

Identification				Evaluation			Mitigation			
Subject	Work Process / Item	Integrity Risk	Inherent Risk Level (A)	Existing Practice	Mitigating Factor (B) (if the practice meets the criteria of mitigating factor)	Residual Risk Level Note 3 (C = A - B)	Proposed Control Measure(s)	Action By	Mitigating Factor (D)	Revised Risk Level (E = C-D)
Recruitment of Workers	Sourcing of Workers	Exercise undue discretion to only select acquainted workers for employment or continue the employment of acquainted workers	3							
		Falsify qualifications / working experience to deceive employers	3							
	Appointment of new workers / renewal of workers' contracts	Solicit/accept advantages from workers/employees in return for their employment / continuous employment	3							
		Unscrupulous staff concealing the actual employment terms, including wages, to pocket part of workers' wages in the wage payment process	3							
	Supervision of subcontractors in recruiting workers	Lack of accountability and lax supervision in recruiting workers due to muti-layer subcontracting	3							
		A subcontractor inflating the tender price by submitting exaggerated salary scales to pocket the wage differences and overstate its expenditures for tax benefits	3							
	Engaging “body-shopping” subcontractors ¹	A body-shopping subcontractor monopolises the supply of workers in a works project, leading to a higher risk of staff abusing their position to solicit advantages from workers	3							

¹ Subcontractors engaged solely for supplying workers.

The integrity risks and their corresponding inherent risk levels are compiled based on the analysis of previous ICAC cases, and are by no means exhaustive and not intended to substitute any legal, regulatory or contractual requirements

Summary of Integrity Risks and Control Measures on Recruitment of Workers (Main Contractors / Upper-tier Subcontractors)

Subject	Work Process/Item	Integrity Risk	Inherent Risk Level	Control Measures	Type
Recruitment of Workers	Sourcing of Workers	Exercise undue discretion to only select acquainted workers for employment or continue the employment of acquainted workers	3	- Establish recruitment procedures that i. predetermine selection criteria; ii. avoid changes to the selection criteria; iii. document assessment of recruitment process; and iv. conduct recruitment process by a team of two members or a panel. - Require staff involved to declare conflict of interest. - Use open and/or online job matching platforms (i.e. Construction Industry Council’s easyJob App²) or channels for the sourcing and recruitment of workers.	Preventive
				Set a pay scale, and specify the experience and qualification requirements for different skill levels and grades / trades of workers and assign an independent staff member to review the recruitment process to identify and follow-up any anomalies.	Detective
		Falsify qualifications / working experience to deceive employers	3	Require job seekers to provide certified true copy of relevant qualification and working experience.	Preventive
				Verify workers’ qualifications against reliable documents/records³.	Detective
	Appointment of new workers / renewal of workers’ contracts	Solicit/accept advantages from workers/employees in return for their employment / continuous employment	3	- Lay down and include a company policy on integrity (including prohibiting employees / agents from soliciting and accepting referral fee from workers, and declare and manage conflict of interest situations) in their employment contracts, and ensure staff are aware of the policy (e.g. sign to acknowledge that he understands the policy) (same apply to any subsequent changes to the policy). - Arrange payment of introduction/handling fee, if applicable, by employers to the staff/agents responsible for recruitment of workers directly.	Preventive
				Raise workers’ corruption prevention awareness by posting ICAC’s poster⁴ regarding recruitment of workers at prominent places of workplace / construction sites.	Educational

² Construction Industry Council’s easyJob App (Employer Version):



³ For example, workers’ registration cards issued by the Construction Industry Council (CIC) and CIC’s online Register of Construction Workers

⁴ <https://hkbedc.icac.hk/Upload/guides/93/pdf/d8919c22793e4df0b0da43612f44d7eb.pdf>

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Subject	Work Process/Item	Integrity Risk	Inherent Risk Level	Control Measures	Type
				Serve newly appointed workers with ICAC's anti-corruption pamphlets⁵ and arrange for them to watch ICAC's training video⁶.	
				Establish a whistle-blowing mechanism for workers to report any malpractices in confidence without fear of retaliation. Handle any reports concerning suspected bribery in strict confidence and render assistance to workers concerned to make complaints to ICAC in a timely manner.	Detective
		Unscrupulous staff concealing the actual employment terms, including wages, to pocket part of workers' wages in the wage payment process	3	- Adopt written employment contracts that clearly specify the employment terms and wages and the company's prohibition policy⁷ with workers. - Make payment of wages, including allowances and overtime payments, to workers directly through bank transfers to the workers' designated bank accounts or by crossed cheques payable to the workers concerned. - If there is an operational need to pay wages in cash (e.g. for temporary or daily workers), designate a staff member other than the one responsible for sourcing/recruiting workers to make payment and require workers to sign and acknowledge receipt of the cash payments.	Preventive
				Establish a whistle-blowing mechanism for workers to report any malpractices in confidence without fear of retaliation. Handle any reports concerning suspected bribery in strict confidence and render assistance to workers concerned to make complaints to ICAC in a timely manner.	Detective
	Supervision of subcontractors in recruiting workers	Lack of accountability and lax supervision in recruiting workers due to multi-layer subcontracting	3	- Engage companies registered under the Construction Industry Council's Registered Specialist Trade Contractor Scheme as subcontractors to enhance accountability. - Impose restrictions on the number of tiers of subcontracting (e.g. two tiers for a part of the works by the main contractor and one tier for any part of the works by the main contractor requiring entry of human beings into confined space that form part of a sewerage or drainage system); and subject any extra tier of subcontracting to the approval of an appropriate authority of the main contractor (e.g. Engineer, Maintenance Engineer, Supervising Officer or Maintenance Surveyor). - Require subcontractors to draw up an IRM plan on recruitment of workers for approval to ensure adequate safeguards are in place; and monitor subcontractors' compliance with and implementation of the approved IRM plans.	Preventive
				Designate a staff member to regularly select a number of workers for interview and verify their salary received against their employment contracts.	Detective
		A subcontractor inflating the tender price by submitting exaggerated salary scales to pocket the wage differences and	3	Specify in subcontracts to require that all payments to a subcontractor shall be deemed to be inclusive of all costs, including workers' wages, overheads, and profits; and that a subcontractor shall not be entitled to recover any overheads or profits from the workers it employs.	Preventive
				Designate a staff member to regularly select a number of workers for interview and verify their salary	Detective

⁵ <https://hkbedc.icac.hk/Upload/trades/177/pdf/0e4f4bd56258447bb83388aeb7b688ff.pdf>

⁶ https://www.youtube.com/watch?v=5XIpsnqdL_M

⁷ The company's policy that prohibits employees / agents from soliciting or accepting referral fee from workers in recruitment.

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		overstate its expenditures for tax benefits		received against their employment contracts.	
	Engaging body-shopping subcontractors ¹	A body-shopping subcontractor monopolises the supply of workers in a works project, leading to a higher risk of staff abusing their position to solicit advantages from workers	3	Avoid engaging body-shopping subcontractor unless justified and approved by the senior management. If body-shopping subcontracting arrangement is adopted, the number of body-shopping subcontractors to be engaged should be two or more and the subcontractors should be independent from each other to ensure the supply of workers in a works project is not monopolised by a single entity.	Preventive
				Require body-shopping subcontractors to draw up an IRM plan on recruitment of workers for approval to ensure adequate safeguards, including enhanced control measures tailored for body-shopping subcontractors, are in place; and monitor the body-shopping subcontractors’ compliance with and implementation of the approved IRM plans.	Detective

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