

| Identification         |                                                                                  |                                                                                                                                                                                 |                         | Evaluation        |                                                                                    |                                  | Mitigation                  |           |                       |                              |
|------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|------------------------------------------------------------------------------------|----------------------------------|-----------------------------|-----------|-----------------------|------------------------------|
| Subject                | Work Process / Item                                                              | Integrity Risk                                                                                                                                                                  | Inherent Risk Level (A) | Existing Practice | Mitigating Factor (B)<br>(if the practice meets the criteria of mitigating factor) | Residual Risk Level (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                       |                   |                                                                                    |                                  |                             |           |                       |                              |
|                        | Enhanced control measures tailored for body-shopping subcontractors <sup>1</sup> | 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                       |                   |                                                                                    |                                  |                             |           |                       |                              |

<sup>1</sup> 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 (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                   | <ul style="list-style-type: none"><li>Establish recruitment procedures that<ul style="list-style-type: none"><li>i. predetermine selection criteria;</li><li>ii. avoid changes to the selection criteria;</li><li>iii. document assessment of recruitment process; and</li><li>iv. conduct recruitment process by a team of two members or a panel.</li></ul></li><li>Require staff involved to declare conflict of interest.</li><li>Use open and/or online job matching platforms (i.e. Construction Industry Council’s easyJob App<sup>2</sup>) or channels for the sourcing and recruitment of workers.</li></ul> | Preventive  |
|                        |                                                            |                                                                                                                             |                     | <ul style="list-style-type: none"><li>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.</li></ul>                                                                                                                                                                                                                                                                                                                | Detective   |
|                        |                                                            | Falsify qualifications / working experience to deceive employers                                                            | 3                   | <ul style="list-style-type: none"><li>Require job seekers to provide certified true copy of relevant qualification and working experience.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Preventive  |
|                        |                                                            |                                                                                                                             |                     | <ul style="list-style-type: none"><li>Verify workers’ qualifications against reliable documents/records<sup>3</sup>.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Detective   |
|                        | Appointment of new workers / renewal of workers’ contracts | Solicit/accept advantages from workers/employees in return for their employment / continuous employment                     | 3                   | <ul style="list-style-type: none"><li>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).</li><li>Arrange payment of introduction/handling fee, if applicable, by employers to the staff/agents responsible for recruitment of workers directly.</li></ul>          | Preventive  |
|                        |                                                            |                                                                                                                             |                     | <ul style="list-style-type: none"><li>Raise workers’ corruption prevention awareness by posting ICAC’s poster<sup>4</sup> regarding recruitment of workers at prominent places of workplace / construction sites.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                           | Educational |

<sup>2</sup> Construction Industry Council’s easyJob App (Employer Version):



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

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

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## Summary of Integrity Risks and Control Measures on Recruitment of Workers (Subcontractors)

| Subject | Work Process/Item                                                                | Integrity Risk                                                                                                                                                                  | Inherent Risk Level | Control Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Type        |
|---------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|         |                                                                                  |                                                                                                                                                                                 |                     | <ul style="list-style-type: none"> <li>Serve newly appointed workers with ICAC's anti-corruption pamphlets<sup>5</sup> and arrange for them to watch ICAC's training video<sup>6</sup>.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |
|         |                                                                                  |                                                                                                                                                                                 |                     | <ul style="list-style-type: none"> <li>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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                               | Detective   |
|         |                                                                                  | Unscrupulous staff concealing the actual employment terms, including wages, to pocket part of workers' wages in the wage payment process                                        | 3                   | <ul style="list-style-type: none"> <li>Adopt written employment contracts that clearly specify the employment terms and wages and the company's prohibition policy<sup>7</sup> with workers.</li> <li>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.</li> <li>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.</li> </ul> | Preventive  |
|         |                                                                                  |                                                                                                                                                                                 |                     | <ul style="list-style-type: none"> <li>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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                               | Detective   |
|         | Enhanced control measures tailored for body-shopping subcontractors <sup>1</sup> | 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                   | <ul style="list-style-type: none"> <li>Avoid tasking "middlemen" who have been convicted for soliciting / accepting illegal referral fee to recruit or source workers.</li> <li>Devise a mechanism to deal with job recruitment duties of recruiters (e.g. foremen), put the mechanism in writing (e.g. detailing recruitment procedures to be adopted as a body-shopping subcontractor) and make known to recruiters the mechanism.</li> </ul>                                                                                                                                                                                                                                                                        | Preventive  |
|         |                                                                                  |                                                                                                                                                                                 |                     | <ul style="list-style-type: none"> <li>Designate an independent staff to randoly select new / serving workers for interview to ascertain whether they have been requested to pay bribes for employment / continuous employment.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Detective   |
|         |                                                                                  |                                                                                                                                                                                 |                     | <ul style="list-style-type: none"> <li>Arrange briefing session to groups of newly appointed workers to explain to them the employment terms and the prohibition policy; and serve them with ICAC's anti-corruption pamphlets<sup>5</sup> and arrange for them to watch ICAC's training video<sup>6</sup> during the briefing session.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                      | Educational |

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

<sup>6</sup> [https://www.youtube.com/watch?v=5XIpsnqgL\\_M](https://www.youtube.com/watch?v=5XIpsnqgL_M)

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

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