Governance and Internal Control in Non-Governmental Organisations
The majority of Non-Governmental Organisations (NGOs) receive recurrent subventions from the Government and other sponsoring organisations like the Hong Kong Jockey Club for the provision of a wide range of social, medical and healthcare services in the community. While NGOs, large or small, enjoy a high degree of autonomy in their day-to-day operations, they have to meet Government funding requirements when setting performance targets and service quality standards, and when drawing up internal controls for major functions, such as procurement and auditing, etc.

The Corruption Prevention Department (CPD) of the Independent Commission Against Corruption has recently conducted a research into the operation of NGOs. The research shows that most well run NGOs, no matter what types of service they provide, have in place a sound governance structure and effective internal control mechanisms. As poor management is a breeding ground for corrupt practices, the CPD sees the need of consolidating these NGOs’ good systems and practices into a checklist for use by all NGOs. This Best Practice Checklist provides a user friendly directory of measures which could help NGOs foster good governance in the organisation and best practices in respect of integrity management, internal control, financial management, procurement, staff administration, and management of maintenance works. Without losing sight of the funding requirements, NGOs are advised to adapt and adopt the governance structure and good practices recommended in this Checklist to suit their operational needs and resource capabilities.

For the purpose of compiling this Checklist, the CPD has consulted the Social Welfare Department, the Department of Health, the Hong Kong Council of Social Service and a number of major NGOs, and their input is gratefully acknowledged.

1 While this Checklist is primarily targeted at NGOs receiving government subvention in delivering welfare, medical and healthcare services, other non-profit making organisations with sponsorships and donations as their major funding sources, being accountable to their sponsoring bodies, are strongly encouraged to make reference to it to strengthen their governance and internal control systems.
This Checklist supersedes the Best Practice Modules issued by CPD for subvented social welfare NGOs in the early 2000s. The Best Practice Checklist on Management of Charities and Fund-raising Activities issued by CPD in 2009 also provides a simplified checklist on procurement for reference by charitable organisations. For NGOs which are also charitable organisations, they are advised to adopt the more comprehensive procurement practices recommended in Chapter 4 of this Checklist.

The Advisory Services Group of the CPD stands ready to provide free, confidential, and tailor-made advice to assist NGOs in implementing the practices recommended in this Checklist. For further information, please contact the Group at:

**Telephone no. : 2526 6363**
**Fax no. : 2522 0505**
**Email address : asg@cpd.icac.org.hk**
**HOW TO USE THIS BEST PRACTICE CHECKLIST**

For quick and easy reference, users will find the following icons throughout this Best Practice Checklist. They serve to lead users to the information required:

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**FROM THE EDITORIAL BOARD**

This Checklist aims at providing general guidance for non-governmental organisations on corporate governance and internal controls and does not purport to deal with issues that may arise in any given situation. Descriptions and explanations of the relevant legal provisions and the recommended work procedures and practices are necessarily general and abbreviated to make this Checklist easy to understand from the layman’s angle. Users of this Checklist should seek legal or professional advice as and when necessary. Whilst we endeavour to ensure the accuracy of the information in this Checklist, no statement, representation, warranty or guarantee, express or implied, is given by us as to the accuracy, completeness or the appropriateness of such information for use in any particular circumstances and the ICAC is not responsible for any loss or damage whatsoever arising out of the use of the Checklist or in connection with any information contained in this Checklist.

Throughout this Checklist, the male pronoun is used to cover references to both the male and female. No gender preference is intended.

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1.1 Introduction

Good governance requires the leadership of a competent and committed governing body (i.e. the Management Board). It is advisable for NGOs to incorporate in their Memorandum and Articles of Association (for NGOs registered under the Companies Ordinance, Cap. 32) or Constitution (for those registered under the Societies Ordinance, Cap. 151) the key elements of the governance structure (e.g. methods for election of Board members, terms of office, meeting arrangements and rules governing declaration of conflict of interest). The Board has the duty to ensure the laid down policies and procedures are complied with.

1.2 Management Board

☐ Lay down in writing the mission of the NGO, including a statement of commitment to ethical practices in the conduct of all businesses and activities of the NGO.

☐ Draw up the terms of reference of the Management Board (referred to as “the Board” hereinafter), including its accountability to members for the proper running of the NGO.

☐ Define clearly the respective roles and responsibilities of the chairman, members, co-opt members, and the key posts of the executive arm (e.g. the secretary and treasurer).

☐ Determine the number of Board members, having regard to the size and nature of the NGO, providing a way for the expansion of the Board membership when necessary.

☐ Formulate a policy on the mix of the Board membership (e.g. percentage of members with different professional or industry background or other expertise, e.g. community service experience).

2 In this Checklist, the term “Management Board” means the governing body of an NGO, which may be referred to as “Executive Committee”, “Management Committee”, “Council”, etc. in some NGOs.
Formulate a policy on the maximum term of office of the chairman, members, and the key post holders to provide for the admission of new talents into the Board.

Specify a minimum attendance rate required of members at the Board and functional committee meetings.

Segregate the roles and responsibilities of the Board and the executive function of the NGO, the former should only be responsible for providing leadership, setting strategic directions and monitoring implementation of the laid down policies and strategies.

Appoint different persons to be the Board Chairman and the Chief Executive Officer or Executive Secretary to maintain checks and balances.

1.3 Functional Committees

Establish committees to oversee major functions (e.g. finance and audit), specifying the membership, terms of reference and procedures for nominating members.

Lay down the number and expertise required of the co-opt members and the nomination procedures if appointment of such members to individual committees is required.

Require the committees to report back to the Board.

(i) Audit Committee

Establish an Audit Committee to oversee all internal and external auditing activities, where resources permit.

Appoint an independent Board member who is not the chairman of the Board or other functional committees as the Audit Committee’s chairman.

Appoint at least one member with accounting or auditing knowledge to join the Audit Committee.
(ii) **Nomination Committee**
- Establish a Nomination Committee where resources permit, preferably comprising both Board and non-Board members in the case of those NGOs with a wide membership base, to identify suitable candidates for the Board vacancies, taking into account the membership mix policy formulated by the Board.

(iii) **Finance Committee**
- Establish a Finance Committee where resources permit, or a mechanism to oversee the NGO’s financial planning, management and reporting matters, including the use of sponsorships/donations.
- Require the Committee to make recommendations and deliver reports for the Board’s approval/information in respect of the NGO’s finance and accounts including, among others, annual budget and audited accounts, budgets and financial reports of fund-raising activities, and appointment of auditors.

(iv) **Remuneration Committee**
- Establish a Remuneration Committee where resources permit, or a mechanism to consider the NGO’s remuneration policy, the levels of remuneration for individual senior executives, and the pay scale for other staff.
- Appoint only non-executive board members (i.e. those non-remunerated members) to the Remuneration Committee to avoid conflict of interest.
- Require the Committee to review the remuneration packages of senior executives, taking into account their performance in meeting the organisation’s objectives.
1.4 Honorary Membership

☐ Consider appointing retired Board members as honorary members (e.g. honorary chairmen and patrons) in recognition of their contribution and to retain their valuable expertise.

☐ Invite the honorary members with the relevant expertise and experience to attend meetings of the Board or Committees as advisors if warranted.

1.5 Nomination and Election of Board and Functional Committee Members

☐ Establish a mechanism for all Board members and voting members to nominate candidates for Board membership, in addition to those identified by the Nomination Committee (see also 1.3(ii)).

☐ Elect members of the functional committees from those Board members who have expressed interest, and avoid appointing members by a single person.

☐ Adopt an election procedure with adequate checks and balance to ensure fairness and transparency in the process (e.g. by requiring members to declare their relationship with the persons they are going to nominate and reminding members not to unduly influence other members’ nomination or election decisions).

1.6 Conduct of Meetings

☐ Lay down the rules of proceedings at meetings of the Board and functional committees, including:
  • frequency of meetings; and
  • the quorum of a meeting (as a rule of thumb, the quorum should not be less than three members or one-third of the membership, whichever is the higher).
Lay down the rules and procedures for conducting Annual and Extraordinary General Meetings, such as the notification of meetings, preparation of agenda, quorum, etc.

Give sufficient advance notice of a regular Board or functional committee meeting (e.g. 14 days) to ensure that all members could find time to attend.

Include in the agenda of the meeting the discussion items (e.g. proposed resolutions), the place, date and time of meeting, enclosing any papers for discussion for members’ prior reading.

Accurately record in minutes the discussion and any resolutions passed, including any dissenting views of individual members raised at the meeting.

1.7 Code of Conduct

Issue separate Codes of Conduct for compliance by the Board members and the staff. (Sample Codes of Conduct for Board members and employees of NGOs are at Appendices 1 and 2.)

Set out in the respective Codes the standards of conduct required of the Board members and the staff, including:

- policies governing acceptance of advantage and entertainment;
- guidelines on declaration and handling of conflict of interest, with examples of conflict of interest situations relevant to the NGO’s major businesses; and
- rules on use and protection of confidential information, such as tender information and personal data of donors and service users.

Conduct briefings for newly-appointed Board members and staff to familiarize them with the Code, and arrange refresher sessions for them periodically to raise their awareness.
1.8 Conflict of Interest

☐ Require Board members, staff and, if applicable, volunteer workers of the NGO to declare any actual or perceived conflict of interest as and when it arises, particularly when they are engaged in any procurement or staff recruitment exercises.

☐ Design a standard form for declaration of conflict of interest and specify the line of reporting and the follow up action required. (Sample forms for declaration of conflict of interest by Board members and staff are at Annex 3 to Appendix 1 and Annex 3 to Appendix 2)

☐ Establish a system to manage the declared conflict of interest and to record the declarations and actions taken to mitigate the conflict (e.g. to require the person, who has declared a conflict of interest, to abstain from the discussion of a matter under consideration).

1.9 Transparency and Accountability

☐ Make transparent the NGO’s operations, performance pledges and major financial information (e.g. financial statements and use of donations) through the NGO’s website, annual reports, and pamphlets.

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A conflict of interest situation arises when the “private interests” of a Board member or staff compete or conflict with the interests of the organisation or their official duties. “Private interests” include any financial or other personal interests of the Board member or staff concerned, his family members or other relations, his personal friends, the clubs and associations to which he belongs, any other groups of people with whom he has personal or social ties, or any person to whom he owes a favour or is obligated in any way.
2.1 Introduction

Effective internal control is important for an organisation as it could plug the loopholes for corruption which often involves malpractice and fraud. This chapter highlights the key elements of an effective internal control system (specific control measures for functions like procurement and staff administration are elaborated in relevant chapters of this Checklist).

2.2 Policies, Guidelines and Procedures

- Lay down in guidelines the policies and procedures for the NGO’s major functions, such as financial management, procurement and staff administration.

- Define clearly the roles and responsibilities of each level of staff or specific posts and make them known to all staff.

- Specify the delegated authorities for decision-making in respect of various activities (e.g. approval of financial commitments for purchases).

- Ensure the guidelines are understood by the staff concerned through circulars, briefings or training sessions.

- Update the policies, procedures and guidelines to suit the NGO’s operation as necessary.
2.3  Checks and Balances

☐ Segregate the duties in important processes as far as practicable (e.g. assigning different persons to source suppliers and to draw up the requirements in procurement).

☐ Arrange random checks or case audits, as appropriate, on important processes, particularly those performed by a single staff member.

☐ Conduct internal audits on major operations if resources permit.

2.4  Keeping of Records

☐ Require proper documentation of the activities carried out and decisions made to provide an audit trail (e.g. approval and making of payments, screening and selection of candidates in recruitment).

2.5  Information Security

☐ Classify the NGO’s information (i.e. confidential and open information) and make sure all staff are aware of the classification of the information they are given access.

☐ Restrict access to confidential or sensitive information to authorized staff only and require them to protect the information from leakage.

☐ Require the staff concerned to safeguard confidential records and documents in their custody to prevent tampering (e.g. to lock up confidential documents when not in use).

☐ Build in security safeguards to protect data and records in the computer system (e.g. restriction on data access and amendments, and audit trail functions).
2.6  **Supervisory Accountability**

- Require unit heads and supervisors to make spot checks during the processes of major activities, covering all material and exceptional/abnormal items, to deter and detect irregularities.

- Require unit heads to make regular reports on the major activities to the senior management to facilitate monitoring, including statistical analyses, deliverables and matters of concern, if any.

2.7  **Feedback Channel**

- Establish a user-friendly channel for collection of views from both service users and the staff on the operation of the NGO.

- Assign an independent staff member at the appropriate level to investigate into any irregularities reported.

2.8  **Reporting of Suspected Corruption or Fraud**

- Report any suspected corruption to the ICAC and suspected crime, such as fraud, to the Police.
3.1 Introduction

Being receivers of Government subventions and public donations, it is important for NGOs to put in place a sound system of financial control to ensure that their funds are properly managed and accounted for. In view of the complexity and technical nature of financial management, this chapter only highlights the key controls from the corruption prevention angle. NGOs are advised to seek professional support where resources permit for the management and auditing of accounts.

Key processes in financial management

- Laying down policies, procedures and guidelines (para. 3.2)
- Budgeting (para. 3.3)
- Payment procedures (para. 3.5)
- Income collection (para. 3.4)
- Handling of sponsorships and donations (para. 3.6)
- Management of reserve or surplus funds (para. 3.7)
- Financial reporting (para. 3.8)
- Internal and external audits (para. 3.9)
3.2 Policies, Procedures and Guidelines

- Lay down clear policies and procedures for financial management, and require strict compliance by the staff concerned.

- Specify the criteria and procedures for reimbursement of expenses incurred by the Board members and senior executives on entertainment, overseas visits, etc. to ensure such expenses are justified and reasonable.

- Appoint independent staff, if resources permit, to conduct random checks and internal audits to ensure compliance with the financial management procedures.

3.3 Budgeting

- Produce at the beginning of each financial year a programme of activities and the budget for approval by the Board (or the Finance Committee, if one is established) and, if required, for information/endorsement by the Government bureau or department concerned.

- Include in the budget:
  - an estimate of incomes and expenditures, by item, for the coming year and the estimate (or revised estimate if applicable) and actual out-turn for the previous year;
  - sources of income for individual programmes (e.g. Government subvention, fees and charges collected, donations, or reserve funds);
  - a breakdown of the expenditure estimate:
    - staff expenses (including salaries, Mandatory Provident Fund contributions, other benefits and job-related allowance);
    - administration expenses, including entertainment and overseas trips; and
    - recurrent and non-recurrent expenditures, including the use of donations, Government subvention, or other funds for the delivery of the pledged services and other major expenditure items (e.g. major renovation works).
Designate an approving authority at the senior level to consider any variation of the approved budget and require reporting to the Board of any major changes.

Issue guidelines on official overseas trips which may incur substantial expenditure, specifying:

- the general policy governing the frequency of duty-related overseas trips, the number of accompanying members for each trip, and the circumstances under which the spouse may be allowed to accompany the staff or Board member on the trip;
- the level of authority for approving overseas trips;
- the allowable expenditure, e.g. hotel rates, air fares and subsistence allowances, if any;
- the class of transport (e.g. first/business/economy class), rates of hotel accommodation, subsistence allowances, etc. for staff at different ranks and the Board members; and
- the reimbursement procedures and the types of supporting documents required.

Issue guidelines on entertainment expenses, which may be abused if not controlled properly, specifying:

- the policies governing entertainment expenditure (e.g. it must be for an official purpose);
- the conditions for claims of entertainment expenses, e.g. the types of expenditure allowed, the maximum expenditure per head on each occasion, and proportion of visitors (e.g. at least half) as against the number of staff or Board members being entertained;
- the rank of staff or Board members eligible for claiming reimbursement of entertainment expenses and their respective maximum ceilings (i.e. a specified sum per year);
- the approving authorities and their financial limits; and
- the reimbursement procedures and the types of supporting documents required (e.g. receipts).
3.4 Income Collection

- Set the levels of fees or charges for different types of activities or services operated by the NGO for prior approval by the senior executive or the Board (or the Finance Committee, if appropriate).

- Segregate the duties of collection of fees/charges, checking of bank statements for reconciliation, and bookkeeping as far as practicable.

- Place the cash collection point (e.g. the cashier) in a visible area to facilitate monitoring by supervisors or other staff, where practicable.

- Establish a mechanism for surprise checks on cash collection (e.g. cash in a register).

- Require the staff to issue serially pre-numbered receipts that accurately reflect the details of transactions, including the item, price, any discount offered, actual amount received and payment method (e.g. by cash), to keep copies of receipts issued for a specified period to facilitate audit checks, and to investigate any missing receipts.

- Issue an instruction to the staff warning them against falsification of information on the receipt (i.e. inflation/understatement of the price or entering incorrect amount on the receipt).

- Require units and centres to remind the service users to collect a receipt for every payment made (e.g. by posting a reminder at the cashier or by a notice printed on the demand note).

- Require units and centres to bank in all cash and cheques received daily or at the earliest opportunity to minimize risks of embezzlement.

- Assign supervisors or independent staff to periodically check the deposit slips and bank statements against the records of the cash register.

- Arrange regular verification of accounting records (e.g. actual incomes received, accounts receivables) against the income records (e.g. pay-in slips and receipts).
3.5 Payment Procedures

- Set different authorization levels for approving payments or signing of cheques and the corresponding financial limits.

- Specify the payment methods based on the amount of transactions (e.g. by cheque except for petty sums).

- Specify the documents required to support claims for payment.

- Ensure physical security and computer security in the payment process (e.g. to keep blank cheque books or payment receipts, and official chops in a secure place, restrict users’ access to the computer accounting data, etc.).

- Set up a mechanism to deter and detect undue delay in payment or double payments.

- Control cheque payments by:
  - requiring all cheques to be crossed and signed by at least two authorized signatories;
  - requiring the signatories to verify the cheques against invoices (i.e. payee and amount) before signing;
  - prohibiting the signatories to sign blank cheques in advance;
  - requiring cheques to be issued in sequence, with any void cheques duly marked and retained for audit checks; and
  - stamping “PAID” on the original invoices and receipts to prevent double payment.

- Ensure that all payments to be made must:
  - be supported by relevant documents, such as invoices from suppliers providing details of the goods and services received and the amount to be paid;
  - contain certification by responsible officers including the following:
    - for purchase of goods, the goods have been properly received; and for procurement of services, the services have been properly completed;
– the amount of payment is correct, fair and reasonable, and the chargeable account as stated is correct;

• be checked and confirmed by responsible officers as to the accuracy of every payment detail; and

• provide the authority for the payments.

Establish a petty cash imprest system for reimbursement of small amount expenses, with the following control measures:

• designate a staff member as the petty cash holder and set a cash holding limit (e.g. $5,000);

• release petty cash only upon receiving a written request (e.g. a petty cash voucher) and an invoice or a receipt duly certified by the designated authority;

• stamp “PAID” on the original invoices and receipts to prevent double payment;

• require the claimants to acknowledge receipt of payments by signature; and

• disallow cash advance unless approved by the designated authority staff with justifications and documentation.

Keep payment records and all supporting documents (e.g. purchase orders, invoices and delivery notes) in an orderly manner to facilitate supervisory checks and audits.

Where resources permit, appoint a staff member not involved in the payment process to review periodically the accounting records against payment vouchers or petty cash vouchers, etc. with a view to detecting and deterring unauthorized payments, irregular expenditures, split orders, etc.

3.6 Handling of Sponsorships and Donations

NGOs are advised to make reference to the “Best Practice Checklist on Management of Charities and Fund-Raising Activities” published by the ICAC, which includes detailed guidelines on the handling of cash donations.
3.7 Management of Reserve or Surplus Funds

- Keep separate accounts of reserve funds or surplus funds accumulated.

- Lay down the approving authority for using these funds on the NGO or for investment.

- Establish a policy on the investment of funds, taking into account the rules stipulated by the relevant sponsoring bodies where appropriate, e.g. whether the funds should be managed in-house or by external fund managers and types of investment instruments allowed.

- Where the amount of reserve/surplus fund is substantial, lay down a competitive procedure for the selection of banks or financial institutions for placement of deposits or choice of investment products.

- Require the Board members and staff involved in the selection of banks or investment products to declare conflict of interest.

- Draw up a mechanism to monitor bank accounts and investments and the performance of fund managers.

- Require proper recording of the reserve/surplus funds in monthly financial statements.

- Require periodic reporting to the Board the investment returns.

3.8 Financial Reporting

- Require the executive arm of the NGO to make periodic financial reporting to the Board or its Finance Committee.

- Review the financial reports (a function of the Board or the Finance Committee) to:
  - ascertain the reasonableness of incomes and expenditures (e.g. expenses on purchases of high cost as compared with market rates), and the reasons for any significant deviation from the budget or the previous year’s account; and
• identify any significant changes in the balance sheet as compared with that of the previous year and require the management to give reasons.

## 3.9 Internal and External Audits

☐ Appoint an internal audit team, on a permanent or ad hoc basis, depending on the size and need of the NGO, to conduct internal audits independently on high-risk operations, such as procurement of supplies and services, to ensure compliance with the NGO’s policies and procedures and the funding requirements stipulated by the sponsoring bodies, where appropriate.

☐ Appoint staff not involved in the procedures under audit to the internal audit team.

☐ Appoint a professional accountant approved by the Board or the Audit Committee, if one is established, to conduct annual financial audit on the NGO.

☐ Ensure the external auditor does not have any conflict of interest arising from its interest in the NGO’s business or from its relationship with any Board member or the executive staff member.

☐ Ensure the internal audit team and the external auditor have direct access to the Audit Committee, if established, or the Board.

☐ Take necessary action in response to the audit findings and recommendations, and document in minutes the actions taken.
4.1 Introduction

Past corruption cases showed that procurement processes are prone to manipulation and malpractice, such as favouritism in the sourcing and selection of suppliers or service providers, leakage of information and connivance at sub-standard goods or services. This section provides a step-by-step guide to procurement of goods or services, with the aim of helping NGOs to avert corrupt practices and achieve value for money in procurement.

(A Best Practice Checklist on Procurement is available for reference at the ICAC website: www.icac.org.hk.)

Key processes in procurement

- Establishing procurement policies and procedures (para. 4.2)
- Raising purchase requisitions (para. 4.3)
- “Petty cash” purchases (para. 4.4)
- Sourcing suppliers/service providers (para. 4.5)
- Purchases by quotation (para. 4.6)
- Purchases by tender (para. 4.7)
- Receiving goods/services (para. 4.8)
- Managing suppliers/service providers’ performance (para. 4.9)
- Managing assets and inventory items (para. 4.10)
4.2 **Procurement Policy**

- Adopt a set of standard procurement procedures, no less stringent than the requirements of the fund provider, to ensure consistency in practice (i.e. the same set of procedures for procurement using government subvention or the NGO’s own fund).

- Make it a rule that term contracts or bulk purchases should be arranged for frequently purchased goods or services (e.g. IT equipment and the associated maintenance services) to achieve the benefit of economy of scale and to reduce the risk of corrupt practices arising from minor purchases (e.g. favouritism to a single supplier).

- Segregate the duties in the procurement process as far as possible, (e.g. assign different staff members to source suppliers/contractors for invitation of quotations/tenders, assess quotations/tenders, and certify the goods/services received).

- Specify the approving authorities and the procurement methods for purchases of different values (e.g. open tendering for purchases of significant value or restricted tendering for minor purchases of specified amounts).

- Specify the approving authorities for purchases by single source quotation or tender (preferably by a panel in case of high value purchases) and require the staff concerned to give justifications in writing.

- Include in the tender/quotation invitation document a probity clause, prohibiting all contractors and service providers from offering or soliciting bribes in relation to the bidding exercise.

- Include an anti-collusion clause in the tender/quotation invitation documents, and require the bidding contractors and service providers to submit, together with their bids, a declaration pledging compliance with the anti-collusion clause.

*Sample probity and anti-collusion clauses in tender/quotation invitation documents are at Appendix 3*

- Include a probity clause in the contracts to be awarded.

*Sample probity clauses in service contracts to be awarded are at Appendix 4*
4.3 Purchase Requisitions

☐ Ascertain the need for the goods or services required and ensure that the estimated cost is within the approved budget.

☐ Seek endorsement of the requisition from the designated authority, or a higher authority if it is an unbudgeted item.

☐ Follow the NGO’s laid down procurement policies and procedures (e.g. the procurement method and approving authority as detailed in paragraph 4.2 above).

☐ Document the justifications for any deviation from the laid down policies and regulations (e.g. direct purchase from a sole supplier for purchases that require competitive bidding) and seek approval from an appropriate authority.

(A sample purchase requisition form is at Appendix 5)

4.4 Petty Cash Purchases

☐ Follow the procedures described in Section 3.5 on maintenance of an imprest system for petty cash purchases.

☐ Set a time limit for claims of petty cash reimbursement after a purchase (e.g. within seven days of the purchase).

☐ Arrange reimbursement only upon submission of the original invoice or receipt, or if no receipt is available, a claim form duly signed by the staff responsible and counter-signed by the supervisor.

☐ Require the staff concerned to acknowledge receipt of the reimbursement.

(A sample petty cash voucher is at Appendix 6)
4.5 Sourcing of Suppliers and Service Providers

- Compile suppliers/service providers lists (e.g. based on the size of their companies and experience), categorizing them by the types of goods/services they provide, and/or their geographical locations, for approval by the designated authority, to facilitate sourcing of suppliers/service providers for goods and services frequently required or of high values.

- Invite the required number of suitable suppliers/service providers on the respective lists to bid on a fair-share basis (e.g. by rotation).

- Add other suppliers nominated by the users or other staff who should be required to justify their nominations.

- Source suitable suppliers/service providers for invitation to bid (in the absence of any approved list), taking into account their company size, experience and past performance record if any, through searching on the Internet and nominations by the users and other staff, and including the current suppliers/service providers with satisfactory performance as appropriate.

4.6 Purchases by Quotations

- Provide the bidders with a description of the goods or details of the services required.

- Inform the bidders of the deadline for submission of quotations.

- Use a designated fax machine kept in a secure place or an email account with password control for receiving quotations.

- Keep a record of the suppliers invited, the date of receipt of the quotations, the offered prices, and the names of the responsible staff, and keep copies of the quotations received to facilitate future checking as necessary.
Take precautions to prevent leakage of quotation information (e.g. requesting the bidders to notify the receiving person before sending in their quotations by fax or to submit quotations in sealed envelopes).

Accept the lowest bid that meets the specified requirements, and obtain approval from the designated authority, with justifications, if the lowest offer is not accepted.

*(Sample quotation invitation documents for goods and services are at Appendices 7 and 8)*

---

### 4.7 Purchases by Tender

#### (i) Tender Invitation

- Set out clearly in the tender invitation:
  - a detailed description of the goods/services and other information required (e.g. the company’s background information);
  - if price is not the only consideration, the criteria for tender selection and the weighting of each assessment criterion, if applicable;
  - the contract terms and conditions;
  - a statement prohibiting price rigging by the tenderers, and prohibiting the tenderers from offering any advantage to employees of the NGO for the purpose of securing the tender award;

  *(Sample anti-collusion and probity clauses are at Appendix 3)*

- the deadline for tender submission; and

- the submission method (e.g. for the procurement of special services requiring an assessment of the quality standards proposed, service providers should be required to submit the price and technical proposals in separately sealed envelopes).
Consider giving a briefing to all interested bidders shortly after the tender invitation.

Take measures to ensure the security of the tenders received, e.g. use a secure tender box or put them under lock in the custody of a responsible staff member upon receipt.

Assign an opening team (comprising at least two persons) to open the proposals immediately after the deadline, and designate a senior staff member not involved in the evaluation to keep duplicate copies of the proposals.

(A sample tender opening record is at Appendix 9)

Accept late submissions after the closing time only if justified (e.g. insufficient tenders) and with the approval of the designated authority.

(ii) Tender Evaluation

Pre-determine the criteria for tender evaluation (e.g. the lowest bid that meets the specified requirements).

If price is not the only criterion, as in the case of special services, take the following steps to evaluate the tenders and recommend the highest combined score of the price and technical proposals for acceptance:

- appoint an assessment panel (comprising staff from the user department, the procurement department and specialist or technical department as appropriate) to evaluate the tenders;

- require the assessment panel, when evaluating tenders with both technical and price proposals, not to open the price proposals until the evaluation of technical proposals is completed;

- require the assessment panel to record the deliberations and the decisions made;

- require individual panel members to use a pre-determined marking scheme and record the marks given to each proposal on a standard evaluation form before calculating the total scores;
• document any changes to the marks, the reasons for the change, and any dissenting views of the panel members;

• require the panel to give justification if an offer, other than the highest scoring tender, is recommended.

☐ Require the panel to submit a tender evaluation report for consideration by the appropriate approving authority.

(A sample tender evaluation report is at Appendix 10.)

4.8 Receipt of Goods and Services

(i) For Goods

☐ Assign staff members, preferably not those placing the purchase orders, to receive and inspect the goods delivered to ensure there is no short delivery or substandard goods.

☐ Arrange testing of the goods by competent staff before acceptance (e.g. the IT staff for IT equipment).

☐ Follow up immediately with the supplier for any short delivery or defective goods.

☐ Require the assigned staff or users to certify acceptance within a specified time limit upon receipt of the goods to ensure payment is made within a reasonable time limit (e.g. one month from certification).

☐ Handle defective goods or short delivery in accordance with established policies and procedures (e.g. asking the supplier to make good the shortfall immediately).

(ii) For Services

☐ Require the users to confirm satisfactory delivery of service of a short term or one-off nature (e.g. consultancy or miscellaneous services) before payment.
☐ Design a checklist for the checking of service standards in case of term contracts (e.g. aspects of cleaning services).

☐ Designate staff at the right level to conduct periodic checks on the standards of service provided and to confirm satisfactory delivery of service before payment.

*(A sample inspection form on service provider is at Appendix 11.)*

☐ Handle unsatisfactory or deficient service in the same manner as recommended for goods.

### 4.9 Performance Monitoring and Disciplinary Action

☐ Collect and record users’ adverse feedback on the performance of the suppliers or service providers (e.g. delay in taking any remedial action required or poor after-sale service), and make these records available for reference in future procurement exercises and reviews of the suppliers/service providers lists, as appropriate.

*(A sample feedback form on service provider’s performance is at Appendix 12)*

☐ Determine the action to be taken against the suppliers/service providers for their unsatisfactory performance, including:

- issuing a verbal or written warning with proper documentation for future reference;
- suspending the suppliers/service providers from further invitation to bid for a specified period; or
- removing the suppliers/service providers with persistent adverse performance records from the approved lists if any.

☐ Inform all users of the adverse performance of any suppliers/service providers.
4.10 Control of Assets and Inventory Items

(i) Record Keeping and Storage

- Assign a staff member to handle assets (e.g. computers and office equipment) and inventory items (e.g. consumables or goods for sale).

- Keep all assets and inventory items under lock before issue to users.

- Keep an inventory record of all consumables and update the records upon receipt and issue of any stock.

- Establish an electronic inventory/asset control system, if resources permit, to facilitate timely updating of movements of stocks and assets and production of periodic records for inventory checks.

(ii) Checking and Reporting

- Conduct random and regular (e.g. yearly) physical checks on the assets and inventory items.

- Report any loss of assets/inventory items or abnormal consumption patterns of inventory items to the management for monitoring and necessary action.

(iii) Disposal

- Consider the appropriate disposal methods, and the levels of approving authorities (e.g. sale of obsolete stocks with resale value, writing-off, or disposal as waste).

- Assign staff members other than the users to handle disposal of assets or obsolete inventory items.

- Require the disposal staff (in a pair as far as practicable) to consider the laid down disposal methods, and check the quantity and condition of the assets/inventory items for disposal.

- Seek offers from prospective buyers if the assets/inventory items have a resale value, following the procurement guidelines in sourcing of buyers.
Keep records of the disposal (e.g. the approving authority, date of disposal and documentary proofs, if any).

(iv) Additional Controls on Assets

- For each type of asset items, assign an “owner” department to be responsible for their overall control and management, including any movements or transfers between users.

- Lay down the approving authorities and procedures for issuing asset items to users.

- Assign a serial number to each asset item and keep a register to record their movements (e.g. the date of issue and the recipient, full date and cost of acquisition, source of funds, detailed description of assets and physical locations of assets).

- Label the property with the identification number where practicable.

- Require the user to acknowledge receipt of asset items upon issue and return all personal-issued items upon leaving the organisation or transfer to a post which does not require the use of the items.
5.1 Introduction

Human resources (HR) are valuable assets of an organisation. Management of HR, including hiring and firing of staff, allocation of duties and overtime work, performance monitoring and appraisal, determination of salary increments, year-end bonuses and other benefits, etc., is important to NGOs to ensure that all staff recruited are well qualified, suitably deployed, and properly remunerated. This chapter recommends good practices to enhance fairness and transparency in staff management and foster accountability.

(A full version of the Best Practice Checklist on Staff Administration could be found at www.icac.org.hk.)

**Key processes in staff administration**

1. **General controls (par. 5.2)**
2. **Recruitment of permanent staff (par. 5.3)/hiring of temporary staff (par. 5.5)**
3. **Remuneration and staff benefits (par. 5.4)**
4. **Allocation of duties and overtime work (par. 5.6)**
5. **Monitoring of staff attendance (par. 5.7)**
6. **Performance appraisal/promotion/disciplinary action (par. 5.8)**
5.2 General Controls

- Lay down in guidelines and make known to all staff the policies and rules for staff administration, such as remuneration and discipline, etc.

- Set out the duties, core competency, working hours and other performance indicators for each post, in line with any government subvention rules where appropriate.

- Require the HR department or the personnel staff to maintain up-to-date records of individual staff members, with restricted access to authorized persons only.

- Include in the employment contracts a standard clause requiring the staff to comply with the NGO’s Code of Conduct, and issue to each staff member a copy of the Code upon appointment.

- Organize capacity building sessions for the staff to raise their corruption prevention awareness, with ICAC’s assistance if necessary.

5.3 Recruitment

- Make sure all staff recruitments and dismissals are handled through the HR department or personnel staff.

- Ensure that decisions for hiring and firing and the terms are made by staff at the appropriate level, involving the Board in the case of senior executives of the NGO.

- Require the staff involved in the recruitment process to declare conflict of interest (e.g. personal relationship with a candidate) and, upon receiving such a declaration, assign the job to a different person or, if his technical input is necessary, require him to abstain from taking part in the decision making process.

- Lay down the job description, qualification and experience required of the post open for recruitment, to be endorsed by a designated senior staff member or the Board/committee for recruitment of senior executives.
Conduct open recruitment exercises (e.g. through advertisements in newspapers and the NGO’s website).

Require the HR department or the designated Board members/staff to screen and, if necessary, shortlist all applicants according to the laid down criteria.

Assign a staff member not involved in the recruitment exercise, if resources permit, to review all screened-in and screened-out applications to ensure compliance with the laid down criteria.

Appoint a recruitment panel (comprising two or more managerial staff of the user and HR department or the designated Board member/staff) to conduct interviews, assessment and selection of candidates.

Pre-determine the selection criteria and prohibit modifications to the criteria during the interview process which may be perceived as attempts to favour a particular candidate.

Require Board members or the staff to declare their relationship with the candidates they referred to the NGO at the outset (if the practice of making referrals of candidates is permissible).

Document the assessment of each candidate, preferably using a form designed for this purpose.

(A sample interview assessment form for appointment of staff is at Appendix 13.)

5.4 Remuneration and Staff Benefits

Lay down the salary scales for all posts, following the guidelines from the sponsoring bodies where appropriate, and seeking endorsement from the Board.
Require any offer exceeding the specified remuneration packages to be approved by a designated senior executive (who should report such cases to the Board) or the Board/committee in the case of senior executives, as well as the sponsoring bodies where appropriate.

Lay down the criteria and mechanism for salary adjustments and determination of any non-standard payments (e.g. year-end bonus).

Make known to the staff any other benefits available (e.g. training subsidies), the eligibility criteria, and procedures for application.

Require any adjustment of staff salaries, non-standard payments and other benefits to be approved by the senior management (or the Board/committee for senior executives) and the sponsoring bodies where appropriate.

Adopt a fair allocation mechanism (e.g. by ballot or a scoring system based on years of service, etc.) if allocation of staff benefits is subject to a quota.

Ensure the Mandatory Provident Fund schemes are properly administered and payments correctly made.

5.5 Hiring of Temporary Staff

Set the standard hourly or daily rates for temporary jobs, following any rules stipulated by the sponsoring bodies, where appropriate.

Require requests for temporary staff to be approved by senior managerial staff with justification.

Maintain a pool of suitable candidates, to be recruited through proper procedures, where regular demand for temporary staff is anticipated.

Allocate work to part-time temporary staff on a fair share principle (e.g. by rotation), taking into account their performance and availability.
5.6 Allocation of Duties and Overtime Work

- Establish a fair and transparent system for the allocation of duties that attract extra pay (e.g. overtime duties) or duties of an onerous nature.

- Require the staff to indicate their interest in paid or unpaid overtime work (only if overtime work is not compulsory), using a standard form, for approval by senior managerial staff.

*(A sample application form for overtime work is at Appendix 14.)*

- Assign staff at the appropriate level to conduct surprise checks on the overtime work in progress.

- Require the staff to record the time and hours of their overtime work and sign the record, which should be counter-signed by the supervisor.

- Review the tasks completed to ascertain if the overtime work is necessary and meets the claimed purpose.

- Require the supervisors to produce periodic reports on the overtime work carried out for review by the management.

5.7 Monitoring of Staff Attendance

- Use an electronic system (e.g. clocking machine or smart card access system) for recording staff attendance, if resources permit.

- Place the attendance recording device in an open area and assign a supervisor to randomly check the attendance recording process.

- Require the staff to sign in and sign off in an attendance register which should be kept at a place next to a supervisor to facilitate monitoring (if a manual system is used), and require the supervisor to draw a line after the reporting time (e.g. 9:00 a.m.) to distinguish the staff who are late.
Require more senior supervisors to spot check the attendance register randomly.

Retain attendance records for a reasonable period to facilitate auditing if necessary.

Require supervisors to conduct random surprise checks on attendance of staff who works night duties or at remote sites.

5.8 **Performance Appraisal and Disciplinary Action**

- Lay down and make known to all staff the core competence requirements and job duties of each post.

- Design standard appraisal forms for use based on the core competence.

  *(A sample staff performance appraisal form is at Appendix 15.)*

- Require appraisal reports to be made by the immediate supervisor and counter-signed by a more senior staff member or the unit/department head.

- Allow the staff to read their appraisal reports and to be interviewed by the supervisor or more senior staff as necessary.

- Lay down the disciplinary actions that may be taken in respect of misconduct or breaches of discipline, and make the policy known to all staff.

- Establish the procedures for taking disciplinary actions, which should involve both the senior management of the unit concerned and the HR department, and report such cases to the Board/committee for information.

- Establish an independent channel for complaints by aggrieved staff, and lay down the procedures for review of complaint cases (e.g. forming a panel for the review).
6.1 Introduction

NGOs may carry out office renovation and building repair works on their premises, using in-house staff or appointed external consultants and contractors. As these works often involve substantial expenditure, the selection of consultants and contractors and the monitoring of their quality of works are prone to corrupt practices. This chapter recommends measures to minimize risks of malpractice and corruption in the letting and administration of maintenance contracts.

Those NGOs given funding for their renovation projects (e.g. the Lotteries Fund for capital works) are advised to adopt measures no less stringent than the funding requirements.

Key processes in the management of maintenance works

- Tender documents for selection of consultants (para. 6.2.i) and contractors (para. 6.2.ii)
- Selection of tendering method (para. 6.3)
- Invitation, receipt and assessment of tenders (para. 6.4)
- Site supervision and progress monitoring (para. 6.5)
- Interim payments (para. 6.6)
- Handling of work variations (para. 6.7)
- Certification of work completion and final payment (para. 6.8)
6.2 Tender Documents for Selection of Consultants and Contractors

(i) Consultants

☐ Clearly define the scope of consultant services, skills and expertise required, deliverables and milestones for payment.

☐ Specify the size of the firm and the minimum number of professionals and staff required, including their technical expertise or experience.

☐ Avoid asking a potential bidder to provide information or proposals that will be used for the purpose of drawing up the tender specifications as this may give them an unfair edge over other competitors.

☐ Specify the evaluation criteria (e.g. the lowest conforming bid or, if price is not the only consideration, the non-price aspects to be evaluated, such as past experience and number of qualified staff).

☐ Require the tenderers to submit a “technical” proposal (i.e. on the non-price aspects) and a price offer in separately sealed envelopes, if price is not the only consideration.

☐ Require the consultant, upon selection, to submit for approval a site supervision plan (for major renovation or maintenance projects only), proposing the work supervision arrangements, such as the types of work to be inspected, frequency of inspection, and the level of staff to be deployed before commencement of works.

☐ Require the selected consultant to commit to ethical practices including:
  • prohibiting employees from accepting advantage in relation to the consultancy work under the agreement;
  • prohibiting employees from unauthorized disclosure of confidential information relating to the works project;
• requiring employees to declare any actual or perceived conflict of interest when performing duties under the agreement, and

• requiring employees to avoid accepting excessive hospitality and entertainment from the contractors they supervise.

(Sample clauses on ethical commitment of selected consultants are at Appendix 16.)

(ii) Contractors

☐ Clearly define the scope and the standard of the works required, the commencement and completion dates, and the quality control requirements.

☐ Include in the tender conditions probity requirements to:

• prohibit the tenderers from offering advantage to employees of the NGO for the purpose of tendering; and

• prohibit price rigging by the tenderers.

(Sample probity and anti-collusion clauses for inclusion in tender documents are at Appendix 3.)

☐ Invite tenderers to propose prices for individual items of work or make price offers according to a pricing schedule of work items (to be drawn up with the help of the consultant) to facilitate evaluation of bids and valuation of cost for subsequent work variations.

☐ Include the following Terms and Conditions in the contract:

• Provisions for interim payments for prolonged work.

• Amount of and conditions for releasing the retention money (e.g. about 10% of the total payment).

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*Variations mean changes to the specified works, or additional works not included in the contract.*
• Defect liability period\(^5\).

• Criteria and conditions for extension of time\(^6\).

• Conditions for liquidated damages, e.g. for delayed completion of work.

• Provisions for work variations (e.g. the pricing for alteration of work items).

• Material guarantees.

• The need to take out insurance policies for the project.

• Anti-bribery clauses prohibiting offer or acceptance of advantage by the contractor and his employees in executing the contract.

• Clauses requiring the contractor and his employees to declare conflict of interest.

(Sample clauses on ethical commitment of selected contractors are at Appendix 4.)

• Right to and conditions for termination of contract.

---

\(^5\) After work completion, there should be a “defect liability period”, similar to a warranty period, during which the contractor has the responsibility to make good any defects in or arising from his work, such as plaster cracking, doors and windows not closing properly, etc.

\(^6\) An extension of time may be granted to the contractor if failure to complete any maintenance works by the agreed date, is caused by factors outside the contractor’s control.
### 6.3 Selection of Tendering Method

Select the tendering method by taking into consideration the factors below.

<table>
<thead>
<tr>
<th>Tendering Method</th>
<th>Factors for Consideration</th>
</tr>
</thead>
</table>
| Open Invitation for Expression of Interest | - Usually for high value contracts.  
- A method to source eligible consultants or contractors and to explore what is available in the market.  
- The NGO has time and resources to conduct an open invitation. |
| Invitation of Tenders from a Shortlist | - The NGO has a shortlist of consultants or contractors who have been previously engaged or recommended by reliable sources.  
- The NGO entrusts the consultant to recommend a shortlist of contractors in addition to those recommended by the in-house staff.  
- The NGO has in-house expertise to draw up a shortlist, adopting the procedures for sourcing bidders as recommended in Section 4.5 of Chapter 4. |
| Single Tender                         | - Only for exceptional cases with sound reasons, such as urgency and safety considerations which make it impracticable to conduct a competitive tendering process. |
Make reference to the lists of professionals and contractors published by the relevant government departments or professional bodies, when compiling the list of consultants or contractors for invitation to tender. Examples:

<table>
<thead>
<tr>
<th>List</th>
<th>Department</th>
<th>Scope of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered General Building Contactors</td>
<td>Buildings Department</td>
<td>Structural or major maintenance work</td>
</tr>
<tr>
<td>Fire Services Installation Contractors</td>
<td>Fire Services Department</td>
<td>Fire services equipment and installation</td>
</tr>
<tr>
<td>Authorized Persons</td>
<td>Buildings Department</td>
<td>Works consultancy</td>
</tr>
</tbody>
</table>

### 6.4 Invitation, Receipt and Assessment of Tenders

#### (i) Shortlisting of Consultants/Contractors for Invitation of Tender

- Pre-determine the shortlisting criteria such as size of firm, expertise, experience, etc. for identification of prospective bidders through the appropriate tendering method (e.g. by inviting expression of interest or through the consultant’s recommendations).

- Specify a minimum number of consultants/contractors to be shortlisted, following the NGO’s procurement policy (Section 4.2 of Chapter 4) for invitation to bid.

- Avoid including only those consultants and contractors nominated by a single person.

- Appoint a panel comprising staff members (including a Board/committee member as necessary) with the relevant technical knowledge and the user’s representative to shortlist and select a consultant or a contractor, for approval by the senior management (or the Board/committee for major projects involving substantial cost).
(ii) Receipt and Opening of Tenders

☐ Refer to Chapter 4 “Procurement”.

(iii) Tender Evaluation

☐ Require the tender evaluation panel to assess the tenders according to the laid down criteria.

(A sample tender evaluation form is at Appendix 17.)

☐ Require the tender assessment panel to open and assess the technical proposals first before opening the price offers, to enhance objectivity in assessment if price is not the only consideration.

☐ Award the contract to the best offer (i.e. the lowest conforming bid or the highest combined score of the technical proposal and the price offer).

6.5 Site Supervision and Progress Monitoring

☐ Require the contractor to submit a work programme, which should show the deliverables at different stages up to the scheduled completion date (for major projects only) to facilitate monitoring of work progress.

☐ Appoint a staff member with relevant technical or professional knowledge as the project manager, if a consultant is not employed, for checking the quality and progress of works and reporting to the senior management regularly.

☐ Require the contractor to keep records of work with photographs of the work items in progress or completed, particularly before covering up hidden works, for scrutiny by the project manager or the consultant.

☐ Require the project manager or the consultant to hold regular meetings with the contractor to review work progress and identify any rectification work required, etc.

☐ Require the project manager or the consultant to record and report any adverse observations, in particular substandard works or default in deliverables.
Require the contractor to explain any delay of work and propose remedial measures.

Check deliverables or milestones and require the contractor to rectify any substandard work before release of interim or final payments.

6.6 Interim Payments

Make interim payments to the contractor according to the contract terms.

 Require the project manager, upon recommendation by the consultant if one is engaged, to confirm satisfactory completion of the work items before endorsing release of interim payments.

 Retain a portion of payment (e.g. 10%) as retention money in accordance with the contract terms.

 Submit regular financial reports on the project to the management and, in the case of a major project, the Board/committee for monitoring.

6.7 Handling of Work Variations

Minimize the need for work variations (which often entail special rates to be negotiated with the contractor) by including all foreseeable items of work in the scope at the outset as far as possible.

Put in place the following safeguards for ordering work variations:

- Require the project manager, or the consultant to justify the need for and the scope of the proposed variations.

- Require the contractor to submit a quotation on the rates for the proposed variations, which should be based on the schedule of rates in the contract (if applicable).
• Specify the authority for approval of variation orders.

• Consider inviting new tenders for the work variations if the scope or cost involved is substantial or disproportionate as compared to the original scope or value of the project.

• Require the project manager or the consultant to submit regular reports on variations to the senior management and, for major variations involving substantial cost, the Board/committee for monitoring.

6.8 Certification of Work Completion and Final Payment

☐ Require the project manager, assisted by the consultant if one is engaged, to certify completion of all works as specified in the contract.

☐ Require the project manager or the consultant to carry out a final inspection on the completed works and compile a list of defects for follow-up action by the contractor.

☐ Make final payment upon certification of work completion by the project manager or the consultant, except for the retention money.

☐ Require the contractor to make good all the defects identified within the defect liability period before releasing the retention money.
The suggested terms and formats of the documents are for reference only. Users of this Checklist should refer to the statement “From the Editorial Board” on page iii.
SAMPLE CODE OF CONDUCT
FOR BOARD MEMBERS & STAFF OF
NON-GOVERNMENTAL ORGANISATIONS
IN SOCIAL WELFARE SECTOR
(FULL VERSION)

2015
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ACKNOWLEDGEMENTS

For the purpose of updating this Sample Code of Conduct, the Corruption Prevention Department has consulted the Hong Kong Council of Social Service and a number of its agency members, and their input is gratefully acknowledged.
*Foreword*

[The Organisation may include a short message from the Chairman & Chief Executive Officer to emphasise the importance of integrity for Non-Governmental Organisations (NGOs) and remind Board members and staff to closely observe.]

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1. This sample code of conduct aims at upholding a high ethical standard of behavior. It is relevant to NGOs receiving government subventions and those that need to be accountable to their sponsoring bodies / the public for the sponsorship and donations offered. While this sample code of conduct is developed for NGOs in the social welfare sector, NGOs in other sectors are also recommended to refer to it.
Mission
1. [Name of the NGO]’s (hereafter referred to as the Organisation) roles in serving the community are expressed in our Mission Statement as follows:

[The mission of the Organisation]

2. All Board members\(^2\) and staff\(^3\) should be committed to the mission which clearly sets out the Organisation’s aims and the objectives in our particular areas of work.

Core Values
3. The Organisation is fully committed to the following principles in the delivery of services to the public:

   • honesty and integrity;
   • objectivity and impartiality;
   • accountability for decisions and actions; and
   • dedication, professionalism and diligence.
   • [the Organisation may insert other suitable values]

4. A Board member or staff should uphold the above core values. He\(^4\) should always act in the best interest of the Organisation, place the Organisation’s interest above his private interest and ensure that his conduct would not bring the Organisation into disrepute.

[The Organisation should also ensure that members of the committees, sub-committees and panels set up under the governing body of the Organisation, etc. are covered by this code of conduct or a separate code tailor-made for them.]

\(^2\) In this Code of Conduct, “Board members” means members of the NGO’s governing body which may be referred to as “Management Board”, “Executive Committee”, “Management Committee”, “Council”, etc. in some NGOs.

\(^3\) “Staff” includes full-time and temporary staff, except where specified.

\(^4\) A reference to the masculine gender in this code covers both the feminine and masculine gender.
Prevention of Bribery Ordinance

5. Board members and staff of [name of NGO] are agents of the Organisation governed by section 9 of the Prevention of Bribery Ordinance (Cap. 201) ("POBO"). Under the POBO, any member of the Board or staff who, without the permission of his principal (i.e. the Organisation), solicits or accepts an advantage as a reward for or inducement to doing any act or showing favour in relation to the latter’s business, commits an offence. The person offering the advantage also commits an offence.

6. Board members and staff should note that one may commit an offence under the POBO irrespective of whether he, or any other person acting on his behalf, directly or indirectly solicits or accepts any advantage, and whether for himself or for any other person.

7. It is not a defence to claim that an advantage accepted or offered is customary in any profession, trade, vocation or calling.

8. It is an offence under section 9(3) of the POBO for any Board member or staff to use any document containing false information with the intent to deceive the Organisation.

9. Offer of any advantage to any public servant (including Government / public body employee) as a reward for or inducement to his performing any act in his official capacity or his showing any favour or providing any assistance in business dealing with the Government / public body contravenes section 4 of the POBO.

10. It is also an offence under section 8 of the POBO to offer any advantage to any staff of a Government department or public body while having business dealing with the latter.

11. “Advantage” is defined in section 2(1) of the POBO to mean almost anything which is of value, except entertainment which will be covered under a separate heading below. Common examples of advantages include any gift (both of money and in kind), loan, fee, reward, commission, office, employment, contract, service and favour, etc.

[The relevant sections of the POBO are detailed at Annex 1.]
Solicitation and Acceptance of Advantages

12. [Name of the NGO] prohibits Board members and staff from soliciting or accepting any advantage from any persons or companies having official dealings with the Organisation (e.g. service recipients, suppliers, contractors, professional fund-raisers), and (for Board members) from staff to whom the Board may have an influence\(^5\)*, and (for staff) from any subordinates\(^6\), except that they may accept, but not solicit, the following advantages when offered on a voluntary basis:

(a) advertising or promotional gifts or souvenirs\(^6\) of a nominal value;

(b) discount or other special offers given by any person or company to them as customers, on terms and conditions equally applicable to other customers in general; or

(c) gifts given by the Organisation’s donors to a Board member or staff in his private capacity\(^7\).

[* Acceptance of gifts by Board members from staff to whom they may have an influence, or by staff from subordinates could invite allegations of impropriety, hence it should be discouraged. However, if an Organisation, having regard to its size and organisation structure, wishes to give permission\(^8\) for Board members or staff to accept such advantage, it should impose restriction as below:

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5 E.g. Staff members whose appointment, performance, remuneration and contract renewal are subject to the Board’s decisions, or who request favour from Board members on matters related to the Organisation for himself or others.

6 Include food offered which is not for immediate consumption, like mooncakes, radish cakes or Christmas hampers. Whenever practicable, the accepted advantages should be shared with service recipients.

7 If an Organisation considers there is incentive for a donor to offer advantage to a Board member or staff in return for benefits (e.g. assisting the donor to become a Board member), it should exclude (c) from the blanket permission covered above. The Organisation should then follow the procedures described in para. 13 in processing the application for acceptance of advantage.

8 Organisations should decide if they would provide a blanket permission, or require Board members / staff to apply for special permission in each case. Special permission is recommended from a control perspective as the Organisation can consider the circumstances before its decision to grant the permission.

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(d) gifts (including red packets, gift cheques⁹) given by staff to Board members who may have an influence over them, or subordinates to their supervisors on festive (e.g. Chinese New Year) or special occasions (e.g. birthday, wedding, retirement), subject to a maximum limit of $______ in value¹⁰.

13. If a Board member or staff wishes to accept from any persons or companies having official dealings with the Organisation, or (for Board members) from staff to whom the Board may have an influence, or (for staff) from any subordinates any other advantages not listed in paragraph 12, he should seek the permission from [the approval authority]. Form A or a Register of Gifts/Advantages Received (Sample at Annex 2) could be used to record and seek approval of the advantages received by Board member or staff. In case of doubt, the Board member or staff should refer the matter to [insert an appropriate unit / officer] for advice and instruction.

14. Even if the offeror does not have any official dealings with the Organisation, a Board member or staff should decline an offer of an advantage if the acceptance could affect his objectivity in conducting the Organisation’s business, induce him to act against the Organisation’s interest or place him under an improper obligation, or where he believes the offeror has such an intention, or lead to the perception or allegation of impropriety or conflict of interest. Board members and staff should ensure that the solicitation or acceptance of any advantages can stand up to public scrutiny and will not bring the Organisation into disrepute.

Advantages Offered to Board Members and Staff in Their Official Capacity

15. An advantage (e.g. gift, souvenir, lucky draw prize) presented to a Board member or staff by virtue of his official position or on an occasion attended in the member of the Board or staff’s official capacity is regarded as an advantage to the Organisation (e.g. a souvenir presented by the organiser of a ceremonial occasion to a Board member or staff representing the Organisation to officiate at the ceremony).

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⁹ E.g. gift cheques issued by banks (禮券) or supermarket or department store coupons.

¹⁰ The Organisation should consider setting different amounts allowed for festive and special occasions but they should be minimal as such they might not be perceived as influencing the recipient’s impartiality, taking into consideration the recipient’s income and public perception.
16. Board members or staff should as far as possible decline to accept advantages offered / presented to them by virtue of their official position. Where this cannot be done (e.g. owing to protocol reasons or the need to avoid causing offence or embarrassment, such as where a gift is offered / presented to a Board member or staff when attending a ceremonial occasion in his official capacity), he should take it back to the Organisation and follow the guidelines set out at Annex 2 for the disposal of gifts / souvenirs received.

**Sponsorship Offered to Board Members and Staff in Their Official Capacity**

17. Board members or staff may be offered sponsorship in their official capacity by persons / organisations other than the Organisation itself for official purposes such as attending local / overseas conferences and conventions. Such sponsorship should be regarded as sponsorship offered to the Organisation and referred to the Organisation for consideration of acceptance.

18. The Organisation will consider whether it is appropriate to accept the offer and if the Organisation decides to accept the sponsorship, it will select a suitable Board member / staff to attend the sponsored activity on its behalf. In considering whether or not to accept the sponsorship offer, the following general criteria are relevant:

- acceptance of the sponsorship will benefit the Organisation as a whole;
- acceptance of the sponsorship will not bring the Organisation into any disrepute;
- the sponsorship is not excessive in value or frequency;
- acceptance of the sponsorship will not give rise to any expressed or implied obligation towards the offeror;
- acceptance of the sponsorship will not give rise to any actual or perceived conflict of interest (e.g. the offeror is a supplier / contractor bidding for the Organisation’s contracts); and
- the sponsor will not be given or be perceived to derive an unfair advantage over other persons or organisations.
Acceptance of Entertainment

19. As defined in section 2 of the POBO (Annex 1), “entertainment” means the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with or provided at the same time as the provision of food or drink.

20. Although entertainment when offered by way of a favour is not an advantage per se and its acceptance is generally not subject to the POBO, a free entertainment may, in certain circumstances, amount to “a discharge of an obligation to pay” which is an advantage under section 2 of the POBO. For example, where a staff of the Organisation visits a restaurant with which he has official dealings and at the end of the meal the restaurant owner waives the bill, this may amount to an acceptance of an advantage.

21. Board members and staff should not accept lavish, or unreasonably generous or frequent entertainment, or indeed any entertainment which is likely to give rise to any potential or real conflict of interest, put the Board members or staff in an obligatory position in the discharge of their duties, compromise their impartiality or judgement, or bring them or the Organisation into disrepute bearing in mind public perception. When offered entertainment, a Board member or staff should consider whether the entertainment offered could be regarded as:

- excessive – taking into account its value, substance, frequency and nature;
- inappropriate – taking into account the relationship between the Board member or staff and the offeror (e.g. the offeror is bidding for the Organisation’s contract); or
- undesirable – taking into account the character or reputation of the host or known attendees.

[The Organisation may insert additional guidelines on acceptance of entertainment and / or the reporting requirements.]

Offering of Advantages

22. Board members and staff are prohibited from offering advantages to any director or staff of any organisation, for the purpose of influencing such person or
organisation in any dealings, or any public official\textsuperscript{11} when conducting the business of the Organisation. It is also an offence under the POBO for any person while having dealings with a public body\textsuperscript{12} to offer an advantage to the public body’s members and employees.

23. Board members and staff should as far as possible refrain from bestowing souvenirs to others during the conduct of official activities. Where it is necessary to bestow souvenirs to others during the conduct of official duties due to operational, protocol or other reasons, the number of souvenirs to be bestowed should be kept to a minimum and the exchange of souvenirs should be made from organisation to organisation. Souvenir items should not be lavish or extravagant and souvenirs inscribed with the Organisation’s logo are preferred.

Managing Conflict of Interest

24. Managing conflict of interest is important to good governance and maintaining trust in NGOs. Conflict of interest if improperly managed, give rise to criticism of favouritism, abuse of authority or even allegation of corruption and undermine the integrity of Board members and staff, their decisions and eventually the Organisation.

Conflict of Interest

25. A conflict of interest situation arises when the “private interests” of a Board member or staff compete or conflict with the interests of the Organisation or the official duties of the Board member or staff. Private interests include financial and other interests of the Board member or staff himself, and those of his connections including family and other relations, personal friends, the clubs and societies to which he belongs, and any person to whom he owes a favour or to whom he may be obligated in any way. Use of official position and use of official information are some common areas in which a conflict of interest may arise between official duties and private interests of a Board member or staff.

\textsuperscript{11} Examples of public officials: officers of the Social Welfare Department, Education Bureau, Home Affairs Department, etc.

\textsuperscript{12} Examples of public bodies: the Government, the Community Chest of Hong Kong, etc.
Avoidance and Declaration of Conflict of Interest

26. A fundamental integrity requirement is that all Board members and staff should avoid situations which may compromise (or be seen to compromise) their personal judgement or integrity at work or lead to conflict of interest.

27. There are circumstances in which a tie of kinship or friendship, or some other association or loyalty which does not give rise to a financial interest, can influence the judgement of a Board member or staff in discharging his official duties, or may reasonably be perceived as having such an influence. As such, a Board member or staff’s duty to avoid or declare a conflict of interest goes beyond the disclosure of interests that are definable in pecuniary terms.

28. When a situation involving a conflict of interest cannot be avoided, Board members and staff should as soon as possible make full disclosure of all relevant interests which conflict, may conflict or may be seen to conflict with their official duties. Any declarations made and the related decisions should be recorded in a minute in the subject file or a central declaration file, or use a sample declaration form (Form B / C at Annex 3) for major tender exercises.

29. For Board members, organisations may make reference to the declaration guidelines at Annex 3. For staff members who have made a declaration, their supervisors / the approval authority will then decide on the appropriate course of action to be taken such as to relieve the staff member of his involvement in the task which may give rise to conflict of interest, ask the staff member to divest himself of certain investment, etc. If Board members or staff have doubts concerning the handling of conflict of interest situation, they should immediately consult the Chairman / Secretary or their supervisors / approval authority respectively.

Examples of Conflict of Interest

30. Some common examples of conflict of interest are described below and at Annex 3 but they are by no means exhaustive:

Procurement of Products or Services
- A Board member, or a staff involved in a procurement process, has interest in or is closely associated with a company which provides the Organisation
with paid services (e.g. training, consultancy, legal, accounting), or bids for supply of goods or services to the Organisation.

- A Board member or his close relative / friend has financial interest in a professional fundraiser (e.g. a marketing or public relations company) which the Organisation engages to solicit donations.

- A Board member or staff leases or sells his property to the Organisation.

**Contract Administration**

- A staff member responsible for contract administration solicits quotations from or employs contractors of the Organisation for renovating his home.

**Staff Administration**

- A Board member gets paid to undertake a staff position and appoints his relatives or friends to take up posts in the Organisation.

- One of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the Board member or staff responsible for the exercise.

**Others**

- A Board member attends a meeting for evaluation of an NGO supplier of which he is also a Board member.

- A Board member’s company, being a sponsor for an event of the Organisation, is favoured over other sponsors, e.g. publicity or best seats in the event.

- A client of a Board member’s business bids for purchase of an asset owned by the Organisation.

- A staff member responsible for assessing eligibility of applications for food assistance provided by the Organisation is considering an application from his personal friend or relative.
**Board Members Bidding for Supply of Goods / Services to the Organisation**

31. As a matter of principle, Board members should avoid entering into any business relationship with the Organisation in their personal capacity to prevent the perception of impropriety of Board members using their capacity to obtain financial gains from the Organisation. Where this is unavoidable, Board members shall adhere to the guidelines on managing possible conflict of interest in bidding for supply of goods / services to the Organisation as set out at Annex 4.

**Misuse of Official Position**

32. Persons occupying offices of NGOs which receive subventions from the Government / other sponsoring organisations or public donations for the provision of services in the community are placed in a position of trust. Our society expects persons in such a position to exercise the powers and discretions with integrity and fidelity, and in an incorrupt manner to serve the interest of the Organisation, and should not subordinate the interest of the Organisation to private interests.

33. Board members and staff should act impartially and should not use their official position for personal gains nor accord preferential treatment to organisations or persons with whom they have connections. They should not use or permit the use of their official position or title or an authority associated with their office in a manner that is intended to coerce or induce another person to provide any benefit to himself or his relations, friends or associates. Nor should they use their official position or title in a manner that could reasonably be construed to imply that the Organisation sanctions or endorses their personal activities or those of another.

**Use of Organisation’s Funds, Assets and Resources**

34. Board members shall ensure that the Organisation’s funds are used in a prudent and responsible manner to safeguard the Organisation’s interest. They should only approve funds for any project / activity / expenditure item which falls within the ambit of the funds and can achieve the purpose of the funds.

35. Board members shall particularly ensure that an open, fair and competitive mechanism is adopted for the procurement of goods / services / assets, sale of assets and recruitment of staff for the Organisation.
36. Board members and staff in charge of or having access to any assets of the Organisation, including funds, property, information, and intellectual property should use them solely for the purpose of conducting the Organisation’s business. They should make the best use of the Organisation’s assets and resources in terms of money, property, goods or services economically and effectively. Any appropriation of the Organisation’s properties for personal use or personal gain is strictly prohibited and may amount to an offence under the Theft Ordinance (Cap. 210).

Confidentiality of Information

37. Board members and staff should not disclose any classified or proprietary information of the Organisation without authorisation or misuse any Organisation’s information (e.g. using the information for personal gain or the benefit of others).

38. Board members and staff who have access to or in control of such information should at all times ensure its security and prevent any abuse, unauthorised disclosure or misuse of the information.

39. Special care should be taken when handling any personal data of the Board members, staff, volunteers and service recipients to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486) and the Organisation’s data privacy policy.

40. Board members and staff should continue to observe their duty of confidentiality after they have left the Organisation. They should not use, or take advantage of any classified or proprietary information obtained in the course of their official duties.
Outside Work of Staff

41. A staff member should avoid any outside activity which may impair the performance of his duties, distract his attention from them or give rise to a conflict of interest. If a full-time staff member wishes to take up concurrent employment/service, either on a regular or ad hoc basis, he should obtain the prior written approval of [insert an appropriate unit/officer in the Organisation]. The approving authority will take into consideration whether the employment/service would pose a conflict of interest with the staff’s duties in the Organisation.

Records, Accounts and Other Documents

42. Board members and staff should ensure, to the best of their knowledge, that any record, receipt, account or other documents they submit to the Organisation, gives a true representation of the events or transactions reported in the documents.

43. Intentional use of documents containing false information to deceive or mislead the Organisation, regardless of whether the Board members or staff may obtain any gain or advantage, may constitute an offence under the POBO (Annex 1).

Gambling

44. Board members and staff should not engage in frequent or excessive gambling of any kind, or any games of chance involving high stakes. Board members and staff should not gamble with persons having official dealings with the Organisation.

Loans

45. Board members and staff should not accept a loan from or through the assistance of, any person or organisation having official dealings with the Organisation. There is, however, no restriction on borrowing from a licensed bank or financial institution.

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13 The Organisation could consider including in this requirement any part-time staff who, if taking up outside job, may give rise to potential conflict of interest with their official duties.
46. Staff shall be liable to disciplinary action if he uses a subordinate or a junior officer of the same grade or working in the same unit / department as a guarantor for a loan or a hire purchase agreement. He shall also be liable if he acts as a guarantor for a superior or senior officer of the same grade or working in the same unit / department. Similarly, Board members should not use a staff member as a guarantor for a loan or hire purchase agreement, nor should a staff member act as a guarantor for a Board member.

Indebtedness

47. Board members and staff should avoid allowing themselves to get into a position where any debts they may have become unmanageable and other financial embarrassment which may bring the Organisation into disrepute. Board members are required to notify the Chairman or [insert an appropriate unit / officer in the Organisation], and staff to [insert an appropriate unit / officer in the Organisation] if proceedings are taken against them with a view to bankruptcy. Board members and staff who become insolvent or bankrupt, even though no proceedings have been taken against them yet, should also report their case to the Organisation.

48. Where serious pecuniary embarrassment results in impairment of a staff’s work performance, the staff member may be subject to administrative action.

Supervisory Accountability of Staff

49. All staff who have a responsibility to supervise and direct staff should embrace a two-fold responsibility, namely:

- the satisfactory discharge of his own duties; and
- his duties as a supervisor.

50. A supervisor will be asked to account for acts or omissions by his subordinates, if these acts are serious, repeated or widespread that by reasonable diligence the supervisor should have known of them had he exercised the level of leadership, management and supervision required of his position.
51. As a supervisor, a staff member should:

- provide adequate guidance, advice, counselling and training for staff;
- monitor the conduct and performance of staff to ensure that they meet the standards required;
- be alert to signs of malpractice in the workplace (e.g. unauthorised absence from work); and
- take prompt and decisive action to handle misconduct and poor performance.

**Reporting Suspected Criminal Offences and Irregularities**

52. A Board member and staff should report, either directly or through [insert an appropriate officer] as appropriate, all instances of crime or alleged crime discovered in the course of his official duty to the appropriate law enforcement authority at the first practicable opportunity. He should avoid making any enquiries or taking any action that may hinder or frustrate subsequent investigation by the law enforcement authority concerned.

53. A Board member and staff should also report other irregularities observed in the course of their official duty to [the Chairman, the Secretary or a designated staff of the Organisation]. All such reports should be treated in the strictest confidence.

**Compliance**

54. Board members and staff should understand and comply with this Code when performing duties of the Organisation in or outside Hong Kong. Supervisors should also ensure that the staff members under their supervision understand well and comply with this Code.

55. Board members and staff should comply with all local laws and regulations when conducting the Organisation’s business, and also those in other jurisdictions, when conducting business there.
56. Any Board member and staff in breach of the Code will be subject to disciplinary action, including termination of appointment. In case of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate law enforcement agencies.

**Review**

57. This Code is subject to review and revision from time to time by the Organisation.

**Enquiry**

58. Any enquiries, comments or suggestions in relation to this Code may be referred to [insert an appropriate unit / designated staff in the Organisation].
### Section 9

(1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his –

(a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or

(b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(2) Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's –

(a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or

(b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document -

(a) in respect of which the principal is interested; and

(b) which contains any statement which is false or erroneous or defective in any material particular; and

(c) which to his knowledge is intended to mislead the principal,

shall be guilty of an offence.

(4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

(5) For the purposes of subsection (4) permission shall –

(a) be given before the advantage is offered, solicited or accepted; or

(b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

### Section 4

(1) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to a public servant as an inducement to or reward for or otherwise on account of that public servant's -

(a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as a public servant;

(b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by that public servant or by any other public servant in
Extracts from the Prevention of Bribery Ordinance (Cap. 201)

his or that other public servant's capacity as a public servant; or

(c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body,

shall be guilty of an offence.

(3) If a public servant other than a prescribed officer solicits or accepts an advantage with the permission of the public body of which he is an employee being permission which complies with subsection (4), neither he nor the person who offered the advantage shall be guilty of an offence under this section.

**Section 2**

“Advantage” means:

(a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;

(b) any office, employment or contract;

(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;

(d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;

(e) the exercise or forbearance from the exercise of any right or any power or duty; and

(f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e),

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an election return in accordance with that Ordinance.

“Entertainment” means:

The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

**Section 8**

(1) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with the Government through any department, office or establishment of the Government, offers any advantage to any prescribed officer employed in that department, office or establishment of the Government, shall be guilty of an offence.

(2) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with any other public body, offers any advantage to any public servant employed by that public body, shall be guilty of an offence.

**Section 19**

In any proceedings for an offence under this Ordinance, it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.
Guidelines for Handling Gifts / Souvenirs Given to Board Members and Staff in their Official Capacity

All gifts / souvenirs received by Board members and staff in their official capacity should be forwarded to the Secretary / designated approving authority of the Organisation for disposal in the following manner:

(a) If the gift / souvenir is of perishable nature (e.g. food, drink), it may be shared among service recipients, donated to a charitable organisation or, when this is not practical, shared among staff of the Organisation on a suitable occasion.

(b) If the gift / souvenir is a useful item, it may be kept for use by the Organisation or donated to another charitable organisation.

(c) If the gift / souvenir is suitable for display (e.g. a painting, vase), it may be displayed at appropriate locations of the Organisation premises.

(d) If the gift / souvenir is of low value, it may be donated as a prize in functions organised by the Organisation.

(e) If the gift / souvenir is a personal item of low value, such as a plaque or pen inscribed with the name of the recipient, it may be retained by the recipient.

(f) If the gift / souvenir is distributed to all participants in public activities, such as a ball pen, file folder or key clasp, etc, it may be retained by the recipient.

(g) Any gift / souvenir of high value should be returned to the offeror as far as possible.
[Name of Organisation]

REPORT ON GIFTS / ADVANTAGES RECEIVED

Part A – To be completed by Receiving Staff

To: [Approving Authority]

Description of Offeror:

Name & Title: ____________________________________________

Company: ________________________________________________

Relationship (Business/Personal): ____________________________

Occasion on which the Gift/Advantage was/is to be Received:
________________________________________________________

Description & (assessed) Value of the Gift/Advantage:
________________________________________________________

Suggested Method of Disposal:                                   Remarks

( ) Retain by the Receiving Staff

( ) Retain for Use/Display/as a Souvenir in the Office

( ) Share among service recipients or the Office

( ) Reserve as Lucky Draw Prize at Staff Function

( ) Donate to a Charitable Organisation

( ) Return to the Offeror

( ) Others (please specify):

____________________________________________________________________________________

[Name of Receiving Staff]

[Date] [Title/Department]

Part B – To be completed by Approving Authority

To: [Name of Receiving Staff]

The recommended method of disposal is *approved/not approved.

*The gift/advantage concerned should be disposed of by way of:

____________________________________________________________________________________

____________________________________________________________________________________

[Name of Approving Authority]

[Date] [Title/Department]

* Please delete as appropriate
Register of Gifts/Advantages Received

<table>
<thead>
<tr>
<th>Date</th>
<th>Description of Offeror (Name &amp; Title/Organisation Name)</th>
<th>Relationship with Offeror (Business/Personal)</th>
<th>Occasion of Gift/Advantage Received</th>
<th>Description &amp; (Assessed) Value of Gift/Advantage</th>
<th>Suggested Method of Disposal (Note 1)</th>
<th>Name of Recipient (Title/Department)</th>
<th>Signature of Recipient &amp; Date</th>
<th>Remarks / File Reference</th>
<th>Approval of Disposal Method (Note 2)</th>
<th>Name of Approving Authority (Title/Department)</th>
<th>Signature of Approving Authority &amp; Date</th>
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</table>

**Note 1:** Please choose the following disposal methods -

1. Retain by the Recipient
2. Retain for Use/Display/as a Souvenir in the Office
3. Share among Service Recipients or the Office
4. Reserve as Lucky Draw Prize at Staff Function
5. Donate to a Charitable Organization
6. Return to Offeror
7. Others (Please specify)

**Note 2:** Please indicate whether the suggested method is approved or not and specify the disposal method if the suggested method is not approved.
Guidelines on Declaration of Interests by Board Members of NGOs

General Principles

When a Board member (including the chairman) of a board or committee has a potential conflict of interest in a matter placed before the committee, he should make full disclosure of his interest. The basic principle to be observed is that Board members’ advice, decisions or views should be disinterested and impartial and it is the responsibility of each Board member to judge and decide if the situation warrants a declaration, and to seek a ruling from the chairman in case of doubt.

It is impossible to define or describe all the situations that would call for such a declaration, because each individual case differs, and because of the difficulty of catering for unusual and unforeseen circumstances. On the other hand, it is not intended that a Board member should make a declaration of interest simply because the committee is considering a matter in which he has knowledge or experience.

Potential Conflict of Interest Situations

The following are potential conflict of interest situations:

1. Pecuniary interests in a matter under consideration by the committee, held either by the Board member or by any close relative of his. Board members are themselves the best judge of who, in the particular circumstances, is a “close relative”.

2. A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the Board.

3. Some friendships which might be so close as to warrant declaration in order to avoid situations where an objective observer might believe a Board member’s advice to have been influenced by the closeness of the association.

4. A Board member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advised or represented or had frequent dealings with any person or body connected with a matter under consideration by the Board.
Any interest likely to lead an objective observer to believe that the Board member’s advice might have been motivated by personal interest rather than a duty to give impartial advice.

Declaration of Interests at Meetings

The following are guidelines governing declaration of interests at meetings:

1. If a Board member (including the chairman) has any direct personal or pecuniary interest in any matter under consideration by the Board, he must, as soon as practicable after he has become aware of it, disclose to the chairman (or the committee) prior to the discussion of the item.

2. The chairman (or Board) shall decide whether the Board member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.

3. If the chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by a vice-chairman.

4. When a known direct pecuniary interest exists, the secretary may withhold circulation of relevant papers to the Board member concerned. Where a Board member is in receipt of a paper for discussion which he knows presents a direct conflict of interest, he should immediately inform the secretary and return the paper.

5. All cases of declaration of interests shall be recorded in the minutes of the meeting.
[Name of the Organisation]

Declaration of Conflict of Interest by Board Members

Part A – Declaration [To be completed by Declaring Member]

To: Chairman of the Board

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

<table>
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<tr>
<th>i) Matter to be discussed by the Board</th>
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<tr>
<th>ii) Brief description of my connection with the matter in (i) above (e.g. directorship in a company which is connected with the matter)</th>
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__________
[Name of Declaring Member]
[Date]

Part B – Acknowledgement [To be completed by Chairman]

To: [Declaring Member]

Acknowledgement of Declaration

The information contained in your declaration form of [Date] is noted. It has been decided that:-

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

__________
[Name of Chairman]
Chairman of the Board
[Date]

* Please delete as appropriate
[Name of the Organisation]

Declaration of Conflict of Interest by Staff

Part A – Declaration [To be completed by Declaring Staff]

To: [Approving Authority] via [supervisor of the Declaring Staff]

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

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

__________________________________________________________________________

[Name of Declaring Staff]
[Title / Department]
[Date]

Part B – Acknowledgement [To be completed by Approving Authority]

To: [Declaring Staff] via [supervisor of the Declaring Staff]

Acknowledgement of Declaration

The information contained in your declaration form of [Date] is noted. It has been decided that:

☐ You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.

☐ You may continue to handle the work as described in Part A, provided that there is no change in the information declared above.

☐ Others (please specify): ______________________________________________________

__________________________________________________________________________

[Name of Approving Authority]
[Title / Department]
[Date]

* Please delete as appropriate
Measures to Manage Possible Conflict of Interest Arising from Board Members Bidding for Supply of Goods / Services to NGOs

(1) When the procurement need is discussed, Board members should be asked at the outset to declare whether they or any company associated with them are interested in bidding for the supply of goods / services.

(2) Board members who have declared an interest to bid should not take part or be present at any subsequent discussions or meetings concerning the proposed procurement, and should be prohibited from access to any information in relation to the procurement (other than in the capacity of a bidder).

(3) Board members who have not declared an interest to bid (and the companies concerned) should not be allowed to bid subsequently.

(4) When a Board member (or a company associated with him) has expressed an interest to bid, the Board should ascertain whether any information relating to the tender / quotation has already come to the possession of the Board member in the course of his duties as a Board member. If so, such information should be made available to other bidders as well to ensure a level playing field.

(5) If a Board member (or a company associated with him) has put in a bid / quotation, care should be taken to ensure that he subsequently has no access to the submitted tender documents / quotations which may contain commercially sensitive information.

(6) Bidder identity should be anonymised before the evaluation of bids if a Board member (or a company associated with him) is one of the bidders.

(7) If a Board member (or a company associated with him) is successful in bidding for the supply of goods / services, he should withdraw from all related discussions, except when attending in the capacity of a supplier or a service-provider.
SAMPLE CODE OF CONDUCT FOR BOARD MEMBERS & STAFF OF NON-GOVERNMENTAL ORGANISATIONS IN SOCIAL WELFARE SECTOR (ABRIDGED VERSION)

2015
ACKNOWLEDGEMENTS

For the purpose of updating this Sample Code of Conduct, the Corruption Prevention Department has consulted the Hong Kong Council of Social Service and a number of its agency members, and their input is gratefully acknowledged.
Prevention of Bribery

1. [Name of Organisation] (hereafter referred to as the Organisation) prohibits all forms of bribery and corruption. All Board members and staff are prohibited from soliciting, accepting or offering any bribe in conducting the Organisation's business or affairs. In conducting all business or affairs of the Organisation, they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong.

   [The relevant sections of the POBO are detailed at Annex 1.]

Solicitation and Acceptance of Advantages

2. [Name of Organisation] prohibits Board members and staff from soliciting or accepting any advantage from any persons or companies having official dealings with the Organisation (e.g. service recipients, suppliers, contractors, professional fund-raisers), and (for Board members) from staff to whom the Board may have an influence, and (for staff) from any subordinates, except that they may accept, but not solicit, the following advantages when offered on a voluntary basis:

   (a) advertising or promotional gifts or souvenirs of a nominal value;

   (b) discount or other special offers given by any person or company to them as customers, on terms and conditions equally applicable to other customers in general; or

   (c) gifts given by donors to a Board member or staff in his private capacity.

---

1 “Board members” means members of the Non-Governmental Organisation’s (NGO’s) governing body which may be referred to as “Management Board”, “Executive Committee”, “Management Committee”, “Council”, etc. in some NGOs.

2 “Staff” includes full-time, part-time and temporary staff.

3 E.g. Staff members whose appointment, performance, remuneration and contract renewal are subject to the Board’s decisions, or who request for favour from Board members on matters related to the Organisation for himself or others.

4 Include food offered which is not for immediate consumption, like mooncakes, radish cakes or Christmas hampers. Whenever practicable, the accepted advantage should be shared with service recipients.
[* Acceptance of gifts by Board members from staff to whom they may have an influence, or by staff from subordinates could invite allegations of impropriety, hence it should be discouraged. However, if an Organisation, having regard to its size and organisation structure, wishes to give permission\(^5\) for Board members or staff to accept such an advantage, it should impose restriction as below:

(d) gifts (including red packets, gift cheques\(^6\)) given by staff to Board members who may have an influence over them, or subordinates to their supervisors on festive (e.g. Chinese New Year) or special occasions (e.g. birthday, wedding, retirement), subject to a maximum limit of $ ______ in value\(^7\).]

3. If a Board member or staff wishes to accept from any persons or companies having official dealings with the Organisation, or (for Board members) from staff to whom the Board may have an influence, or (for staff) from any subordinates any other advantages not listed in paragraph 2, he should seek the permission from [the approval authority]. Form A or a Register of Gifts/Advantages Received (Sample at Annex 2) could be used to record and seek approval of the advantages received by Board member or staff. In case of doubt, the Board member or staff should refer the matter to [insert an appropriate unit / officer] for advice and instruction.

4. Even if the offeror does not have any official dealings with the Organisation, a Board member or staff should decline an offer of an advantage if the acceptance could affect his objectivity in conducting the Organisation’s business, induce him to act against the Organisation’s interest or place him under an improper obligation, or where he believes the offeror has such an intention, or lead to the perception or allegation of impropriety or conflict of interest. Board members and staff should ensure that the solicitation or acceptance of any advantages can stand up to public scrutiny and will not bring the Organisation into disrepute.

5 Organisations should decide if they would provide a blanket permission, or require Board members / staff to apply for special permission in each case. Special permission is recommended from a control perspective as the Organisation can consider the circumstances before its decision to grant the permission.

6 E.g. gift cheques issued by banks (禮券) or supermarket or department store coupons.

7 The Organisation should consider setting different amounts allowed for festive and special occasions but they should be minimal as such they might not be perceived as influencing the recipient’s impartiality, taking into consideration the recipient’s income and public perception.
Acceptance of Entertainment

5. Board members and staff should not accept lavish, or unreasonably generous or frequent entertainment\(^8\) from any person having official dealings with the Organisation.

Conflict of Interest

6. A conflict of interest situation arises when the “private interests” of a Board member or staff compete or conflict with the interests of the Organisation or the official duties of the Board member or staff. Private interests include financial and other interests of the Board member or staff himself, and those of his connections including family and other relations, personal friends, the clubs and societies to which he belongs, and any person to whom he owes a favour or to whom he may be obligated in any way. [Examples of conflict of interest at Annex 3.]

7. A fundamental integrity requirement is that all Board members and staff should avoid situations which may compromise (or be seen to compromise) their personal judgement or integrity at work or lead to conflict of interest. A Board member or staff’s duty to avoid or declare a conflict of interest goes beyond the disclosure of interests that are definable in pecuniary terms.

8. When a situation involving a conflict of interest cannot be avoided, Board members and staff should as soon as possible make full disclosure of all relevant interests which conflict, may conflict or may be seen to conflict with their official duties. Any declarations made and the related decisions should be recorded in a minute in the subject file or a central declaration file, or use a sample declaration form (Form B / C at Annex 3) for major tender exercises.

9. For Board members, organisations may make reference to the declaration guidelines at Annex 3. For staff members who have made a declaration, their supervisors / the approval authority will then decide on the appropriate course of action to be taken. If Board members or staff have doubts concerning the

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\(^8\) As defined in section 2 of the POBO (Annex 1), “entertainment” means the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with or provided at the same time as the provision of food or drink.
handling of conflict of interest situation, they should immediately consult the Chairman / Secretary or their supervisors / approval authority respectively.

Confidentiality of Information

10. Board members and staff should not disclose any classified or proprietary information of the Organisation without authorisation or misuse any Organisation’s information (e.g. for personal gain or the benefit of others). Special care should be taken when handling any personal data of the Board members, staff, volunteers and service recipients to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486) and the Organisation’s data privacy policy.

11. Board members and staff should continue to observe their duty of confidentiality after they have left the Organisation. They should not use, or take advantage of any classified or proprietary information obtained in the course of their official duties.

Compliance

12. Any Board member and staff in breach of the Code will be subject to disciplinary action, including termination of appointment.
Extracts from the Prevention of Bribery Ordinance (Cap. 201)

Section 9

(1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his –

(a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal’s affairs or business; or

(b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal’s affairs or business,

shall be guilty of an offence.

(2) Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent’s –

(a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal’s affairs or business; or

(b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal’s affairs or business,

shall be guilty of an offence.

(3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document -

(a) in respect of which the principal is interested; and

(b) which contains any statement which is false or erroneous or defective in any material particular; and

(c) which to his knowledge is intended to mislead the principal,

shall be guilty of an offence.

(4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

(5) For the purposes of subsection (4) permission shall –

(a) be given before the advantage is offered, solicited or accepted; or

(b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

Section 4

(1) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to a public servant as an inducement to or reward for or otherwise on account of that public servant’s –

(a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as a public servant;

(b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by that public servant
or by any other public servant in his or that other public servant’s capacity as a public servant; or

(c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body,

shall be guilty of an offence.

(3) If a public servant other than a prescribed officer solicits or accepts an advantage with the permission of the public body of which he is an employee being permission which complies with subsection (4), neither he nor the person who offered the advantage shall be guilty of an offence under this section.

Section 2

“Advantage” means:

(a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;

(b) any office, employment or contract;

(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;

(d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;

(e) the exercise or forbearance from the exercise of any right or any power or duty; and

(f) any offer, undertaking or promise, whether conditional or unconditional,

of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e),

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an election return in accordance with that Ordinance.

“Entertainment” means:
The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

Section 8

(1) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with the Government through any department, office or establishment of the Government, offers any advantage to any prescribed officer employed in that department, office or establishment of the Government, shall be guilty of an offence.

(2) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with any other public body, offers any advantage to any public servant employed by that public body, shall be guilty of an offence.

Section 19

In any proceedings for an offence under this Ordinance, it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.
Guidelines for Handling Gifts / Souvenirs
Given to Board Members and Staff in their Official Capacity

All gifts / souvenirs received by Board members and staff in their official capacity should be forwarded to the Secretary / designated approving authority of the Organisation for disposal in the following manner:

(a) If the gift / souvenir is of perishable nature (e.g. food, drink), it may be shared among service recipients, donated to a charitable organisation or, when this is not practical, shared among staff of the Organisation on a suitable occasion.

(b) If the gift / souvenir is a useful item, it may be kept for use by the Organisation or donated to another charitable organisation.

(c) If the gift / souvenir is suitable for display (e.g. a painting, vase), it may be displayed at appropriate locations of the Organisation premises.

(d) If the gift / souvenir is of low value, it may be donated as a prize in functions organised by the Organisation.

(e) If the gift / souvenir is a personal item of low value, such as a plaque or pen inscribed with the name of the recipient, it may be retained by the recipient.

(f) If the gift / souvenir is distributed to all participants in public activities, such as a ball pen, file folder or key clasp, etc, it may be retained by the recipient.

(g) Any gift / souvenir of high value should be returned to the offeror as far as possible.
[Name of Organisation]

REPORT ON GIFTS / ADVANTAGES RECEIVED

Part A – To be completed by Receiving Staff

To : [Approving Authority]

Description of Offeror:

Name & Title : 

Company : 

Relationship (Business/Personal) : 

Occasion on which the Gift/Advantage was/is to be Received : 

Description & (assessed) Value of the Gift/Advantage : 

Suggested Method of Disposal :                      Remarks

( ) Retain by the Receiving Staff

( ) Retain for Use/Display/as a Souvenir in the Office

( ) Share among service recipients or the Office

( ) Reserve as Lucky Draw Prize at Staff Function

( ) Donate to a Charitable Organisation

( ) Return to the Offeror

( ) Others (please specify) :

[Name of Receiving Staff]
[Date] [Title/Department]

Part B – To be completed by Approving Authority

To : [Name of Receiving Staff]

The recommended method of disposal is *approved/not approved.

*The gift/advantage concerned should be disposed of by way of :

[Name of Approving Authority]
[Date] [Title/Department]

* Please delete as appropriate
# Register of Gifts/Advantages Received

<table>
<thead>
<tr>
<th>Date</th>
<th>Description of Offeror (Name &amp; Title/Organisation Name)</th>
<th>Relationship with Offeror (Business/Personal)</th>
<th>Occasion of Gift/Advantage Received</th>
<th>Description &amp; (Assessed) Value of Gift/Advantage</th>
<th>Suggested Method of Disposal (Note 1)</th>
<th>Name of Recipient (Title/Department)</th>
<th>Signature of Recipient &amp; Date</th>
<th>Remarks / File Reference</th>
<th>Approval of Disposal Method (Note 2)</th>
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</tbody>
</table>

**Note 1: Please choose the following disposal methods -**

1. Retain by the Recipient
2. Retain for Use/Display/as a Souvenir in the Office
3. Share among Service Recipients or the Office
4. Reserve as Lucky Draw Prize at Staff Function
5. Donate to a Charitable Organization
6. Return to Offeror
7. Others (Please specify)

**Note 2: Please indicate whether the suggested method is approved or not and specify the disposal method if the suggested method is not approved.**
Guidelines on Declaration of Interests by Board Members of NGOs

General Principles

When a Board member (including the chairman) of a board or committee has a potential conflict of interest in a matter placed before the committee, he should make full disclosure of his interest. The basic principle to be observed is that Board members’ advice, decisions or views should be disinterested and impartial and it is the responsibility of each Board member to judge and decide if the situation warrants a declaration, and to seek a ruling from the chairman in case of doubt.

It is impossible to define or describe all the situations that would call for such a declaration, because each individual case differs, and because of the difficulty of catering for unusual and unforeseen circumstances. On the other hand, it is not intended that a Board member should make a declaration of interest simply because the committee is considering a matter in which he has knowledge or experience.

Potential Conflict of Interest Situations

The following are potential conflict of interest situations:

1. Pecuniary interests in a matter under consideration by the committee, held either by the Board member or by any close relative of his. Board members are themselves the best judge of who, in the particular circumstances, is a “close relative”.

2. A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the Board.

3. Some friendships which might be so close as to warrant declaration in order to avoid situations where an objective observer might believe a Board member’s advice to have been influenced by the closeness of the association.

4. A Board member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advised or represented or had frequent dealings with any person or body connected with a matter under consideration by the Board.
(5) Any interest likely to lead an objective observer to believe that the Board member’s advice might have been motivated by personal interest rather than a duty to give impartial advice.

Declaration of Interests at Meetings

The following are guidelines governing declaration of interests at meetings:

(1) If a Board member (including the chairman) has any direct personal or pecuniary interest in any matter under consideration by the Board, he must, as soon as practicable after he has become aware of it, disclose to the chairman (or the committee) prior to the discussion of the item.

(2) The chairman (or Board) shall decide whether the Board member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.

(3) If the chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by a vice-chairman.

(4) When a known direct pecuniary interest exists, the secretary may withhold circulation of relevant papers to the Board member concerned. Where a Board member is in receipt of a paper for discussion which he knows presents a direct conflict of interest, he should immediately inform the secretary and return the paper.

(5) All cases of declaration of interests shall be recorded in the minutes of the meeting.
More Examples of Conflict of Interest for Board Members & Staff

Procurement of Products or Services

• A Board member, or a staff involved in a procurement process, has interest in or is closely associated with a company which provides the Organisation with paid services (e.g. training, consultancy, legal, accounting), or bids for supply of goods or services to the Organisation.

• A Board member or his close relative / friend has financial interest in a professional fundraiser (e.g. a marketing or public relations company) which the Organisation engages to solicit donations.

• A Board member or staff leases or sells his property to the Organisation.

Contract Administration

• A staff responsible for contract administration solicits quotations from or employs contractors of the Organisation for renovating his home.

Staff Administration

• A Board member gets paid to undertake a staff position and appoints his relatives or friends to take up posts in the Organisation.

• One of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the Board member or staff responsible for the exercise.

Others

• A Board member attends a meeting for evaluation of an NGO supplier of which he is also a Board member.

• A Board member’s company, being a sponsor for an event of the Organisation, is favoured over other sponsors, e.g. publicity or best seats in the event.

• A client of a Board member’s business bids for purchase of an asset owned by the Organisation.

• A staff responsible for assessing eligibility of applications for food assistance provided by the Organisation is considering an application from his personal friend or relative.
[Name of the Organisation]

**Declaration of Conflict of Interest by Board Members**

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

To : **Chairman of the Board**

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

<table>
<thead>
<tr>
<th>i) Matter to be discussed by the Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii) Brief description of my connection with the matter in (i) above (e.g. directorship in a company which is connected with the matter)</td>
</tr>
</tbody>
</table>

____

[Name of Declaring Member]
[Date]

**Part B – Acknowledgement** *(To be completed by Chairman)*

To : [Declaring Member]

**Acknowledgement of Declaration**

The information contained in your declaration form of [Date] is noted. It has been decided that :-

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

____

[Name of Chairman]
Chairman of the Board
[Date]

* Please delete as appropriate
Declaration of Conflict of Interest by Staff

Part A – Declaration [To be completed by Declaring Staff]

To: [Approving Authority] via [supervisor of the Declaring Staff]

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

<table>
<thead>
<tr>
<th>Persons / companies with whom / which I have official dealings</th>
</tr>
</thead>
<tbody>
<tr>
<td>My relationship with the persons / companies (e.g. relative)</td>
</tr>
<tr>
<td>Relationship of the persons / companies with our Organisation (e.g. supplier)</td>
</tr>
<tr>
<td>Brief description of my duties which involved the persons / companies (e.g. handling of tender exercise)</td>
</tr>
</tbody>
</table>

[Name of the Organisation]

[Name of Declaring Staff]
[Title / Department]
[Date]

Part B – Acknowledgement [To be completed by Approving Authority]

To: [Declaring Staff] via [supervisor of the Declaring Staff]

Acknowledgement of Declaration

The information contained in your declaration form of [Date] is noted. It has been decided that:-

- You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- You may continue to handle the work as described in Part A, provided that there is no change in the information declared above.
- Others (please specify): ____________________________

[Name of Approving Authority]
[Title / Department]
[Date]

* Please delete as appropriate
Offering Gratuities

(1) The tenderer shall not, and shall procure that his employees, agents and subcontractors shall not, offer an advantage as defined in the Prevention of Bribery Ordinance, (Cap 201) in connection with the tendering and execution of this contract.

(2) Failure to so procure or any act of offering advantage referred to in (1) above committed by the tenderer or by an employee, agent or sub-contractor of the tenderer shall, without affecting the tenderer’s liability for such failure and act, result in his tender being invalidated.

Anti-collusion

(1) The tenderer shall not communicate to any person other than the Employer the amount of any tender, adjust the amount of any tender by arrangement with any other person, make any arrangement with any other person about whether or not he or that other person should or should not tender or otherwise collude with any other person in any manner whatsoever in the tendering process until the tenderer is notified by the Employer of the outcome of the tender exercise. Any breach of or non-compliance with this sub-clause by the tenderer shall, without affecting the tenderer’s liability for such breach or non-compliance, invalidate his tender.

(2) Sub-clause (1) of this Clause shall have no application to the tenderer’s communications in strict confidence with his own insurers or brokers to obtain an insurance quotation for computation of tender price and communications in strict confidence with his consultants or sub-contractors to solicit their assistance in preparation of tender submission.

(3) The tenderer shall, upon written request by the Employer, submit to the Employer a duly signed letter in the form set out below (Annex). The letter shall be signed by a person authorized to sign the contracts on the tenderer’s behalf.
Confirmation Letter

To: [Name of Organisation]

Dear Sir/Madam,

Confirmation Letter for Contract No. [ ]

[I/We]1, [(Name of tenderer) of (Address of tenderer)]2 refer to [my/our]1 tender for the above Contract.

[I/We]1 confirm that as at the time of submission of this letter and other than the Excepted Communications referred to in the last paragraph of this letter, [I/We]1 had not communicated to any person other than the [Name of Organisation] (hereafter referred to as the Organisation) the amount of any tender, adjusted the amount of any tender by arrangement with any other person, made any arrangement with any other person about whether or not [I/we]1 or that other person should tender, or otherwise colluded with any other person in any manner whatsoever, and undertake that at any time thereafter in the tendering process for the above Contract until the tenderer is notified by the Organisation of the outcome of the tender exercise and other than the Excepted Communications referred to in the last paragraph of this letter, [I/We]1 will not communicate to any person other than the Organisation the amount of any tender, adjust the amount of any tender by arrangement with any other person, make any arrangement with any other person about whether or not [I/we]1 or that other person should tender, or otherwise collude with any other person in any manner whatsoever.

In this letter, the expression “Excepted Communications” means [my/our]1 communications in strict confidence with [my/our]1 own insurers or brokers to obtain an insurance quotation for computation of tender price and communications in strict confidence with [my/our]1 consultants or sub-contractors to solicit their assistance in preparation of tender submission.

[Name and Post Title of the Authorized Signatory]3

---

1 Delete as appropriate
2 Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, this part in square brackets should be expanded to include the respective names and addresses of such persons or as the case may be companies.
3 Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, all such persons or as the case may be companies must sign. The signatory for each of such persons or companies shall be a person authorized to sign the contract on behalf of that person or as the case may be company.
Ethical Commitment

Prevention of Bribery

(A) The Contractor shall not, and shall procure that his directors, employees, agents and sub-contractors who are involved in this Contract shall not, except with permission of [Name of Organisation] (hereafter referred to as the Organisation) solicit or accept any advantage as defined in the Prevention of Bribery Ordinance (Cap 201) in relation to the business of the Organisation. The Contractor shall also caution his directors, employees, agents and sub-contractors against soliciting or accepting any excessive hospitality, entertainment or inducements which would impair their impartiality in relation to the business of the Organisation. The Contractor shall take all necessary measures (including by way of internal guidelines or contractual provisions where appropriate) to ensure that his directors, employees, agents and sub-contractors are aware of the aforesaid prohibition and will not, except with permission of the Organisation, solicit or accept any advantage, excessive hospitality, etc. in relation to the business of the Organisation.

(B) The Contractor shall not, and shall procure that his directors, employees, agents and sub-contractors who are involved in this Contract shall not, offer any advantage to any Board member or staff in relation to the business of the Organisation.

Declaration of Interest

(C) The Contractor shall require his directors and employees to declare in writing to the Contractor any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that such conflict or potential conflict is disclosed in a declaration, the Contractor shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed. The Contractor shall require his agents and sub-contractors to impose similar restriction on their directors and employees by way of a contractual provision.
(D) The Contractor shall prohibit his directors and employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract. The Contractor shall require his agents and sub-contractors to impose similar restriction on their directors and employees by way of a contractual provision.

(E) The Contractor shall take all necessary measures (including by way of internal guidelines or contractual provisions where appropriate) to ensure that his directors, employees, agents and sub-contractors who are involved in this Contract are aware of the provisions under the aforesaid sub-clauses (C) and (D).

Handling of Confidential Information

(F) The Contractor shall not use or divulge, except for the purpose of this Contract, any information provided by the Organisation in the Contract or in any subsequent correspondence or documentation, or any information obtained when conducting business under this Contract. Any disclosure to any person or agent or sub-contractor for the purpose of the Contract shall be in strict confidence and shall be on a “need to know” basis and extend only so far as may be necessary for the purpose of this Contract. The Contractor shall take all necessary measures (by way of internal guidelines or contractual provisions where appropriate) to ensure that information is not divulged for purposes other than that of this Contract by such person, agent or sub-contractor. The Contractor shall indemnify and keep indemnified the Organisation against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Organisation may suffer, sustain or incur, whether direct or consequential, arising out of or in connection with any breach of the aforesaid non-disclosure provision by the Contractor or his directors, employees, agents or sub-contractors.
Declaration of Ethical Commitment

(G) The Contractor shall submit a signed declaration in a form (see Annex) prescribed or approved by the Organisation to confirm compliance with the provisions in aforesaid sub-clauses (A), (B), (C), (D), (E) and (F) on prevention of bribery, declaration of interest and confidentiality. If the Contractor fails to submit the declaration as required, the Organisation shall be entitled to withhold payment until such declaration is submitted and the Contractor shall not be entitled to interest in that period. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D), (E) and (F) on prevention of bribery, declaration of interest and handling of confidential information, the Contractor and the sub-contractors employed for the performance of duties under this Contract are required to deposit with the Organisation a copy of the internal guidelines issued to their staff.
To: [Name of Organisation]

Contract No.: ________________
Title: ________________

Declaration Form by Service Providers on their Compliance with the Ethical Commitment Requirements

In accordance with the Ethical Commitment clauses in the Contract. We confirm that we have complied with the following provisions and have ensured that our directors, employees, agents and sub-consultants are aware of the following provisions:

(a) prohibiting our directors, employees, agents and sub-contractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in section 2 of the Prevention of Bribery Ordinance (Cap 201) in relation to the business of the Organisation except with the permission of the Organisation;

(b) requiring our directors, employees, agents and sub-contractors who are involved in this Contract to declare in writing to their respective company management any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract, and in the event that a conflict or potential conflict is disclosed, take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed;

(c) prohibiting our directors and employees who are involved in this Contract from engaging in any work or employment (other than in the performance of this Contract), with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract and requiring our agents and sub-contractors to do the same; and

(d) taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Organisation from being divulged to a third party other than those allowed in this Contract.

Signature: __________________________
Name of the Contractor: __________________________
Name of the Signatory: __________________________
Position of the Signatory: __________________________
Date: __________________________
Board members and staff involved in a procurement exercise should declare to the designated authority any conflict of interest (Sample Forms for Declaration of Conflict of Interest at Appendix 5 to Appendix 1 and Annex 3 to Appendix 2), and withdraw from the procurement exercise pending the decision of designated authority.

![Sample Purchase Requisition Form](image)

**Purchase Requisition Form**

[Name of Organisation]

No. ______________

Delivery: on or before ____________

<table>
<thead>
<tr>
<th>QTY</th>
<th>DESCRIPTION</th>
<th>LAST PURCHASE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unit Price (HK$)</td>
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<tr>
<td></td>
<td></td>
<td>Total (HK$)</td>
</tr>
</tbody>
</table>

Purpose: ______________

Budgeted Expenditure - Yes/No*  Funds Available - Yes/No* (* Delete as appropriate)

**Quotations / Tenders Received**

<table>
<thead>
<tr>
<th>Supplier/Service Provider</th>
<th>Approved supplier/Service Provider (Yes/No)</th>
<th>Date</th>
<th>Contact Person &amp; Tel. (Verbal quotation)</th>
<th>Price Offered HK$</th>
<th>Special Conditions/Remarks</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Recommended Supplier/Service Provider: ______________

Reason(s) if not the lowest offer: ______________

PO No.: ______________

Proposed by: ______________  Signature: ______________  Date: ______________

Approved by: ______________  Signature: ______________  Date: ______________
The petty cash holder uses a Petty Cash Voucher to record checking and payment of petty cash expenditures.

The Petty Cash Voucher is in a set of two copies:

- the original copy attached to the application for petty cash replenishment with supporting documents
- a copy filed in sequential order by the petty cash holder

### PETTY CASH VOUCHER

**[Name of Organisation]**

<table>
<thead>
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<th>No.</th>
<th>Date:</th>
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</table>

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<tr>
<th>Particulars</th>
<th>Account Code</th>
<th>Amount HK$</th>
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</thead>
<tbody>
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</tr>
</tbody>
</table>

**TOTAL**

Received the sum of ________________________

__________________________Dollars HK$ ________________________

For ________________________

Approved by ________________________ Received By ________________________

**[Name and signature]** **[Name and signature]**
[Name of Organisation]

To: [Name of Supplier, Address and Fax number]

Quotation Ref.: ______________________________________________________________

Quotation Issue Date: _________________________________________________________

Quotation Closing Date: _______________________________________________________

Description of Goods and Quantity Required: _____________________________________

Notes to Suppliers (If any) : ____________________________________________________

Terms of Quotation

1. Suppliers are invited to fill in the attached quotation form and submit it in a sealed envelope marked with the quotation reference to [please fill in the address of the Organisation] or send it by fax to fax no. ____________ for the attention of [please fill in the name of staff responsible for the purchase].

2. Quotations must be submitted or faxed in on or before the quotation closing date as shown above. Quotations received after the closing date will not be considered.

3. Any amendments to the rates offered or description given must be signed by the person who signed the quotation.

4. The suppliers or their staff shall not offer any advantage as defined in the Prevention of Bribery Ordinance to any Board members or staff of the Organisation in connection with this quotation exercise or the supply of goods in question. If the suppliers or their staff are found to have offered any advantage to any Board members or staff, or committed an offence under the Prevention of Bribery Ordinance in connection with this quotation exercise, the Organisation may, without affecting the suppliers' liability for such act, invalidate the suppliers' quotations, or terminate the contract concerned without entitling the suppliers to any compensation.

5. The supplier shall not communicate to any person other than the Organisation the amount of any quotation, adjust the amount of any quotation by arrangement with any other person, make any arrangement with any other person about whether or not he or that other person should or should not bid, or otherwise collude with any other person in any manner whatsoever in the quotation process until he is notified by the Organisation of the outcome of the quotation exercise. Any breach of or non-compliance with this clause by the supplier shall, without affecting his liability for such breach or non-compliance, invalidate his quotation. This clause shall have no application to the supplier's communications in strict confidence with his own insurers or brokers to obtain an insurance quotation for computation of his quotation price and communications in strict confidence with his suppliers to solicit their assistance in preparation of the quotation submission.

________________________________________
Signature, Name and Post

[Name of Organisation]
Sample Quotation Form for Goods

I. Supplier’s Information

Company Name: 
Address: 
Contact Person: Tel. No. 

II. Quotation Details

<table>
<thead>
<tr>
<th>Description of Goods</th>
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</thead>
<tbody>
<tr>
<td>Quantity</td>
<td></td>
</tr>
<tr>
<td>Manufacturer/ Origin</td>
<td></td>
</tr>
<tr>
<td>Unit Cost</td>
<td></td>
</tr>
<tr>
<td>Total Cost including Delivery</td>
<td></td>
</tr>
<tr>
<td>Delivery Schedule</td>
<td></td>
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<tr>
<td>Payment Terms</td>
<td></td>
</tr>
<tr>
<td>Warranty and After-sale Service</td>
<td></td>
</tr>
<tr>
<td>Other Terms and Conditions</td>
<td></td>
</tr>
</tbody>
</table>

I/We, the undersigned, hereby agree to supply all or any portion of the goods at the price and under the terms and conditions shown above, subject to and in accordance with the Terms of Quotation shown in this Invitation Document.

Authorized Signature, Name, Post and Company Chop
[Name of Organisation]

To: [Name of Service Provider, Address and Fax Number]

Quotation Ref.: ____________________________

Quotation Issue Date: ____________________________

Quotation Closing Date: ____________________________

Description of Service Requirements, e.g.
(a) schedule of service ____________________________
(b) quality and standard of service required ____________________________
(c) manpower required ____________________________
(d) materials to be provided by the contractor for carrying out the service ____________________________
(e) other requirements ____________________________
(f) period of service required ____________________________

Notes to Bidders (If any) : ____________________________

Terms of Quotation
1. Service providers are invited to fill in the attached quotation form and submit it in a sealed envelope marked with the quotation reference to [please fill in the address of the Organisation] or send it by fax to fax no. _________ for the attention of [please fill in the name of staff responsible for the purchase].

2. Quotations must be submitted or faxed in on or before the quotation closing date as shown above. Quotations received after the closing date will not be considered.

3. Any amendments to the rates offered or description given must be signed by the person who signed the quotation.

4. The service providers or their staff shall not offer any advantage as defined in the Prevention of Bribery Ordinance to any Board members or staff of the Organisation in connection with this quotation exercise or the supply of goods in question. If the service providers or their staff are found to have offered any advantage to any Board members or staff, or committed an offence under the Prevention of Bribery Ordinance in connection with this quotation exercise, the Organisation may, without affecting the service providers’ liability for such act, invalidate the service providers’ quotations, or terminate the contract concerned without entitling the service providers to any compensation.

5. The service provider shall not communicate to any person other than the Organisation the amount of any quotation, adjust the amount of any quotation by arrangement with any other person, make any arrangement with any other person about whether or not he or that other person should or should not bid, or otherwise collude with any other person in any manner whatsoever in the quotation process until he is notified by the Organisation of the outcome of the quotation exercise. Any breach of or non-compliance with this clause by the service provider shall, without affecting his liability for such breach or non-compliance, invalidate his quotation. This clause shall have no application to the service provider’s communications in strict confidence with his own insurers or brokers to obtain an insurance quotation for computation of his quotation price and communications in strict confidence with his sub-contractors to solicit their assistance in preparation of the quotation submission.

______________________________
Signature, Name and Post
[Name of Organisation]
Sample Quotation Form for Services

I. Service Provider’s Information

| Company Name: |  
| Address: |  
| Contact Person: | Tel. No. |

II. Quotation Details

| Schedule of service |  
| Quality and standard of service to be provided |  
| Manpower to be provided |  
| Materials to be provided for carrying out the service |  
| Other services |  
| Period of service |  
| Unit Price (if applicable) |  
| Total Price |  
| Payment Terms |  
| Warranty of service |  
| Others Terms and Conditions |  

I/We, the undersigned, hereby agree to provide all or any portion of the service at the price and under the terms and conditions shown above, subject to and in accordance with the Terms of Quotation shown in this Invitation Document.

Authorized Signature, Name, Post and Company Chop
[Name of Organisation]

Tenders for ________________ have been invited and those received before the submission deadline were opened on [date and time]. A total of _______ tenders in respect of the above-mentioned contract were received. The tenderers’ names and their respective tender prices are listed below:

<table>
<thead>
<tr>
<th>Name of Tenderers</th>
<th>Tender Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. __________________________</td>
<td>________________</td>
</tr>
<tr>
<td>2. __________________________</td>
<td>________________</td>
</tr>
<tr>
<td>3. __________________________</td>
<td>________________</td>
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<tr>
<td>4. __________________________</td>
<td>________________</td>
</tr>
<tr>
<td>5. __________________________</td>
<td>________________</td>
</tr>
</tbody>
</table>

Signature of Witnesses

<table>
<thead>
<tr>
<th>Name and Post</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. __________________________</td>
<td>________________</td>
</tr>
<tr>
<td>2. __________________________</td>
<td>________________</td>
</tr>
<tr>
<td>3. __________________________</td>
<td>________________</td>
</tr>
</tbody>
</table>

Date: _______________________
[Name of Organisation]

Provision of ___________________________ [Type of Goods/Services]

Tender Evaluation Report

Brief Description of Contract

[Give a brief description of the goods/services required]

Details of Invitation

Tender invitation method: *Open tender/*Selective tender.

Invitations issued to ___________________________ *suppliers/*service providers

Tender invitation date: ___________________________

Tender closing date: ___________________________

Tender validity period: ___________________________ days from ___________________________

Tenders Received

Number of tenders received: ___________________________

Details of tenders received:

<table>
<thead>
<tr>
<th>Tenderers</th>
<th>Tendered Sums (lowest first)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>
*Name of non-returning tenderers:

<table>
<thead>
<tr>
<th>Tenderers</th>
<th>Reasons, if known</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Compliance with Tender Specifications

<table>
<thead>
<tr>
<th>Tenderers (in order of tendered sum)</th>
<th>Compliance with tender specifications</th>
<th>Details of any non-compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>*Yes/*No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>*Yes/*No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>*Yes/*No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>*Yes/*No</td>
<td></td>
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<td></td>
<td>*Yes/*No</td>
<td></td>
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<tr>
<td></td>
<td>*Yes/*No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>*Yes/*No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>*Yes/*No</td>
<td></td>
</tr>
</tbody>
</table>

Evaluation of individual assessors is at Appendix. [Attach the tender evaluation forms duly completed by each assessment panel member to this report.]

*Strengths and Weaknesses of Lowest Three Tenders (for use with service contracts only)

<table>
<thead>
<tr>
<th>Name of Tenderers</th>
<th>[Tenderer A]</th>
<th>[Tenderer B]</th>
<th>[Tenderer C]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Bid</td>
<td>2nd Lowest Bid</td>
<td>3rd Lowest Bid</td>
<td></td>
</tr>
<tr>
<td>(a) Strengths</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Weaknesses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Recommendations of Assessment Panel</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tender Qualifications of Lowest Three Tenderers (if any)

<table>
<thead>
<tr>
<th>Name of Tenderers</th>
<th>[Tenderer A]</th>
<th>[Tenderer B]</th>
<th>[Tenderer C]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Bid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd Lowest Bid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3rd Lowest Bid</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Tender qualifications submitted

(b) Recommendations of Assessment Panel

Note: The Assessment Panel should require the tenderers to withdraw their tender qualifications, or seek legal advice, if in doubt. If the Assessment Panel recommends accepting the tender qualifications which would have material changes to the tender specifications, the Organisation may consider putting up the contract for re-tendering.

Performance Records of Lowest Three Tenderers

<table>
<thead>
<tr>
<th>Name of Tenderers</th>
<th>[Tenderer A]</th>
<th>[Tenderer B]</th>
<th>[Tenderer C]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Bid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd Lowest Bid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3rd Lowest Bid</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Previous dealings with the Organisation

(b) Previous performance

* Suitable/*Not suitable for contract award

(c) Recommendations of Assessment Panel

* Suitable/*Not suitable for contract award
**Recommendations**

* The lowest tender/*The _______ lowest tender submitted by ________ [Tenderer Name] is recommended for contract award. Reasons: ________________________________________________________________ (Mandatory if the lowest tender is not recommended).

* To negotiate with the tenderer submitting the lowest conforming tender for a better price with a view for tender award. Other items to be negotiated: ____________________________.

* Other recommendations and reasons: ________________________________________________________________

**Avoiding Conflict of Interest**

This is to confirm that persons involved in preparing the tender documents and assessing tenders *have/*have not declared conflict of interest. *If not, the reasons are _______________. The persons involved will be required to declare any conflict of interest before contract award. The tender specifications and assessment results will be reviewed by the [designated authority] to detect any favouritism to particular tenderers if any conflicts are declared.

* No conflict is declared. /*The conflicts declared are as follows: ____________________________

* The following actions have been taken to manage the conflicts declared: *required the persons ______________ [Name] who have made a declaration to abstain from the procurement process/*other actions taken ____________________________

**Signature:**

_________________  _____________  _____________

**Name and Post of Assessors:**

_________________  _____________  _____________

**Date:**

_________________  _____________  _____________

(* Delete as appropriate)
## SAMPLE INSPECTION FORM ON SERVICE PROVIDER

*(Example: Cleaning Services for Elderly Homes)*

**[Name of Organisation]**

Premises: 

Cleaning Company: 

Date and time of Inspection: 

### Items: Assessment:

<table>
<thead>
<tr>
<th>Items</th>
<th>Good</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
<th>N/A</th>
<th>If dissatisfied, pls give reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dormitories</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Canteen</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Common/Recreation Rooms</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Staircases</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Corridors</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Lift Lobbies</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Lifts</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>External Facade</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Landscaping</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Overall Cleaning</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Others:</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

Recommendations/Remarks: 

Inspected by: __________________________ Signature: __________________________

Date: __________________________

Follow-up action (if any): __________________________

Taken by: __________________________ Date: __________________________

*The inspection aspects are for illustration purposes only. NGOs should draw up the inspection aspects based on the deliverables, performance targets and quality standards as stated in the contracts.*
### [Name of Organisation]

### [Name of Service Provider] – [Type of Service]

Please “✓” the appropriate boxes □

<table>
<thead>
<tr>
<th>Very Satisfactory</th>
<th>← – – – – – – →</th>
<th>Very Unsatisfactory</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Overall Satisfaction

B. Degree of satisfaction in the following areas

1. Quality of Services

2. Efficiency

3. Responsiveness

4. Knowledge and Skill Level

5. Manner and Appearance of Staff

6. Complaint Handling

7. Hotline Service

C. Other comments or suggestions

Name: ___________________________ Contact Telephone: ___________________________

Post: ___________________________ Unit/Division: ___________________________
[Name of Organisation]

Name of candidate: ..............................................................

Date and time of interview: ....................................................... 

<table>
<thead>
<tr>
<th>Aspect and weighting of assessment</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Work knowledge (30%)</td>
<td></td>
</tr>
<tr>
<td>2. Relevant working experience (20%)</td>
<td></td>
</tr>
<tr>
<td>3. Communication skills (30%)</td>
<td></td>
</tr>
<tr>
<td>4. Supervisory ability and other job requirements, if applicable (20%)</td>
<td></td>
</tr>
<tr>
<td><strong>Total score (100%):</strong></td>
<td></td>
</tr>
</tbody>
</table>

Additional Remarks: ........................................................................

**Recommendation:**

☐ Suitable for appointment

☐ Not suitable for appointment

.................................................................

Signatures & Names of Assessment Panel Members

---

*The assessment aspects and weightings listed in the table are for illustration purposes only. The interview panel should draw up the assessment aspects and weightings, based on the nature and requirement (e.g. accounting qualification for accounting clerk) of the vacancies, before conducting the interviews.*
**Part I [to be completed by the requesting staff]**

1. I wish to seek approval for the overtime (OT) work. Details are as follows:

   (a) Purpose/nature of OT work: ________________________________

   (b) Consequences of not working OT: ________________________________

   (c) Staff involved:

<table>
<thead>
<tr>
<th>Name</th>
<th>Post</th>
<th>Section</th>
<th>Date of OT work</th>
<th>Estimated number of hours</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

   (d) Staff responsible for supervising/checking the OT work: ________________________________

2. I certify that the above mentioned OT work is strictly essential and cannot be avoided or reduced. I will ensure that such work is properly recorded.

   Signature: ________________________________

   Name: ________________________________

   Post: ________________________________

   Section: ________________________________

   Date: ________________________________

**Part II (to be completed by the approving staff)**

The application in Part I above is *approved/not approved.

   Signature: ________________________________

   Name: ________________________________

   Post: ________________________________

   Section: ________________________________

   Date: ________________________________

(* Delete as appropriate)
[Name of Organisation]

Part 1  Personal Particulars

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Appraisee</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Staff Number (if any)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Post</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Section</strong></td>
<td></td>
</tr>
<tr>
<td>Date of Employment</td>
<td>/ / (dd/mm/yyyy)</td>
</tr>
<tr>
<td><strong>Period under Review</strong></td>
<td>From / / (dd/mm/yyyy)</td>
</tr>
<tr>
<td></td>
<td>To       / /</td>
</tr>
</tbody>
</table>

Part 2  Record of Assessment/Review

<table>
<thead>
<tr>
<th></th>
<th>Appraisee</th>
<th>Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Signature</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Post</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part 3  Performance Assessment\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Rating ( u) (refer to guidelines overleaf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance</td>
<td>5 ( ) 4 ( ) 3 ( ) 2 ( ) 1 ( )</td>
</tr>
<tr>
<td>Job knowledge and skills</td>
<td>5 ( ) 4 ( ) 3 ( ) 2 ( ) 1 ( )</td>
</tr>
<tr>
<td>Quality of work</td>
<td>5 ( ) 4 ( ) 3 ( ) 2 ( ) 1 ( )</td>
</tr>
<tr>
<td>Initiative and motivation</td>
<td>5 ( ) 4 ( ) 3 ( ) 2 ( ) 1 ( )</td>
</tr>
<tr>
<td>Team work</td>
<td>5 ( ) 4 ( ) 3 ( ) 2 ( ) 1 ( )</td>
</tr>
<tr>
<td>General conduct</td>
<td>5 ( ) 4 ( ) 3 ( ) 2 ( ) 1 ( )</td>
</tr>
<tr>
<td>Discipline</td>
<td>5 ( ) 4 ( ) 3 ( ) 2 ( ) 1 ( )</td>
</tr>
</tbody>
</table>

\(^1\) The assessment aspects listed in the table are for illustration purposes only. The Organisation should draw up the assessment aspects, based on the nature and requirement of the post, before conducting the performance appraisal.
## Overall Performance Rating

<table>
<thead>
<tr>
<th>Substantially exceeds job requirements</th>
<th>Exceeds job requirements</th>
<th>Meets job requirements</th>
<th>Partially meets job requirements</th>
<th>Does not meet most job requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 ( )</td>
<td>4 ( )</td>
<td>3 ( )</td>
<td>2 ( )</td>
<td>1 ( )</td>
</tr>
</tbody>
</table>

Special task taken up or commendation obtained by the appraisee during the appraisal period (to be filled by the Supervisor)

__________________________

__________________________

Overall comments on performance (to be filled by the Supervisor/Countersigning staff)

__________________________

__________________________

<table>
<thead>
<tr>
<th>Assessment Areas</th>
<th>Rating Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Attendance</td>
<td>5 = No late and absence record, willing to accept contingent duty</td>
</tr>
<tr>
<td></td>
<td>4 = No late and absence record</td>
</tr>
<tr>
<td></td>
<td>3 = Less than 3 times of lateness or absence record</td>
</tr>
<tr>
<td></td>
<td>2 = 3 times of lateness or absence record</td>
</tr>
<tr>
<td></td>
<td>1 = More than 3 times of lateness or absence record</td>
</tr>
<tr>
<td>2. Job knowledge and skills</td>
<td>5 = Substantially exceeds job requirements</td>
</tr>
<tr>
<td>3. Quality of work</td>
<td>4 = Exceeds job requirements</td>
</tr>
<tr>
<td>4. Initiative and motivation</td>
<td>3 = Meets job requirements</td>
</tr>
<tr>
<td>5. Team work</td>
<td>2 = Partially meets job requirements</td>
</tr>
<tr>
<td>6. General conduct</td>
<td>1 = Does not meet most job requirements</td>
</tr>
<tr>
<td>7. Discipline</td>
<td>5 = No disciplinary record, always follow supervisor’s working instructions</td>
</tr>
<tr>
<td></td>
<td>4 = No disciplinary record</td>
</tr>
<tr>
<td></td>
<td>3 = Less than 3 times of disciplinary record</td>
</tr>
<tr>
<td></td>
<td>2 = 3 times of disciplinary record</td>
</tr>
<tr>
<td></td>
<td>1 = More than 3 times of disciplinary record</td>
</tr>
</tbody>
</table>
Confidentiality

(A) Except as necessary for the performance of the Services, the Consultants shall not (except with the prior written consent or as instructed by the Employer) disclose the terms and conditions of this Agreement or any report, document, specification, drawing, plan, software, data or other particulars furnished by or on behalf of the Employer in connection therewith, or any such or similar information generated or produced by the Consultants pursuant to this Agreement, to any person other than a person employed or engaged by the Consultants in carrying out this Assignment, an agent of the Consultants, any approved sub-consultant or the Consultants’ accountants, insurers and legal advisers.

(B) Any disclosure to any person, agent, sub-consultant, accountant, insurer, legal adviser permitted under sub-clause (A) of this clause shall be in strict confidence and shall be on a “need to know” basis and extend only so far as may be necessary for the purposes of this Agreement.

(C) The Consultants shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that their directors, employees, agents, sub-consultants, accountants, insurers and legal advisers as mentioned in sub-clause (A) are aware of and shall comply with the confidentiality and non-disclosure provisions contained in this Agreement. If required by the Employer, the Consultants undertake to procure for and on behalf of the Employer a confidentiality agreement in a form to be prescribed by the Employer from any director, employee, agent, sub-consultant, accountant, insurer and legal adviser to whom any confidential information is to be disclosed.

(D) The Consultants shall not without the prior written consent of the Employer publish, either alone or in conjunction with any other person, in any newspaper, magazine, periodical or through any electronic medium, any article, photograph or illustration relating to this Agreement.

(E) The Consultants shall indemnify and keep indemnified the Employer against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Employer may suffer, sustain or incur, whether direct or consequential arising out of or in connection with any breach by the Consultants or their directors, employees, agents, sub-consultants, accountants, insurers or legal advisers of this clause.
(F) The provision of this clause shall survive the termination of this Agreement (however occasioned) and shall continue in full force and effect notwithstanding such termination.

Prevention of bribery

(G) The Consultants shall prohibit their directors, employees, agents and sub-consultants who are involved in this Agreement from offering, soliciting or accepting any advantage as defined in the Prevention of Bribery Ordinance, Cap 201. The Consultants shall also caution their directors, employees, agents and sub-consultants against soliciting or accepting any excessive hospitality, entertainment or inducements which would impair their impartiality in relation to the Assignment. The Consultants shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that their directors, employees, agents and sub-consultants are aware of the aforesaid prohibition and will not solicit or accept any advantages, excessive hospitality, etc. when conducting business in connection with this Agreement.

Declaration of Interest

(H) The Consultants shall declare in writing to the Employer any conflict or potential conflict between their personal/financial interests and their duties in connection with this Agreement. The Consultants shall declare in writing to the Employer, and require their directors, employees, agents and sub-consultants who are involved in this Agreement to declare in writing to the Consultants any conflict or potential conflict between their personal/financial interests and their duties in connection with this Agreement. In the event that such conflict or potential conflict is disclosed in a declaration, the Consultants shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.
(I) The Consultants shall prohibit their directors, employees who are involved in this Agreement from engaging in any work or employment other than in the performance of this Agreement, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Agreement. The Consultants shall require their agents and sub-consultants to impose similar restriction on their employees by way of a contractual provision.

(J) The Consultants shall take all necessary measures (including by way of contractual provisions where appropriate) to ensure that their directors, employees, agents and sub-consultants who are involved in this Agreement are aware of the provisions under the aforesaid sub-clauses (G), (H) and (I).

Declaration of ethical commitment

(K) The Consultants shall submit a signed declaration in a form (Annex) prescribed or approved by the Employer to confirm compliance with the provisions in aforesaid sub-clauses (A), (B), (C), (D), (E), (F), (G), (H), (I) and (J) on confidentiality, prevention of bribery and declaration of interest. If the Consultants fail to submit the declaration as required, the Employer shall be entitled to withhold payment until such declaration is submitted and the Consultants shall not be entitled to interest in that period. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D), (E), (F), (G), (H), (I) and (J) on confidentiality, prevention of bribery and declaration of interest, the consultant and their sub-consultants employed for the performance of duties under this Agreement are required to deposit with the Employer a code of conduct issued to their staff.
To: [Name of Organisation]

Declaration Form by Consultant on Compliance with the Ethical Commitments Requirements

Agreement No.: ____________________
Title: ____________________

In accordance with the Ethical Commitment clauses in the Consultancy Agreement:

(1) We confirm that we have complied with the following provisions and have ensured that our directors, employees, agents and sub-consultants are aware of the following provisions:

(a) Prohibiting our directors, employees, agents and sub-consultants who are involved in this Agreement from offering, soliciting or accepting any advantage as defined in section 2 of the Prevention of Bribery Ordinance, Cap 201 when conducting business in connection with this Agreement.

(b) Requiring our employees, agents and sub-consultants who are involved in this Agreement to declare in writing to us any conflict or potential conflict between their personal/financial interests and their duties in connection with this Agreement. In the event that a conflict or potential conflict is disclosed, we will take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.

(c) Declaring in writing to the Employer, any conflict or potential conflict between our personal/financial interests and our duties in connection with this Agreement. In the event that a conflict or potential conflict is disclosed, we will take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.

(d) Prohibiting our employees who are involved in this Agreement from engaging in any work or employment (other than in the performance of this Agreement), with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Agreement and requiring our sub-consultants to do the same.
(e) Taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Employer from being divulged to a third party other than those allowed in this Agreement.

(2) We further confirm that we have ensured that our accountants, insurers and legal advisers are aware of the provisions requiring us taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Employer from being divulged to a third party other than those allowed in this Agreement.

Name of the Consultant: ____________________________

Name of the Signatory: ____________________________

Position of the Signatory: __________________________

Date: ____________________________
# Sample Tender Evaluation Form

[Name of Organisation]

Tender for ______________________ [Type of Service]

## Tender Evaluation

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Name of Contractors</th>
<th>Lowest bid</th>
<th>2nd lowest bid</th>
<th>3rd lowest bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Limited company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Curriculum Vitae of key staff including site agent and Board of Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) No. of staff with professional qualification/education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) No. of Safety Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Organisation Chart of contractor’s site staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) Experience in building maintenance works projects for past three years:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Completed projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- On-going projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7) Financial information (e.g. Documentary proof from banks)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) Certification by a Legal Advisor – any on-going / previous lawsuits</td>
<td></td>
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<tr>
<td>(9) Licenced Plumber</td>
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<td>(10) Licenced Electrician</td>
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<tr>
<td>(11) Registered Fire Service Installation Contractor (Classes I &amp; II)</td>
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<tr>
<td>(12) Business Registration Certificate</td>
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<tr>
<td>(13) Relevant government registration (including RGBC)</td>
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<tr>
<td>(14) Tender Sum</td>
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<tr>
<td>(15) Validity Period of Tender upon return of tender documents</td>
<td></td>
<td>No. of months:</td>
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<tr>
<td>(16) Scope of Service</td>
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<tr>
<td>(a) Standard service</td>
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<td>(b) Additional service</td>
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<tr>
<td>(17) Contract termination clause (Details)</td>
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<tr>
<td>(18) Others</td>
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</tbody>
</table>

Notes: Requests for outstanding information from tenderers can be made as necessary.

Date:

Signature:

Name of Assessors: