

**Sharing on
Audit Findings -
Management Aspects
2023/24**

**School Administration 3 Section, EDB
20 November 2024**

Management and Financial Audit (MFA)

**Other
Success
Factors**

**Enhanced
Governance
Framework**



MFA - Four Specific Aspects

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

Fee Remission/Scholarship Schemes (1)

Criteria for Awarding Fee Remission

Major observations:

- Eligibility benchmarks **less favorable** than those of the government financial assistance schemes owing to:
 - Composition of income including items outside the list set out by SFO e.g. Provident Fund/ MPF, gratuity, retraining allowance
 - A certain percentage of family assets included in the calculation of income

Fee Remission/Scholarship Schemes (2)

Criteria for Awarding Fee Remission

Major observations:

- Students **not granted** fee remission or granted fee remission **less favorable** than government financial assistance scheme owing to
 - inclusion of MPF/Provident Fund
 - miscalculation
- Strict requirement of the submission of SFO's eligibility certificates upon application for school-based fee remission scheme

Fee Remission/Scholarship Schemes (3)

Criteria for Awarding Fee Remission (cont'd)

Recommendations:

- The set of eligibility criteria should be **no less favorable** than the government financial assistance schemes across all levels of remission
- Enhance internal control to ensure that fee remission is offered in accordance with the school-based eligibility criteria

SFO's website:



Fee Remission/Scholarship Schemes (4)

Publicity

Major observations:

- **Insufficient transparency / accessibility to the information** as required under para. 5 of EDBC No. 10/2012

Recommendations:

- Consult parents on how the related information should be presented to ensure that it can be easily understood by parents/prospective parents

Fee Remission/Scholarship Schemes (5)

Publicity

Recommendations:

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

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

Fee Remission/Scholarship Schemes (6)

Reference:

Checklist on the Operation of the Fee Remission/
Scholarship Schemes in the [Management Toolkit](#)



Case Study A

Fee Remission Scheme (1)

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

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

Any problem(s)?



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

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

Case Study A

Fee Remission Scheme (2)

Reference and Recommendation

- EDB Circular No. 10/2012
- To ensure that the school-based eligibility benchmarks are no less favourable than the government financial assistance schemes across all levels of remission



Sharing of good practices

Fee Remission/ Scholarship Schemes

- School-based eligibility criteria were reviewed regularly
- A mechanism was set up to check against the results of school-based assessment with students' eligibility for CSSA and SFO result
- An online income simulator/ fee remission self-assessment platform was provided for prospective parents to estimate the level of fee remission to be granted before they could make an informed choice of schools
- Bilingual versions of the scheme details were offered on the school website to cater for the different language needs of parents
- If general enquiry telephone number is provided, ensure that parents' enquiries on the schemes will be handled by designated staff members



General Administration of SMC/IMC (1)

Declaration of Conflict of Interest

Major observations:

- School-based policy/procedures for school personnel, including managers and staff, were **not endorsed** by SMC/IMC
- **Incomplete/ missing records of declaration and / or the deliberation / resolution made by the IMC / SMC for the declared cases**

General Administration of SMC/IMC (2)

Declaration of Conflict of Interest

Reference: EDBC No. 17/2012
(Para 4 and Annex 1)

Recommendations:

- Endorse the **school-based policies/procedures** that require SMC/IMC members and/or staff to declare conflict of interest
- **Keep proper records of**
 - all declarations in writing (using a standard form)
 - the necessary actions taken together with considerations to all the declared conflicts

Resources provided by the ICAC

ICAC Best Practice Checklist: Governance and Internal Control in Schools

- Sample Declaration of Conflict of Interest by Managers (Appendices 1 –FORM B)
- Sample Declaration of Conflict of Interest by Staff (Appendices 2 –FORM B)
- Sample Declaration of Conflict of Interest for Specific Duties (Appendices 4)



Case Study B

Declaration of Conflict of Interest (1)

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

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



Any problem(s)?

Case Study B

Declaration of Conflict of Interest (2)

Recommendations:

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



Case Study B

Declaration of Conflict of Interest (3)

Reference:

- EDBC No. 17/2012 (para 4, Annex 1)
- For IMC Schools: 40BF1(a)(b) of the EO, Cap 279 -
 - *“A manager of a school shall, at least once in every 12 months, make to the incorporated management committee of the school a written declaration which (a) states the particulars of any pecuniary or other personal interest, direct or indirect, that he has in any matter that raises or may raise a conflict with his duties as a manager of the school; or (b) states that he has no such interest.”*
- For IMC Schools: 40BF2 of the EO, Cap 279 -
 - *“Within one month after a change occurs in any matter stated in a declaration, the manager who made the declaration shall make to the incorporated management committee another written declaration which states the change.”*

Sharing of good practices

Declaration of Conflict of Interest

- A sound mechanism on declaration of conflict of interest which covered **ALL** of the following was established:
 - general annual declaration
 - procurement
 - staff recruitment
 - promotion
 - textbook selection
 - student admission
 - outside services/ part-time jobs
- Any participants in attendance of the SMC/ IMC meetings who had actual or perceived conflict of interest was required to make declaration



General Administration of SMC/IMC (3)

Quality Assessment and Compliance

Major observations:

- Managers **not registered** in accordance with the EDB's requirements
- Managers attended IMC/SMC meeting(s) before registration/ after the expiry of the tenure of office
- **Did not inform** EDB within one month after **cessation** of school manager
- **No withdrawal of remunerated managers** over discussion of relevant school matters which incurred conflict of interest e.g. remuneration

General Administration of SMC/IMC (4)

Quality Assessment and Compliance

Recommendation:

- Fulfil the requirements in accordance with the SMC/IMC's Memorandum & Article of Association, Constitution and/or Service Agreement, Education Ordinance

Reference:

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

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

General Administration of SMC/IMC (5)

Example:

Complete the 2023/24

Checklist by November 2024

Advice on the Operation of Governance

Review Sub-committee (GRSC):

- School to complete the Self-evaluation Checklist (ALL four parts) by end-November and forward to GRSC annually
- GRSC to review the completed checklist and submit its findings together with recommendations to the SMC/IMC for consideration
- Official members of GRSC to finalize reports/ findings in restricted sessions
- SMC/IMC to endorse GRSC review schedule, review reports including findings on the checklist
- Inform the EDB the change of membership within 14 days

Sample Notification for Change Membership of GRSC



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

To : School Administration 3 Section
Education Bureau
3/F, 14 Taikoo Wan Road, Hong Kong

[Attn: Education Officer (School Administration)32]
[Fax: 3188 9865]

Notification of Change in Membership of Governance Review Sub-committee

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

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

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

The updated membership list of the GRSC is as below:

Chairperson of the GRSC			
English Name:			
Chinese Name:		Title:	
Category [#] :	<input type="checkbox"/> Supervisor <input type="checkbox"/> Manager <input type="checkbox"/> Independent member [@]		
With experience and qualification in accounting/financial management [#] :	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Date of assumption of office (DD/MM/YYYY):			

Member of the GRSC			
English Name:			
Chinese Name:		Title:	
Category [#] :	<input type="checkbox"/> Supervisor <input type="checkbox"/> Manager <input type="checkbox"/> Independent member [@]		
With experience and qualification in accounting/financial management [#] :	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Date of assumption of office (DD/MM/YYYY):			

1

Name of Supervisor : _____
Date : _____
Name of School : _____

e.c. respective Senior School Development Officer

ent [#] : <input type="checkbox"/> Yes <input type="checkbox"/> No

ent [#] : <input type="checkbox"/> Yes <input type="checkbox"/> No

ted Management Committee is also

_____(name):

Human Resources and Personnel Matters (1)

HR Policies

Major observations:

- **Updated policies not endorsed** by SMC/IMC
- **Not cover non-teaching staff**
- **Not cover major aspects** such as recruitment, promotion, appraisal
- **Implementation not in place**
- **Incomplete/ improper records of process(es)**
- **Not promulgated** to all staff

Human Resources and Personnel Matters (2)

HR Policies

Recommendations:

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

(More details in ICAC's sharing)

Reference:

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

Human Resources and Personnel Matters (3)

Staff Recruitment

Major observations:

- **No** open recruitment
- **Improper/ missing records of staff recruitment process(es)** (e.g. lack of records on the use of pre-set assessment criteria)
- Actual recruitment procedures of schools not following what is stated in school-based policy

Human Resources and Personnel Matters (4)

Staff Recruitment

Recommendations:

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

Reference:

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

(More details in ICAC’s sharing)

Case Study C

Human Resources and Personnel Matters: Staff Recruitment (1)

Any problems?



1. The staff member had been hired as a teaching assistant in the previous year and was offered a full-time teaching post without going through an interview in the current year.
2. Due to a high turnover rate of staff, e.g. janitor, temporary short contract was offered and recruitment procedures were skipped.
3. There was only one candidate left after shortlisting as all other applicants did not fit the job requirements. The school found the candidate suitable for appointment after interview without keeping any assessment records.

Case Study C

Human Resources and Personnel Matters: Staff Recruitment (2)

4. An applicant who applied for a subject panel post was appointed as a subject teacher after undergoing the interview for the former post.
5. A retired teacher was re-appointed directly without undergoing recruitment procedures.

Case Study C

Human Resources and Personnel Matters: Staff Recruitment (3)

Recommendations:

Schools should

- ensure that staff recruitment is, and is seen to be, conducted in a transparent, fair and open manner, and there should be proper staff recruitment procedures in place with SMC/IMC's endorsement.
 - Advertise all job vacancies publicly
 - Include pre-set criteria for shortlisting and assessing candidates
 - Keep proper records throughout the selection process



Reference: ICAC Best Practice Checklist Chapter 6.3.2

Case Study D

Human Resources and Personnel Matters : Staff Promotion (1)

Any
problem(s)?



1. Only a short brief for the recommendation of promotion of a teacher was recorded as a result of the sudden change of manpower of the school.
2. Applicants for promotion did not receive any written notification from the management regarding their application result.

Case Study D

Human Resources and Personnel Matters : Staff Promotion (2)



Recommendations:

Schools should

- review and/ or revise the school-based policy as appropriate to handle similar emergency situations.
- formally inform the applicants of their application result, regardless of whether their application is successful or not.

Reference: ICAC Best Practice Checklist Chapter 6.3.7

Human Resources and Personnel Matters (5)

Staff Complaint

Major observations:

- Guidelines for handling School Complaints used without adaptation
- **No endorsement** of SMC/IMC on the policy

Recommendation:

- Draw up **school-based policies/procedures** on staff complaint, which should be deliberated and endorsed by SMC/IMC

Reference:

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

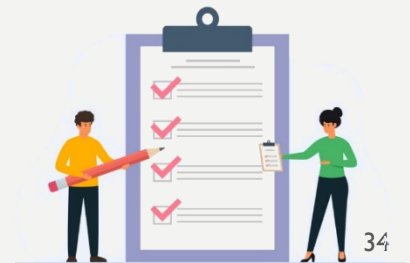
(More details in ICAC's sharing)

Sharing of good practices Human Resources and Personnel Matters(1)

- HR policies endorsed by the SMC/IMC were properly promulgated to all staff concerned

Staff Recruitment:

- Job postings were uploaded onto the school's website
- Recruitment procedures and designated staff serving as interviewers for different posts were clearly laid down in school administration guide
- Objective assessment methods with pre-set criteria were devised at different stages of staff selection
- Individual assessment forms were used by selection panel



Sharing of good practices

Human Resources and Personnel Matters(2)

Staff Promotion:

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





**Thank
you**