set out (a) conditions of service; (b) salary scale; and (c) conditions of termination of appointment."</i></p> <p>Schools should specify the terms and conditions of service in the letter of appointment or contract of service as provided in the Compendium. Moreover, they should make it clear in the letter of appointment or contract that the condition of service may be renewed as appropriate at regular intervals. Where termination of employment is</p>	Education Regulation 77 Compendium – Section 3 School

RESTRICTED

<u>Source</u>		<u>Reference</u>
Revised [Section 57]	<p>concerned, the Incorporated Management Committee must observe the requirements as expounded in Section 13.5 of this Code of Aid.</p> <p>(iii) The appointment of specialist staff to aided schools should follow the principles outlined in sub-sections (i) and (ii) above where applicable.</p> <p>(iv) Teachers and specialist staff on first appointment to an aided school should normally serve a probationary period of two years, during which employment may be terminated by due notice or payment in lieu of notice as prescribed in the Compendium. Thereafter, termination of employment will require a minimum of three months of notice, or payment in lieu as prescribed in the Compendium, and any other conditions as stipulated in the letter of appointment or contract of service.</p>	Administration Guide
13.3 <u>Promotion and Re-grading</u>		
Revised [Section 60]	<p>(a) Except for promotion to the post of principal which is subject to the approval of the Permanent Secretary, the Incorporated Management Committee may approve promotion and re-grading of all staff members (including direct appointment of staff to promotion posts) in accordance with the conditions under which teaching and other staff may become eligible for promotion and re-grading and other relevant requirements as stipulated in the Compendium.</p> <p>(b) The Incorporated Management Committee must, before approving promotion or re-grading of staff, check and ensure that the actual strength of staff of the school will not exceed the approved entitlement in respect of grades and ranks of appointment.</p> <p>(c) The Incorporated Management Committee must put in place fair and open criteria and procedures prior to and in processing all cases of promotion and re-grading, and in compliance with any such instructions as the Education and Manpower Bureau may from time to time issue. For the purpose of salary administration, the Incorporated</p>	School Administration Guide Compendium – Section 6 School Administration Guide Compendium – Section 5

RESTRICTED

<u>Source</u>		<u>Reference</u>
Revised [Section 61]	(d) The records of promotion and re-grading must be well documented and properly maintained for the purpose of management audit.	School Administration Guide
New	(e) <u>Direct appointment of teachers to promotion ranks</u> The Incorporated Management Committee, on the basis of appointment by meritocracy, has the discretion to decide on direct appointment of teachers to promotion ranks to meet the operational and developmental needs of the school. The criteria for such arrangement should be announced beforehand and made open. Also, the decision must be supported by the majority of members of the Incorporated Management Committee and is fully justifiable. The process of recruitment must be opened up to all and the selection/appointment must be objective, fair and transparent. The justification, recruitment procedures and assessment of candidates must be fully documented and be made available for the purpose of management audit.	
Revised [Replacing Sections 62 & 63]	13.4 <u>Acting Appointment</u> The Incorporated Management Committee may approve full-time regular teachers for acting appointments to fill approved functional posts when such posts are left vacant for a continuous period of not less than 30 consecutive calendar days. Details of acting appointments and the award of acting allowances are set out in the Compendium.	Compendium – Section 8
New	13.5 <u>Termination of Employment</u> (a) Termination of employment may arise due to <ul style="list-style-type: none"> (i) resignation; (ii) dismissal; or (iii) redundancy. (iv) Non-renewal of probation contract The Incorporated Management Committee must process	

Employment

RESTRICTED

<u>Source</u>		<u>Reference</u>
	<p>each case of the termination of employment of staff paid out of the Salaries Grant in accordance with all employment related rules and regulations under relevant ordinances and legislations. For termination of employment with teachers and specialist staff, the Incorporated Management Committee should also observe the conditions and procedures as stated in the Compendium.</p>	<p>Ordinance Compendium – Section 6</p>
<p>New [in line with amendment to ER 76]</p>	<p>(b) In the case of dismissal of teacher, the Incorporated Management Committee is reminded that such dismissal should be approved by the majority of the managers of the school at a meeting of the Incorporated Management Committee in accordance with Education Regulation 76 as quoted in 13.1(f) above. Where unsatisfactory performance is concerned, the Incorporated Management Committee should lay down clear expectations of the performance of its staff beforehand and offer reasonable opportunities for improvement before considering termination of employment.</p>	<p>Education Regulation 76</p>
<p>Revised [Section 58(g)]</p>	<p>(c) Summary dismissal is a serious disciplinary action which has to be justified on the basis of serious misconduct, gross negligence, having adverse impact on students or on their learning (for examples, criminal offence or failure to discharge their responsibility, including in-subordination and ineptness).</p>	<p>Section 11, Employment Ordinance</p>
<p>Revised [Section 58(f)]</p>	<p>(d) The Incorporated Management Committee may, in line with the provisions of the Employment Ordinance, suspend an employee from his normal duties for a period of not exceeding 14 days under the following circumstances:</p> <ul style="list-style-type: none"> (i) in cases where criminal proceedings against the employee arising out of or connected with his employment have been, or are likely to be instituted; or (ii) in cases where the employee's serious misconduct is under investigation and it would be against the interest of the students for him to continue to work in the school. 	<p>Section 11, Employment Ordinance</p>
	<p>In case of (i), where the criminal proceedings are not concluded within 14 days, the period of suspension may be</p>	

RESTRICTED**Source****Reference**

extended till the end of such proceedings. Whereas for (ii), the Incorporated Management Committee should exercise discretion on the line of action as provided under the Employment Ordinance. All periods of suspension, when the employee concerned will be absent from duty, should not attract salary payment.

Revised
[Section
58(e)]

- (e) Member of the teaching or specialist staff who terminates his employment without having given adequate period of notice as stipulated in the Compendium of this Code of Aid or in any document related to the employment is liable to pay an amount of salary in lieu of notice stipulated in the Compendium to be credited to the school's Salaries Grant Account. Nevertheless, the Incorporated Management Committee may waive the said payment if the explanation given by the staff member concerned is justified, and inform the Permanent Secretary of such a waiver and the reasons thereof.

Compendium –
Section 6

Revised
[Section
49(b)]

- (f) For the purpose of salary administration, the Incorporated Management Committee should notify the Education and Manpower Bureau promptly of all cases of termination of employment stating the effective date and, where applicable, the period of notice given and, the amount of payment in lieu of notice paid, if any.
- (g) The Incorporated Management Committee should issue to staff leaving the employment a certificate of service stating relevant employment particulars of the staff, including the last monthly salary, salary point, incremental date and leave balance in the case of teachers.

13.6 Deployment of Teaching Staff

Sponsoring body's authority of deploying teaching staff

New [in line
with Section
40AG of
Education
Ordinance]

- (a) The Incorporated Management Committee should, upon request by the sponsoring body of the school for reasons so warranted in accordance with the circumstances prescribed in the Education Ordinance as follows, take action to terminate the employment of a person as the principal or as a teacher of

Education
Ordinance,
Section 40 AG

RESTRICTED**Source****Reference**

the school, or to employ a person deployed from other schools operated under the same sponsoring body as the principal or a teacher of the school:

- (i) the action is conducive to the professional development of the person concerned;
- (ii) the action is necessary to avoid or alleviate over-establishment of staff; or
- (iii) the Permanent Secretary approves the request upon an application by the sponsoring body, and other good cause being shown to his/her satisfaction.

Deployment of redundant teacher

- (b) The Incorporated Management Committee is required to work out a set of school-based criteria, which must be objective, fair and transparent, to identify redundant teachers together with an appeal mechanism for the affected teachers to communicate with the school management. In the event that deployment of redundant principal and teachers from one school to another is required, sponsoring bodies operating more than one school should, given their authority to deploy teaching staff among their schools as set out in (a) above, ensure that Incorporated Management Committees of schools concerned have applied both the criteria and the appeal mechanism consistently and the deployment meets the needs of the schools concerned and serves the best interest of the students. Details of the principles for identifying, deployment and arrangement for redundant teachers are set out in the School Administration Guide.

School
Administration
Guide

13.7 Change of Rank within Grade

New

- (a) In the event that there is a reduction of classes that the headship entitlement and/or the number and rank of promotion posts may be affected, the holder of a post identified as over-ranked must step down to assume a post of an appropriate lower rank in line with the approved staff entitlement.
- (b) Where the Incorporated Management Committee considers it necessary for a member of the staff to step down to a lower

School
Administration

RESTRICTED

<u>Source</u>		<u>Reference</u>
	<p>rank for reasons other than in (a) above, it must ensure that the relevant legislations and ordinances as well as fair and open procedures which are developed beforehand in consultation with staff have been followed.</p> <p>(c) In all cases, the salary of the stepped-down staff should be duly re-assessed and adjusted to be commensurate with the salary scale of the stepped-down rank, unless otherwise as approved by the Permanent Secretary.</p> <p>For the purpose of salary administration, all stepped-down cases should be promptly reported to the Education and Manpower Bureau. The decision must be fully documented with justification for inspection.</p>	Guide
	13.8 <u>Retirement</u>	
Revised [Section 59(a)&(b)]	<p>(a) All staff employed under the Salaries Grant in accordance with the approved staff establishment and pay scale should retire at the age of sixty, whereas principals and teachers may be allowed to retire at the end of the school year in which they reach the age of sixty.</p>	Section 58A, Education Ordinance
	<p>(b) Under exceptional circumstances, the Permanent Secretary may, on the recommendation of the Incorporated Management Committee and subject to full justifications and the submission of a satisfactory medical certificate, permit the principal and any teacher to continue in service for a period of not more than one school year after the end of that in which he/she reaches the age of sixty, and for further periods each of not more than one school year, up to the end of the school year in which he/she reaches the age of sixty-five. The maximum aggregate period for which permission may be given should be five consecutive school years.</p>	Section 58B, Education Ordinance
	13.9 <u>Leave</u>	
New	<p>(a) The Incorporated Management Committee should ensure that all members of staff employed by the school are granted the kinds of leave provided under the Employment Ordinance.</p>	Employment Ordinance

RESTRICTED**Source****Reference**

Revised
[Sections 26
to 32]

(b) The Incorporated Management Committee may approve leave of various kinds to teaching and non-teaching staff employed under the Salaries Grant, paid or no-pay, in accordance with the conditions and arrangements specified in the Compendium except for the following types of leave where prior approval of the Permanent Secretary is still required:

Compendium –
Section 7

(i) paid study leave to attend course of training which has not been endorsed by the Permanent Secretary in advance; and

(ii) Other leaves which are not specified nor provided for in the School Administration Guide.

School
Administration
Guide

(c) In granting no-pay leave, the Incorporated Management Committee must observe and remind the staff concerned of the following arrangements -

(i) all no-pay leave is not counted for purpose of increment; and

(ii) rules for counting the last day of no-pay leave, which are detailed in the Compendium.

Compendium –
Section 7

(d) The Incorporated Management Committee should also ensure that the school has kept proper and up-to-date leave records of all staff members. These records should be available for inspection by officers authorized by the Permanent Secretary as and when required.

Employment
Ordinance

Revised
[Section
32(c)]

(e) In the case of teachers' leave, an annual record of leave granted by the Incorporated Management Committee to teachers should be submitted to the Permanent Secretary by August of each school year for endorsement in connection with requirements governing teachers' continuous contributory service during the period of leave under the Provident Fund Rules.

Provident Fund
Rules

Revised
[Section
35(a)/20/18
of COA for

13.10 Employment of Non-teaching Staff under Administration Grant or Revised Administration Grant

The Incorporated Management Committee is solely responsible

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<u>Source</u>		<u>Reference</u>
of COA for Secondary/ Primary/ Special Schools respectively]	<p>and accountable for the appointment, salary administration, terms of service and all personnel matters of all administrative, clerical and janitor staff covered under</p> <p>(a) Administration Grant for aided secondary schools; and</p> <p>(b) Administration / Revised Administration Grant for aided primary and special schools, and the boarding section of aided secondary schools.</p> <p>Such appointments must be made in strict accordance with relevant employment related rules and regulations of relevant ordinances and legislations in force. Details and basis of calculation of these grants are given in the Compendium.</p>	Compendium – Sections 9 and 10
13.11 <u>Employment of Supply Staff and Temporary Staff</u>		
Revised [Section 33(a) &(b)]	<p>(a) <u>Short-term supply staff</u></p> <p>(i) The Incorporated Management Committee may approve the employment of supply staff on daily pay basis to substitute for members of the teaching and non-teaching staff covered under the Salaries Grant, who are absent on approved leave or other circumstances. The conditions for employment of these supply staff are given in the Compendium.</p> <p>(ii) Service as supply staff on a daily pay basis is not counted for the purpose of increments or regarded as service for any other purposes.</p>	Compendium – Section 7
Revised [Section 34(a) & (b)]	<p>(b) <u>Monthly term temporary staff</u></p> <p>The Incorporated Management Committee may approve the employment of temporary staff on monthly term of the appropriate grade for principal, teaching and non-teaching staff covered under the Salaries Grant (except for clerical staff^{Note}) who have been granted maternity leave, sick leave, study leave or no-pay leave for a period not less than 90 days, and for a period of not less than 30 days in the case of</p>	

^{Note} In the case of clerical staff, employment of temporary replacement staff can be approved only if the school has only one clerk whose salary is covered under the Salaries Grant.

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<u>Source</u>	specialist staff as defined in this Code of Aid.	<u>Reference</u>
Revised [Section 65 & 66]	<p>13.12 <u>Provident Fund and Mandatory Provident Fund</u></p> <p>(a) A teacher who is eligible for contribution to the Subsidized Schools Provident Fund or to the Grant Schools Provident Fund as specified under the respective Provident Fund Rules is subject to the provisions of the respective Provident Fund Rules made under the Education Ordinance. The benefits which a teacher-contributor may receive from the funds can be found in the School Administration Guide.</p> <p>(b) The following teachers who are not eligible for contribution to the Subsidized Schools Provident Fund or to the Grant Schools Provident Fund, or not exempt from the Mandatory Provident Fund Schemes Ordinance, are required to join the Mandatory Provident Fund scheme -</p> <p>(i) New teacher over the age of 55 on first appointment;</p> <p>(ii) Temporary teacher appointed for 60 days or more;</p> <p>(iii) Staff employed on gratuity-bearing contract terms (e.g. Native-speaking English Teachers); and</p> <p>(iv) Staff paid by grants other than Salaries Grant and Administration Grant/Revised Administration grant.</p> <p>(c) Unless specifically exempted, all non-teaching staff is required to contribute to a registered Mandatory Provident Fund scheme or a scheme registered under the Occupational Retirement Scheme Ordinance.</p>	<p>Section 85, Education Ordinance and Provident Fund Rules School Administration Guide</p> <p>Mandatory Provident Fund Schemes Ordinance</p>
Revised [Section 64]	<p>13.13 <u>Outside Duties</u></p> <p>All staff employed full-time in an aided school administered under the terms of this Code of Aid must not engage in outside duties except with the prior approval of the Incorporated Management Committee, who must be satisfied that such duties contribute to the public good and will not interfere with the efficient performance of the staff's normal duties, and that the staff taking up such outside duties will not constitute any conflict of interest. Records of such approval should be kept by the school and such approval should be reviewed by the school</p>	

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<u>Source</u>		<u>Reference</u>
New	<p>management regularly.</p> <p>14. Financial Management</p> <p>14.1 <u>Principles and Practice</u></p> <p>(a) The Incorporated Management Committee is responsible to handle funds and assets received from the Government in the capacity of a trustee. It should also act as trustee for subscriptions collected from the students and for donations from the general public. As trustee, the Incorporated Management Committee has full management and administration rights over the funds and assets but these rights must always be exercised in accordance with the purposes for which the Incorporated Management Committee is entrusted with such funds and to the full advantage of the students and the school. All profits earned from the funds and assets should be for the account of the school.</p> <p>(b) As trustee of Government subvention and subscriptions collected from students and the public, the Incorporated Management Committee is obliged to set up and maintain a financial management and control mechanism which ensures a system of openness, integrity, accountability, probity and transparency. Incorporated Management Committees should refer to the Financial Management Guide for operating and maintaining proper financial management and control functions in their schools.</p> <p>(c) The Incorporated Management Committee is required to observe the relevant legislations, rules, circulars and guidelines which govern the use of Government subvention, and to comply with the tendering and procurement procedures as promulgated.</p> <p>(d) For the purposes of proper financial planning and control, the Incorporated Management Committee should prepare a financial budget for each school year and establish a budgetary control system. The annual financial budget should include the number of operating classes, a manpower plan, all subventions and other income and all expenditures for the ensuing year.</p>	<p>Section 40AF, Education Ordinance</p> <p>Financial Management Guide/School Administration Guide</p> <p>Financial Management Guide/School Administration Guide</p>

RESTRICTED**Source****Reference**

for the ensuing year.

- (e) Such financial budget should tie in with the daily operation and development plan of the school. Any significant departure from the budget should be promptly investigated, clearly explained and properly rectified.
- (f) The Incorporated Management Committee should always ensure that adequate and regular internal controls are put in place, so as to ensure that its school is managed in an orderly, efficient and effective manner, adheres to management policies, safeguards assets and secures the completeness and accuracy of records.
- (g) Internal audit provides an independent appraisal of the activities of the school and assists the Incorporated Management Committee to ensure that adequate control procedures and systems are in place to safeguard assets of the school. To achieve the long-term goal of enhanced accountability and financial control, the Incorporated Management Committee should take appropriate steps to develop internal audit activities and, if appropriate, to form audit committee in accordance with school's need and circumstance.

New

14.2 Handling of Income and Expenditure

- (a) The Incorporated Management Committee has the autonomy and flexibility of handling its income and the use of it in accordance with the conditions and requirements as prescribed in this Code of Aid, including grants from the Government and approved income generated by the school or received from donation. Such income must solely be used for that school on educational purposes and not be transferred to other schools even under the same sponsor.
- (b) The Incorporated Management Committee is required to establish a proper framework and procedural guides for school to use its fund.
- (c) All income from non-government sources should be kept and recorded in bank account(s) separately from those holding government subventions. The Incorporated Management

Financial
Management
Guide/School
Administration
Guide

RESTRICTED

<u>Source</u>		<u>Reference</u>
Revised [Section 16]	Committee should also ensure that no Government subvention is spent on school's self-financing activities.	
	(d) The Incorporated Management Committee should ensure that, where the school lets any part or all of its premises for any purposes, the rental or profit so received must be credited to the school's accounts.	
14.3 <u>Collection of Fees and Charges</u>	<u>Tuition Fee, Boarding Fee and Tong Fai</u>	
Revised [Section 13 (a) & (b) & 18]	(a) The Permanent Secretary may approve the charging of tuition fee, boarding fee and Tong Fai in a school where applicable. The standard tuition/boarding fees and Tong Fai to be charged by all types of schools is announced by circular.	Education Regulations 61 to 67
Revised [Section 19]	(b) Unless otherwise permitted in writing by the Permanent Secretary, the amount of tuition fee should be collected on an equal monthly instalment basis payable on or after the first school day of each month, normally from September to June. However, the Incorporated Management Committee may, on justifiable grounds, require payment of the September instalment to be made not earlier than 1 August. Boarding fees, however, should be collected on or after the first school day of each month during which the student is resident in the school.	
Revised [Sections 13(c) & 14]	<u>Other Fees and Charges</u>	
	(c) The Incorporated Management Committee may approve the collection of other fees and charges if such collection has, in particular, the express agreement of majority of parents. However, the Incorporated Management Committee should waive the charges or make sufficient provision of assistance to cater for the needs of the students in financial difficulties.	Education Regulation 66
	(d) A school must not transfer income arising from the approved collection of other fees and charges to any other body, or to a fund separately kept by the Incorporated Management Committee for educational development or any other purpose, unless such transfer has been approved by the Permanent Secretary in writing. All such income should be	

RESTRICTED**Source****Reference**

kept in the Approved Collection and Capital Reserve Fund *[Provisional]* to be used to meet educational and school needs. The Incorporated Management Committee should consider requiring the school to draw up a list of items to be charged to the above Fund account and providing procedural guides for their school to use the funds.

Revised
[Section 15]

14.4 Acceptance of Donations

- (a) The Incorporated Management Committee may accept donations, both in cash and in kind, made to school, but prior approval from the Permanent Secretary is required when the donations will incur additional recurrent government expenditure. When approval for such donation is granted, all such income must be properly reflected and expenditure so incurred from it should be charged to school's own fund accounts.
- (b) The Incorporated Management Committee should note that before donations are accepted, it must be satisfied that (i) relevant requirements under the Prevention of Bribery Ordinance have been observed; (ii) there is no connection between the donation and any student's standing or possible future standing in the school; (iii) offers of donations from commercial concerns cannot be interpreted in any way as inducements and (iv) the acceptance of school donation or outside contribution will benefit the students.

Prevention of
Bribery
Ordinance

New

14.5 Accounting and Auditing

- (a) The Incorporated Management Committee must keep proper books of account and other financial and accounting records.
- (b) Detailed guidelines on accounting procedures in respect of important financial activities are included in the manual of financial management, control and reporting system set out in the Financial Management Guide/School Administration Guide.
- (c) The Incorporated Management Committee is required to prepare its annual financial statements and submit the financial statements to the Permanent Secretary at such time

Education
Regulation 64
Financial
Management
Guide/School
Administration
Guide

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<u>Source</u>		<u>Reference</u>
	and in such manner as the Permanent Secretary may specify.	
	(d) The financial statements shall include an income and expenditure account and a balance sheet and shall be authenticated by the signatures of the Supervisor of the school and one other manager authorized by the Incorporated Management Committee of the school.	
	(e) The Incorporated Management Committee is required to appoint an accountant, who should be a certified public accountant (practicing) as defined in the Professional Accountants Ordinance (Cap. 50), as the auditor.	Section 40BB, Education Ordinance
	(f) The auditor must audit the financial statements as stated at (c) above and report whether the financial statements present fairly the financial performance of the Incorporated Management Committee during the accounting year and the financial position at the end of the year, subject to such qualification, if any, as he thinks fit.	
	(g) The audited financial statements together with the report of the auditor shall be submitted to the Permanent Secretary within 6 months after the year end date of the school.	Section 40BB, Education Ordinance
New	14.6 <u>Compliance with Public Accounting Procedures for Procurement of Stores and Equipments</u>	
	It is the responsibility of the Incorporated Management Committee to ensure that its school and staff conform to the requirements and prescribed procedures governing the procurement of services, stores and equipments for public and subvented organisations. As such, the Incorporated Management Committee should put in place a procurement policy abiding by the principle of transparency, fairness and competitiveness in the school.	Financial Management Guide/School Administration Guide
	15. Student Matters	
	15.1 <u>Allocation and Admission of Students</u>	
Revised	The Incorporated Management Committee is required to ensure that its school	
[Section 44 & Appendix --	(a) admits students in accordance with the admission policies	Section 74,

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<u>Source</u>		<u>Reference</u>
1]	<p>which are regulated and promulgated by the Education and Manpower Bureau from time to time; and</p> <p>(b) enrolls all the students allocated by the Education and Manpower Bureau through the allocation systems that are being enforced.</p> <p>(c) admit a child to fill an available vacant place who is:</p> <p>(i) served with an attendance order by the Permanent Secretary; or</p> <p>(ii) referred by the Permanent Secretary for placement.</p>	<p>Education Ordinance</p> <p>School Administration Guide</p>
	<p>However, principal of special school should ensure that children admitted to his/her school are genuinely in need of and will benefit from the type of special education the school provides.</p>	
<p>Revised [Section 45 & Appendix 1]</p>	<p>15.2 <u>Suspension and Expulsion of Students</u></p> <p>(a) As a general principle, students admitted into an aided school should normally be allowed to complete the full course of that school. Students must not be expelled solely on the ground that they are academically weak. When action to expel a student has to be considered, the Incorporated Management Committee and school should also observe that:</p> <p>(i) students admitted into an aided primary school should be allowed to complete the six-year course;</p> <p>(ii) students admitted into an aided secondary school in the junior secondary course (Secondary 1-3) must not be expelled under the age of 15 years; and</p> <p>(iii) students admitted to an aided special school must not be expelled under the age of 16, and no student should be allowed to remain in a secondary class after the end of the school year during which he/she reaches the age of 20.</p> <p>(b) No student should be expelled without substantiated reasons and proper warnings and notice to parents, and without the approval of the Permanent Secretary if a student is aged under 15.</p> <p>(c) While Incorporated Management Committees as well as principals are expected to be prudent in exercising their</p>	<p>Education Regulation 96</p>

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<u>Source</u>		<u>Reference</u>
	principals are expected to be prudent in exercising their authority over the suspension and expulsion of students, the Permanent Secretary may, in accordance with the authority vested with him/her in the Education Regulations, regulate and intervene in such matters as he/she determines appropriate.	Education Regulation 96
New [in line with ER 79]	<p>15.3 <u>School Days and School Holidays</u></p> <p>(a) The Incorporated Management Committee is required to send to the Permanent Secretary before 15 August in each year notice of all holidays intended to give in the coming school year, including any special holidays given in honour of any particular event, and of all dates on which the usual work of the school will be suspended.</p> <p>(b) In approving school calendars, the Incorporated Management Committee should consider the interests of students, teachers and other stakeholders, and bear in mind that the quality of learning and the effective learning dates are equally important.</p>	Education Regulation 79 School Administration Guide
Revised [Section 46]	<p>15.4 <u>Repetition</u></p> <p>School is expected to consider the best interest of students when exercising its authority in repeating students and to observe the maximum rate of repetition as prescribed by the Permanent Secretary from time to time.</p>	
	<p>16. School Premises and Facilities</p>	
New [in line with ER 5]	<p>16.1 <u>Incorporated Management Committee's Responsibility over Maintenance of School Premises</u></p> <p>While the Government undertakes the risk of damage or loss to the school premises of an aided school, the Incorporated Management Committee is required to note that the care and maintenance of the school premises and the area within the school compound are under its responsibility. Hence the Incorporated Management Committee should keep the school premises in safe and good serviceable conditions and to ensure that the premises are used only for the approved activities of the school, except as may be permitted in writing by the Permanent Secretary.</p>	Education Regulation 5

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<u>Source</u>		<u>Reference</u>
Revised [Section 41 & Appendix 17]	<p>permitted in writing by the Permanent Secretary.</p> <p>16.2 <u>Use of Fund on Maintenance Works</u></p> <p>The Incorporated Management Committee may apply to the Government for financial assistance for repairs and maintenance of the school premises in accordance with prevailing Government policies. However, when minor work is needed, Incorporated Management Committee may charge the expenditure to the relevant grants, such as the Expanded Operating Expenses Block Grant, according to rules and regulations that are set by the Permanent Secretary from time to time.</p>	School Administration Guide
New [in line with EMBC51 /1999]	<p>16.3 <u>Changes of Room Usage</u></p> <p>The Incorporated Management Committee may make changes to room use without structural alterations. However, such changes of room use must not affect the effectiveness of learning and teaching, violate any legislation, nor incur any change in subsidy or provision by the Government. The Incorporated Management Committee should refer to the School Administration Guide for details when considering a change of room use to meet its operational needs.</p>	Education Regulation 10 School Administration Guide
Revised [Section 48]	<p>16.4 <u>Use of School Premises for Public and Educational Purposes</u></p> <p>Unless not practicable, the school premises and facilities when required should be made available to the Government and any other organizations as may be approved by the Government for conducting public examinations, operating other schools on a temporary basis, or organizing educational, community or other activities.</p>	School Administration Guide
17 School Development and Accountability		
New [in line with EMBC 023/2003 & EMBCM 292/2004]	<p>17.1 <u>School Development Plans, Annual School Plans and School Reports</u></p> <p>(a) As a basis for continuous improvement of learning and teaching, aided schools are required to follow the developmental and evaluative activities as laid down in the enhanced School Development and Accountability</p>	

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framework.

- (b) Schools are required to set out clearly and enable public access to their strategic planning in the School Development Plans, stating the strategies and priorities for a period of time as specified by the Education and Manpower Bureau.
- (c) The implementation details and the annual reflection of achievements as blueprinted in the School Development Plans should be elucidated in the Annual School Plans and School Reports, and be made available for public access. Schools should also provide information on a number of key performance measures annually to their stakeholders. For schools which choose to report their key performance measures to the public, they should observe protocols established by the Education and Manpower Bureau.

New [in line
with EMBC
23/2003 &
EMBCM
292/2004]

17.2 School Self-evaluation and External School Review

- (a) For purposes of supporting continuous school development and ensuring accountability for the quality of education delivered, schools are required to conduct rigorous and systematic, evidence-based school self-evaluation as an internal quality assurance process and preparation to external school review.
- (b) In conducting school self-evaluation, the Incorporated Management Committee should make good use of the set of key performance measures data, which is a tool developed to provide objective, balanced and quantitative data to support school self-evaluation in respect of the different aspects of schoolwork and student performance.
- (c) The Incorporated Management Committee should also review and analyse the data on an annual basis, taking into consideration other useful qualitative information collected, to identify trends in performance and areas for strategic self-improvement in connection with schools' developmental priorities, with the ultimate aim of improving students' learning outcomes.
- (d) External school review for schools will be conducted at regular intervals to complement the internal quality assurance

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mechanism. Schools should strive for continuous improvement through this external school review which is geared to improve learning and teaching in schools by providing them evaluation and support.

New [in line with EMBC 023/2003, EMBCM 292/2004]

17.3 Documents for Inspection and Public Access

- (a) In line with the requirements under the School Development and Accountability framework, schools should prepare School Reports to include a broad evaluation of their performance against the school performance indicators framework, including information on key performance measures, for external school review. Schools which have undergone external school review are required to provide Reports produced by external school review teams to their key stakeholders for reference. The Education and Manpower Bureau may upload individual external school review Reports on the Education and Manpower Bureau homepage.
- (b) The Incorporated Management Committee should understand that the information collected for the purpose of conducting external school review is essential for the evaluation and support to be rendered. Schools are therefore required to provide the Education and Manpower Bureau the necessary school and student information and documents which are fundamental to the conduct of external school review.

New [in line with ER 94]

17.4 Submission of Information Concerning School and Students

Schools are required to observe the timely and accurate submission of the information as and when required by the Education and Manpower Bureau as laid down in the Education Regulation 94 which stipulates that

“The management authority shall submit to the Permanent Secretary, whenever required by the Permanent Secretary, such information concerning the school or pupils thereof as may be required by the Permanent Secretary.”

Education
Regulation 94

18 Return of Grants

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Revised
[Section
11(a)]

18.1 If the Incorporated Management Committee wishes to cease operation of an aided school, it should give to the Permanent Secretary at least six months' notice in writing of such intention, and is required on the cessation operation to refund to the Government the recurrent and non-recurrent grants or an equitable proportion of such grants as assessed by the Government.

Revised
[Section 75]

18.2 If, for any reason a school ceases to be an aided school under the terms of this Code of Aid, the Incorporated Management Committee is required to repay any unexpended portion of recurrent grants made to the school, and all other assets acquired through government funds to the Government on the last day of operation. The Incorporated Management Committee must, within three months from the last day of operation of its school, also settle all outstanding liabilities and accumulated deficit of the school, if any, with its own funds, and submit to the Education and Manpower Bureau an audited account for the period up to and including the last day of operation of the school as an aided school.

Reference