

Best Practice Checklist

# Strengthening Integrity and Accountability - Government Funding Schemes Grantee's Guidebook



防止貪污處

Corruption Prevention Department



## FOREWORD

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Over the years, the Government has established various funding schemes for designated purposes which are undertaken by non-government bodies (hereinafter referred to as Grantees). Since these schemes involve public monies, Grantees are obliged to ensure that the public monies entrusted to them are being properly used for their intended purposes in accordance with the provisions of the funding schemes.

This Best Practice Checklist is aimed at providing Grantees with a practical set of guidelines in utilizing the funds for the intended purposes, covering procurement of goods and services, recruitment and management of project staff, and the associated financial and accounting controls, etc. Since procedural controls will only be most effective when the people responsible for their implementation adhere to a high standard of integrity, this Checklist has devoted the first chapter to this important element - Integrity Management.

As Grantees are diverse in their set ups and funding schemes vary in terms of objectives and requirements, the provisions in this Checklist should be suitably adopted to reflect the Grantee's organisation structure, resource capability, risk exposures, and operational needs, having regard to the terms and conditions of the Funding Agreement concerned.

The Corruption Prevention Advisory Service (CPAS) of the Corruption Prevention Department in the Independent Commission Against Corruption (ICAC) stands ready to provide free, confidential, and tailor-made corruption prevention advice to Grantees on request, including the application of the practices recommended in this Checklist to suit individual Grantees' operational needs. For further information please contact CPAS at:

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## How to use this Checklist

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



### **Reference Guideline -**

standard code of conduct, procedural guidelines or work manual for quick reference



### **Sample Form -**

sample forms for adoption where applicable

### **From the Editorial Board**

This Checklist provides general guidance only. It does not purport to replace the terms and conditions in any Funding Agreement nor to deal with all possible issues that may arise. Grantees are advised to consult their respective funding committees or secretariats if they need to deal with special issues. 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. The ICAC will not accept any liability, legal or otherwise, for loss occasioned to any person acting or refraining from action as a result of any material 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

As government funds involve public monies, there is high public expectation on the Grantees to adhere to a high standard of integrity and spend the monies in an open, fair and accountable manner. As the probity requirements in the Funding Agreement may be over and above the requirements of the Grantee organisation concerned, it is important for individual Grantees to ensure full coverage of all the related probity requirements and to have these duly promulgated for compliance by its directors, staff and agents. Where a fair number of staff members of a Grantee are engaged in a funded project, it will be useful for the Grantee to compile and issue a Code of Conduct, with all the relevant probity requirements incorporated, to its staff for compliance.

## 1.2 Probity Provisions

### 1.2.1 Grantee's Obligations

- ❑ To uphold the integrity of the directors, staff members and agents of the Grantee in relation to the funded project, the Grantee shall:
  - ✧ prohibit the related personnel from offering, soliciting or accepting advantages as defined in the Prevention of Bribery Ordinance (Cap. 201) from any party, except accepting certain advantages within specified permissible natures, values and circumstances where no improper influence is involved;

- ✧ avoid, during the agreement period, to undertake any service, task or job or do anything whatsoever which conflicts, or which may be seen to conflict, with the Grantee's duties under the Funding Agreement and require its directors, staff members and agents to observe the same; and
- ✧ where a conflict is unavoidable, ensure proper handling of such conflict with the Secretariat duly notified in writing as soon as possible of the circumstances involved and the actions taken to remove/minimise its impact (e.g. with the officers concerned removed from the related duties).


### 1.2.2 Code of Conduct

- ❑ Issue a Code of Conduct for compliance by directors and staff members (📄 Sample Code of Conduct is at *Appendix 1*).
- ❑ Set out in the Code the policy or standards of conduct required of the directors and staff members. These should include:
  - ✧ prohibition against soliciting or accepting advantage in relation to their duties under the funding scheme;
  - ✧ restriction on acceptance of entertainment offered by persons having official dealings with the Grantee (e.g. suppliers/contractors);
  - ✧ prohibition against offering advantage to agents of others to improperly influence them in business dealings;
  - ✧ prohibition against offering advantage to the Funding Committee members and Secretariat staff, and other public servants having business dealings with the Grantee;
  - ✧ procedures for declaration and handling of conflict of interest, with examples of conflict of interest situations relevant to the Grantee's businesses; and



✧ rules on use and protection of confidential information including the intellectual property rights arising from the performance of the funded project.

- ❑ Attach the Code to the Appointment Contract by which directors and staff members are contractually bound.
- ❑ Conduct briefings for newly-appointed directors and staff members to familiarise them with the Code, and arrange refresher sessions for them periodically to raise their awareness.

( Non-governmental organisations in the social welfare sector can also refer to the Sample Code of Conduct tailor-made for them at [www.icac.org.hk](http://www.icac.org.hk).)

## 2.1 Introduction

As recipients of public funds, it is important for Grantees to put in place sound financial control measures to ensure that monies entrusted to them are properly spent and accounted for. Otherwise, the Grantees may be exposed to a number of risks, including the following -

- \* Misappropriation or abuse of project funds.
- \* Inaccurate financial data.
- \* Bogus payment.

This chapter highlights the key control measures on financial control to minimise the above risks.

## 2.2 Financial Management Procedures

- Lay down clear financial management procedures, instructions or guidelines covering operation of bank accounts, budget preparation and control, handling of receipts and payments, financial reporting, checks/audits, and handling of exceptions (e.g. overdue payments, writing off of debts), etc.
- Lay down the authorisation limits for purchases and payments by different posts or levels of personnel.
- Segregate important duties in the financial control process as far as possible (e.g. authorisation, disbursement of payments and keeping of accounting records should be carried out by different persons).

- ❑ Engage/deploy staff with knowledge/experience in finance and accounting to perform accounting and financial duties, and/or provide relevant training to the staff concerned.
- ❑ Keep proper records of all financial transactions and the supporting documents.
- ❑ Prepare financial reports, stating the incomes and expenditures of the funded project etc. during the reporting period.
- ❑ Attach the receipts, payment vouchers and books of accounts etc. relating to the funded project together with financial reports as supporting documents.
- ❑ Conduct supervisory checks on accounting records against operational records (e.g. sales, purchases).
- ❑ Conduct internal audits on processes that are exposed to risks of corruption or malpractice, to ensure compliance with the Grantee's policies and procedures and the requirements under the Funding Agreement.
- ❑ Appoint a certified public accountant to carry out financial and compliance audits.
- ❑ Take necessary action in response to the audit findings and recommendations, and document the follow-up actions taken.
- ❑ Submit the audited financial statements to the Secretariat.

## 2.3 Budgetary Control

- ❑ Exercise prudent budgetary control by regularly comparing actual expenditures against the approved budgets, reviewing the causes of variances, and seeking approval for revisions as necessary.
- ❑ Specify the approving authority for unbudgeted expense items or expenses exceeding the budget provision.

- ❑ Justify and obtain prior written approval from the Secretariat for any reallocation of funds between items exceeding the limit prescribed by the Secretariat.

## 2.4 Bank Accounts

- ❑ Maintain a bank account solely and exclusively for receipts and payments transactions under the project (i.e. covering all receipts and payments).
- ❑ Restrict all withdrawals from the designated bank account or signing of cheques to be made by at least two Grantee's authorised signatories, whose appointments have been notified to the Secretariat.
- ❑ Notify the bank and the Secretariat promptly of cessation of any person as an authorised signatory.
- ❑ Prohibit the use of any staff's personal bank accounts to handle the project funds.
- ❑ Put in place proper controls on the use of cheques by:
  - ✧ requiring all cheques to be crossed;
  - ✧ issuing cheques in sequential order;
  - ✧ requiring the signatories to verify the cheques against invoices (i.e. payee and amount) before signing;
  - ✧ certifying and accounting for unused/spoiled cheques;
  - ✧ prohibiting the signing of a blank cheque with either payee or amount left blank; and
  - ✧ locking up cheque books not in use.
- ❑ Require the supervisor responsible to perform bank reconciliation regularly.

## 2.5 Petty Cash

- ❑ Establish a formal petty cash system for reimbursement of small amount expenses with a designated petty cash holder.
- ❑ Set upper limits for petty cash purchases and claims.
- ❑ Ensure payments or reimbursements are made against invoices/receipts or Petty Cash Vouchers and properly recorded in a petty cash book/form.
- ❑ Require the claimants to acknowledge receipt of payments.
- ❑ Require the petty cash holder to submit the petty cash book and supporting receipts/vouchers when submitting replenishment requests.
- ❑ Require the supervisor to conduct surprise checks on cash on hand.
- ❑ Investigate any discrepancies (e.g. missing receipt or cheque, discrepancies detected in bank reconciliations) and report irregularities to the management.

## 2.6 Payments

- ❑ Ensure that all payments are supported by relevant documents (e.g. invoices/receipts from suppliers providing details of the goods/services received and the amount to be paid) certified by the authorised goods or services recipients.
- ❑ Specify a limit for payment in cash for a single transaction, beyond which the approval of a senior authority has to be sought.

- ❑ Ensure physical security and computer security in the payment process (e.g. to keep payment receipts, and official chops in a secure place, restrict users' access to the computer accounting data, etc.).
- ❑ Make payments by cheque, autopay or other electronic means as far as possible if the recipient accepts such modes of payment.
- ❑ Stamp "Paid" or "Processed" on all invoices settled to prevent double payment.
- ❑ 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.
- ❑ Conduct independent review of the accounting records against payment vouchers or petty cash vouchers, etc. with a view to detecting and deterring unauthorised payments, irregular expenditures, split orders, etc.

## 2.7 Receipts

- ❑ Where appropriate and practicable, receive payments by cheque or electronic means (e.g. bank deposit/transfer, payment cards).
- ❑ Issue serially numbered invoices/receipts to customers with description of the products/services provided, amount due and payment instructions (including the payee and payment methods).
- ❑ Keep copies of receipts issued for a reasonable period to facilitate audit checks, and to investigate any missing receipts.
- ❑ Bank in all cash and cheques received promptly (e.g. daily or upon reaching a pre-set limit) to minimise risks of theft or embezzlement.

- ❑ Conduct day-end supervisory checks on receipts issued and cash received, prepare a Daily Cash Summary Sheet, and ensure all items tally.
- ❑ For projects involving grants with a matching element, maintain proper documents to support the amount of donations/sponsorship received from outside bodies. Where donation-in-kind/sponsorship-in-kind is involved, such documents should, as far as possible, help support the value claimed or assessed.

### 3.1 Introduction

Human resources are valuable assets of an organisation. Grantees should ensure that all project staff recruited with funds granted are well qualified, suitably deployed, and properly remunerated. In the absence of adequate controls, Grantees may be vulnerable to the following risks -

- \* Favouritism in staff recruitment (e.g. as a result of no open and competitive process engaged, no segregation of duties in the recruitment process, and conflict of interest by handling staff not duly declared and managed).
- \* Project staff being underqualified/overpaid.
- \* Favouritism in allocation of duties and monitoring of staff attendance (especially for outdoor/outside office hours activities).
- \* Deployment of project staff for work outside the project scope.

This chapter recommends some good practices in terms of staff recruitment and other staff administration matters which can help enhance the Grantees' resilience to possible abuse and ensure fairness and transparency in the processes.

### 3.2 Staff Administration Policies

- Lay down in guidelines and make known to all staff the policies and rules for staff administration.



- ❑ Set out the duties, core competency, working hours and other performance indicators for each post, in line with any rules set out in the Funding Agreement where appropriate.
- ❑ Require the personnel staff to maintain up-to-date records of individual staff members, with restricted access to authorised persons only.

### 3.3 Recruitment

- ❑ Predetermine the minimum qualification requirements for individual posts and the standard remuneration package.
- ❑ Advertise job vacancies in local newspapers and/or other channels as approved by the Secretariat.
- ❑ Set out clearly in the advertisement the job descriptions and requirements, and other essential information such as the application deadline and the contact person for enquiries.
- ❑ Require the staff involved in the recruitment process to declare actual or perceived 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.
- ❑ Record systematically all applications received.
- ❑ Define clearly the approving authority for the staff appointment.
- ❑ Shortlist and select candidates based on predetermined criteria approved by the appointment authority.
- ❑ Form a recruitment panel to conduct selection interviews and skill tests as necessary.

- ❑ Devise an objective assessment method and a standard form to record assessment by individual panel members (📖 Sample Interview Assessment Form for Appointment of Staff is at *Appendix 2*).
- ❑ Document properly the assessment of candidates and recommendations of panel members.
- ❑ Establish a two-tier approval system for hiring key personnel, with supporting documents showing that the recruitment process is fair, open and based on merits.

### 3.4 Remuneration and Staff Benefits

- ❑ Observe the principle of prudence and cost effectiveness in determining the remuneration and staff benefits.
- ❑ Lay down the remuneration standard for different posts (e.g. the standard hourly or daily rates for part-time project staff).
- ❑ Lay down the criteria and mechanism for approving salary adjustments and granting of any non-standard remuneration and make these known to staff.
- ❑ Abide by the prescribed remuneration standards laid down by the Secretariat for recruiting project staff, if any. Where the standards need to be exceeded in exceptional circumstances, provide justifications and seek prior approval.

### 3.5 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.
- ❑ Allocate work to part-time project staff on a fair share principle (e.g. by rotation), taking into account their performance and availability.
- ❑ Obtain approval from appropriate authority for the overtime to be incurred.
- ❑ Require staff to record the time and duration of their overtime work, which should be counter-signed by the supervisor.
- ❑ Require the supervisors to produce periodic reports on the overtime work carried out for review by the management.

### 3.6 Monitoring Staff Attendance

- ❑ Specify clearly the working hours.
- ❑ Put in place a system for recording project staff attendance (such as electronic attendance record system, clocking machine, attendance register), in particular where remuneration is based on number of hours/days worked.
- ❑ Require the supervisor to certify staff attendance record where remuneration is time-based.
- ❑ Spot check the attendance records by a more senior staff member.
- ❑ Retain attendance records for a reasonable period to facilitate auditing if necessary.

### 3.7 Performance Appraisal and Disciplinary Action

- ❑ Design standard appraisal forms for use based on the core competence requirements.
- ❑ Require appraisal reports to be completed by the immediate supervisor and counter-signed by a more senior staff member.
- ❑ Allow the staff to read their appraisal reports and to be interviewed by the supervisor or a more senior staff as necessary.
- ❑ Document the interview record which is acknowledged by both the appraisee and the interviewing officer.
- ❑ 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.
- ❑ Establish an independent channel for complaints by staff, and lay down the procedures for review of complaint cases (e.g. forming a panel for the review).

## 4.1 Introduction

As reflected in past ICAC cases, procurement is inherently a corruption prone area. Insofar as government funded projects are concerned, the major risks include -

- Procurement of items beyond the authorised ambit.
- Procurement not through an open and competitive basis.
- Conflict of interest not duly declared and managed by handling staff.
- Favouritism in the sourcing and selection of suppliers/service providers.
- Acceptance of substandard goods/services or short deliveries.

There should be a prudent procurement system to ensure that goods and services are purchased in a competitive, open and equitable way and the purchases represent value for money. This chapter highlights key controls of particular relevance in managing government funded projects/activities. For a complete guide on the general procurement procedures, Grantees can refer to 📄 the Best Practice Checklist on Procurement and the Training Package on Corruption Prevention in Procurement at [www.icac.org.hk](http://www.icac.org.hk).

## 4.2 Procurement Policy

- ❑ Adopt a set of standard procurement procedures to procure all goods and services in an open, fair and competitive manner.

- ❑ The guidelines should cover all the necessary controls in key procedures including the following -
  - ✧ Specify the procurement methods (e.g. quotations and tenders) for purchases at different values and the corresponding levels of approving authority. Subject high value purchases to a two-tier approval system or panel assessment.
  - ✧ Segregate the important duties in the procurement process as far as possible (e.g. assign different staff members to source suppliers/contractors for invitation of quotations/tenders, approve quotations/tenders, and certify the condition of the goods/services received).
  - ✧ Require the staff involved in the procurement process to observe the requirements on declaration of conflict of interest.
- ❑ State the authority for special approval (e.g. for purchases by single source quotation or tender) and require the staff concerned to give justifications in writing.
- ❑ Include in the tender/quotation invitation documents probity clauses (🚫 *Appendix 3*), prohibiting all bidders from offering or soliciting bribes in relation to the bidding exercise.
- ❑ Incorporate anti-collusion clauses in the tender invitation document (🚫 *Appendix 4*), and require the bidders to submit, together with their bids, a declaration pledging compliance with the anti-collusion clause.
- ❑ Include probity clauses (🚫 *Appendix 5*), prohibiting all contractor/service provider's directors and staff from offering, soliciting or accepting bribes, in the contracts to be awarded.
- ❑ Avoid procuring goods/services from suppliers/service providers who are associates or associated persons of the Grantee (or any of its directors and employees).
- ❑ Avoid over-specification of the product/service requirement which may inhibit competitive bidding (e.g. avoid brand specific product specifications).

### 4.3 Sourcing of Suppliers and Service Providers

- ❑ Compile supplier/service provider lists in respect of different categories of goods/services for approval by designated authority to facilitate procurement of goods or services that are required frequently.
- ❑ Before sourcing, ascertain the need for the goods/services required and ensure that the estimated cost is within the approved budget.
- ❑ Invite the required number of suppliers/service providers which should include the following –
  - ✧ Last successful bidder, subject to no adverse performance records.
  - ✧ Suppliers/service providers on the relevant approved list, if any, on a fair-share basis (e.g. by rotation).
  - ✧ Add other suppliers/service providers nominated by the users or other staff if necessary, with justification documented and approved by designated authority.

### 4.4 Purchase by Quotation

- ❑ Set out clearly in the quotation invitation:
  - ✧ the necessary details of the goods or services required;
  - ✧ the deadline for quotation submission; and
  - ✧ the submission method (e.g. through a designated fax line or e-mail account).
- ❑ Use a designated fax machine kept in a secure place or an email account with password control for receiving quotations.

- ❑ Segregate the duties of sourcing suppliers and receiving quotations as far as practicable.
- ❑ Keep a record of the suppliers invited, the date of receipt of the quotations, the prices offered, and 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 faxing their quotations 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.

## 4.5 Purchase by Tender

### 4.5.1 Tender Invitation

- ❑ Set out clearly in the tender documents:
  - ✧ a detailed description of the goods/services required;
  - ✧ 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;
  - ✧ 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, bidders should be required to submit the price and technical proposals in separately sealed envelopes).
- ❑ Conduct a briefing for all interested bidders shortly after the tender invitation, if necessary.



- ❑ Take measures to ensure the security of the tender submissions received, e.g. use a secure tender box for bidders to deposit their bid submissions, or put collected bid submissions under lock in the custody of a designated staff member.
- ❑ Assign a tender opening team (comprising at least two persons) to open the bid submissions received 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 form is at *Appendix 6*).

#### 4.5.2 Tender Evaluation

- ❑ Pre-determine the criteria for tender assessment and, in the case of special services, draw up a marking scheme for tender evaluation.
- ❑ Appoint an assessment panel (comprising staff from the user section, the procurement section and specialist or technical section as appropriate) to evaluate the tenders and make recommendation for acceptance.
- ❑ Require individual assessment panel members to declare whether or not they have any conflict of interest in relation to the tender under consideration.
- ❑ 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 independently record the marks given to each technical 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 lowest conforming bid or the one with the highest combined score, is recommended.
- ❑ Require the panel to submit a tender evaluation report for consideration by the appropriate approving authority (📖A sample tender evaluation form is at *Appendix 7*).

## 4.6 Receipt of Goods and Services

### 4.6.1 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/defective goods.
- ❑ Arrange testing of the goods by competent staff before acceptance (e.g. the IT staff for computer equipment).
- ❑ Follow up immediately with the supplier for any short delivery or substandard/defective goods.
- ❑ Require the assigned staff or users to certify acceptance within a specified time limit upon receipt of the goods and ensure payment is made within a reasonable time frame (e.g. one month from certification).
- ❑ Handle substandard/defective goods or short delivery in accordance with established policies and procedures (e.g. asking the supplier to make good the shortfall immediately).

### 4.6.2 For Services

- ❑ Require the users to confirm satisfactory delivery of service of a short term or one-off nature before payment (e.g. consultancy or miscellaneous services).

- ❑ Design a checklist for the checking of service standards in the case of term contracts (e.g. course providers).
- ❑ 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.
- ❑ Handle unsatisfactory or deficient service similar to the procedures recommended above for substandard/defective goods and short deliveries.

## 4.7 Managing Suppliers/Service Providers' Performance

- ❑ Collect and record users' adverse feedback on the performance of the suppliers/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.
- ❑ 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 supplier/service provider list if any.
- ❑ Inform all users of the adverse performance of any suppliers/service providers.



## 5.1 Introduction

Project assets (e.g. computer and office equipment) and inventories (e.g. materials for production and the subsequent deliverables) under the funded project are acquired with public money. If not properly managed, they may easily be susceptible to the following risks -

- \* Unauthorised use of project assets and inventory items (e.g. outside the ambit of the project).
- \* Pilferage.
- \* Improper handling of assets upon project termination (e.g. project equipment and project intellectual property right).

Grantees should therefore have in place a robust system to ensure proper recording, usage and disposal of project assets and inventories.

## 5.2 Control Procedures for Assets/Inventories

- Lay down clear control procedures including the recording and stocktaking requirements, as well as the disposal arrangement (including the authority for different values of assets/inventories) upon expiry of the Funding Agreement and otherwise.
- Assign a staff member to be responsible for the overall control and management of project assets (e.g. computers and office equipment) and inventory items (e.g. consumables or goods for sale), including any movements or transfers among users.

- ❑ Segregate duties for key processes (e.g. daily inventory recording and annual stock taking should be undertaken by different officers) as far as possible.
- ❑ Keep all project assets and inventory items under lock before issue to users.
- ❑ Assign a serial number to each asset item and keep a register to record detailed description of the assets, date and cost of acquisition, their physical locations and movements, such as the date of issue and the recipient (📄A sample assets register is at *Appendix 8*).
- ❑ Mark on the asset items clear indications (with serial numbers if possible) that they are project assets.
- ❑ Keep an inventory record of consumables (in particular, the more expensive items) and update the records upon receipt and issue of any stock.
- ❑ For each transfer, require the recipient to acknowledge receipt of the asset items upon issue/return.
- ❑ Establish an electronic asset/inventory control system, if resources permit, to facilitate timely updating of movements and production of periodic records for inventory checks.

### 5.3 Stocktaking Exercises

- ❑ Conduct and record random and regular (e.g. yearly) physical checks on the project assets and inventory items.
- ❑ Report any loss or unserviceable assets or abnormal consumption patterns of inventory items to the management for necessary action.
- ❑ Report to the police or the appropriate party (e.g. the Secretariat) for all assets lost/stolen.

## 5.4 Disposal

- ❑ Require staff members to justify any proposed disposal (e.g. with related technical certificate from maintenance agent that the equipment is no longer serviceable or beyond economical repair) and obtain approval from designated authorities for disposal of the items involved and the disposal method (e.g. donation, discarded as waste, sale of obsolete stocks with resale value, return to government upon expiry of the Funding Agreement).
- ❑ Require the approving authority to inspect or conduct random checks on the quantity involved and to witness or spot check the disposal process.
- ❑ Keep records of the disposal (e.g. the approving authority, date of disposal and documentary proofs such as receipt from the second-hand goods dealer, if any).

## 6.1 Introduction

The Funding Agreement sets out, amongst others, the obligations which the Grantee has to perform. Grantees should have in place a robust monitoring system. Otherwise, they may have difficulties ensuring the delivery of activities/outputs as pledged and scheduled in the Funding Agreement.

## 6.2 Monitoring Project Activities

- ❑ Lay down a system to monitor progress of project activities (e.g. through progress reports on a regular basis).
- ❑ Collect feedback from participants/stakeholders of projects/activities, if any, to gather first-hand information.
- ❑ Prepare a completion report, detailing compliance with key terms and conditions in the Funding Agreement, the attainment of project objective and evaluation of deliverables.
- ❑ Conduct post-project evaluation and hold wash-up meeting with the Secretariat after a project is completed to evaluate the effectiveness of the project, provide quantitative measurement on the feedback of the project deliverables by the participants and draw lessons for future reference.

### 6.3 Record Keeping and Corruption Prevention Review

- ❑ Maintain, during the continuance of the Agreement and for a minimum period of another seven years after the end of Government's financial year in which the project is completed or the Agreement is terminated, full and proper books of accounts and records in respect of the project.
- ❑ Allow the Secretariat and their respective authorised representatives to conduct random on-site checks, access to all or any of aforesaid books and records for conducting audit, inspection, verification and copying from time to time during the continuance of the Agreement and the seven-year period.
- ❑ Allow ICAC to inspect the books and documents, examine the management and control measures in relation to the funded project for corruption prevention review.

### 6.4 Project Variation

- ❑ Keep in view project progress to ensure compliance with project pledges/deliverables in the Funding Agreement.
- ❑ In case variations are unavoidable, document the justifications, propose remedial measures and submit in writing to the Secretariat for endorsement as soon as possible.
- ❑ Take timely remedial measures (as approved by the Secretariat).
- ❑ Record the measures taken and their effects on the project.
- ❑ Provide in each progress report and completion report information on project variation.



## 6.5 Public Monitoring

- ❑ Publicise the information on funded projects, such as annual budgets, financial statements, annual reports and performance measures and completion reports to enhance public monitoring and accountability.

**Ethical Commitment**

1. The *[Name of Grantee]* (hereafter referred to as the Organisation) regards honesty, integrity and fair play as our core values that must be upheld by all directors and staff<sup>1</sup> of the Organisation at all times. This Code sets out the basic standard of conduct expected of all directors and staff members and our policy on acceptance of advantage and handling of conflict of interest when dealing with the Organisation's business.

**Prevention of Bribery**

2. The Organisation prohibits all forms of bribery and corruption. All directors and staff are prohibited from soliciting, accepting or offering any bribe in conducting the Organisation's business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the Organisation, they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong and must not:

- (a) solicit or accept any advantage from others as a reward for or inducement to doing any act or showing favour in relation to the Organisation's business or affairs, or offer any advantage to an agent of another as a reward for or inducement to doing any act or showing favour in relation to his principal's business or affairs;
  - (b) offer 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 / a public body; or
  - (c) offer any advantage to any staff of a Government department or public body while they are having business dealing with the latter.
- (The relevant provisions of the POBO are at **Annex 1**.)

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<sup>1</sup> "Staff" cover full-time, part-time and temporary staff.

## Acceptance of Advantage

3. It is our policy that directors and staff members should not solicit or accept any advantage for themselves or others, from any person, company or organisation having business dealings with the Organisation (e.g. service recipients, suppliers, contractors) or 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) gifts given on festive or special occasions subject to a maximum limit of HK\$\_\_\_\_\_ in value; or
- (c) discounts or other special offers from any person or company, on terms and conditions equally applicable to other customers in general.

4. Gifts or souvenirs in described in paragraph 3(a) that are presented to directors and staff in official functions are deemed as offered to the Organisation. The recipient should report the acceptance to the Organisation and seek direction on its disposal from *[the approving authority]*<sup>2</sup> using Form A (**Annex 2**). If a director or staff member wishes to accept any advantage not covered in paragraph 3, he/she should seek permission from *[the approving authority]* using Form A.

5. However, a director or staff member should decline an offer of advantage if the acceptance could affect his/her objectivity in conducting the Organisation's business or induce him/her to act against the interest of the Organisation, or acceptance will likely lead to perception or allegation of impropriety.

6. If a director or staff member has to act on behalf of a client in the course of carrying out the Organisation's business, he/she should also comply with any additional restrictions on acceptance of advantage that may be set by the client (e.g. directors and staff members performing any duties under a government or public body contract will normally be prohibited from accepting advantages in relation to that contract).

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<sup>2</sup> Specify the post of the approving authority in the Code and the Form.

## Offer of Advantage

7. Directors and staff members are prohibited from offering advantages to any staff member of the Secretariat, members of the Funding Committee or any director, staff member or agent of another company or organisation, whether directly or indirectly through a third party, for the purpose of influencing such person in any dealings, or any public official, whether directly or indirectly through a third party, when conducting the Organisation's business. Even when an offer of advantage carries no intention of improper influence, it should be ascertained that the intended recipient is permitted by his employer/principal to accept it under the relevant circumstance before the advantage is offered.

## Entertainment

8. Although entertainment<sup>3</sup> is an acceptable form of business and social behaviour, a director or staff member should avoid accepting lavish or frequent entertainment from persons with whom the Organisation has business dealings (e.g. service recipients, suppliers or contractors) or from his/her subordinates to avoid placing themselves in a position of obligation.

## Records, Accounts and Other Documents

9. Directors and staff members should ensure that all record, receipt, account or other document they submit to the Organisation gives a true representation of the events or business transactions reported in the document. Intentional use of documents containing false information to deceive or mislead the Organisation, regardless of whether there is any gain or advantage involved, may constitute an offence under the POBO.

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<sup>3</sup> Entertainment refers to "entertainment" as defined in the POBO, i.e. food or drink provided for immediate consumption on the occasion, and any other entertainment provided at the same time.

## Compliance with Laws of Hong Kong and in Other Jurisdictions

10. Directors or staff members must comply with all local laws and regulations when conducting the Organisation's business, and also those in other jurisdictions, when conducting business there or where applicable<sup>4</sup>.

## Conflict of Interest

11. Directors and staff members should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Organisation) or the perception of such conflicts. They should not misuse their position or authority in the organisation to pursue their own private interests. Private interest includes both financial and personal interests of the director/staff member and those of his/her connections including family and other relations, personal friends, the clubs and societies to which he/she belongs, and any person to whom he/she owes a favour or obligated in any way. When actual or potential conflict of interest arises, the director or staff member should make a declaration to the management through the reporting channel using Form B (**Annex 3**). Failure to do so may give rise to criticism of favouritism, abuse of authority or even allegation of corruption.

12. Some common examples of conflict of interest are described below but they are by no means exhaustive:

- (a) A staff member involved in a procurement process is closely related to or has beneficial interest in a supplier being considered by the Organisation.
- (b) 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 staff member responsible for the exercise.

<sup>4</sup> Some other countries' anti-bribery laws have provisions with extra-territorial effect, e.g. the UK's Bribery Act 2010, the USA's Foreign Corrupt Practices Act.

- (c) A director of the Organisation has financial interest in a company whose quotation or tender is under consideration by the Organisation.
- (d) A staff member accepts frequent or lavish entertainment from the Organisation's service recipients, suppliers or contractors.
- (e) A staff member (full-time or part-time) undertaking part-time work with a contractor whom he is responsible for monitoring.

### **Misuse of Official Position, Organisation Assets and Information**

13. Directors and staff must not misuse their official position in the Organisation to pursue their own private interests, which include both financial and personal interests and those of their family members, relatives or close personal friends.

14. Directors and staff members 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. Unauthorised use, such as misuse for personal interest, is strictly prohibited.

15. Directors and staff members should not disclose any classified information of the Organisation without authorisation or misuse any such information (e.g. unauthorised sale of the information). Those who have access to or in control of such information, including information in the Organisation's computer system, should at all times ensure its security and protect the information from any abuse, unauthorised disclosure or misuse of the information. Special care should be taken in the use of any personal data, including directors', staff's, service recipients' and customers' personal data, to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486) and the Organisation's data privacy policy.

## Outside Employment

16. If a staff member wishes to take up employment outside the Organisation, he/she must seek the prior written approval of *[the approval authority]*. *[The approving authority]* should consider whether the outside employment would give rise to a conflict of interest with the staff member's duties in the Organisation or the interest of the Organisation.

## Relationship with Suppliers, Contractors and Service Recipients

### Gambling

17. Directors and staff members are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the Organisation. In social games of chance with service recipients, suppliers or business associates, they must exercise judgment and withdraw from any high stake games.

### Loans

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

*[The Organisation may wish to include other guidelines on the conduct required of directors and staff in their dealings with suppliers, contractors, service recipients, and other business partners as appropriate.]*

## Compliance with the Code

19. It is the responsibility of every director and staff member of the Organisation to understand and comply with this Code, whether performing the duties of the Organisation in or outside Hong Kong. Managers and supervisors should also ensure that the staff under their supervision understand well and comply with this Code.

20. Any director or staff member in breach of the Code will be subject to disciplinary action, including termination of appointment. Any enquiries about this Code or reports of possible breaches of this Code should be made to *[Post of Designated Senior Staff Member of the Organisation]*. In case of suspected corruption or criminal offences, a report will be made to the ICAC or the appropriate law enforcement agencies.

*[Date]*

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*[Name of Organisation]*



**Annex 1****Extracts from the Prevention of Bribery Ordinance  
(Cap. 201, Laws of Hong Kong)****Section 9 - Corrupt transaction with agents**

- (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.

### **Definition of an Advantage (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.

### **Definition of Entertainment (Section 2)**

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 19 – Custom not to be a Defence**

In any proceedings for an offence under the Ordinance, it shall not be a defence to show that any such advantage as is mentioned in the Ordinance is customary in any profession, trade, vocation or calling.

**Annex 2****FORM A****[Name of Grantee]****Report on Gifts/Advantages Received****Part A – To be completed by Receiving Staff**To : **[Approving Authority]**

Description of Offeror :

Name &amp; Title :

Company :

Relationship (Business / Personal) :

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

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

**Suggested Method of Disposal :****Remark**

- 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 a Staff Function
- Donate to another Charitable Organisation
- Return to Offeror
- Others (please specify) : \_\_\_\_\_

\_\_\_\_\_  
**[Name of Receiving Staff]****[Title]****[Date]**  
-----**Part B – To be completed by Approving Authority**To : **[Name of Receiving Staff]**The recommended method of disposal is **\*approved / not approved**. \*The gift(s)/advantage(s) concerned should be disposed of by way of: \_\_\_\_\_\_\_\_\_\_  
**[Name of Approving Authority]****[Title]****[Date]**

\* Please delete as appropriate.

**Annex 3**  
**FORM B**

**[Name of Grantee]**

**Declaration of Conflict of Interest**

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

To : *[Approving Authority]*

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

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

\_\_\_\_\_  
*[Name of Declaring Staff]*

*[Title]*

*[Date]*

**Part B – Acknowledgement** (To be completed by Approving Authority)

To : *[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, and you must uphold the Organisation's interest without being influenced by your private interest.
- Others (please specify) : \_\_\_\_\_

\_\_\_\_\_  
*[Name of Approving Authority]*

*[Title]*

*[Date]*

\* Please delete as appropriate

**[Name of Organisation]**  
**Interview Assessment Form**

Name of candidate : \_\_\_\_\_

Date and time of interview: \_\_\_\_\_

Aspect of assessment*	Maximum Marks	Score
1. Work knowledge	__%	
2. Relevant working experience	__%	
3. Communication skills	__%	
4. Supervisory ability and other job requirements, if applicable	__%	
<b>Total</b>	<b>100%</b>	

**Additional Remarks:**

**Recommendation:**

- Suitable for appointment  
 Not suitable for appointment

**Declaration of Conflict of Interest:**

I hereby declare that I #have/ do not have pecuniary or other personal interest, direct or indirect, in any matter that raises or may raise a conflict with my duty as a member of Assessment Panel.

# Details of the conflicts/ relationship are as follows:

\_\_\_\_\_

\_\_\_\_\_  
**[Name of Assessment Panel Member]**

\* The assessment aspects 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.

- (1) The *[bidder/tenderer]* shall not, and shall procure that his directors, employees, agents and sub-contractors shall not, offer, solicit or accept an advantage as defined in the Prevention of Bribery Ordinance (Cap. 201), in connection with the *[quotation/tendering]* and execution of this contract.
  
- (2) Failure to so procure or any act of offering, soliciting or accepting advantage referred to in (1) above committed by the *[bidder/tenderer]* or by a director, employee, agent or sub-contractor of the *[bidder/tenderer]* shall, without affecting the *[bidder/tenderer]*'s liability for such failure and act, result in his *[quotation/tender]* being invalidated.

**Anti-collusion**

- (1) The Tenderer shall not communicate to any person other than the *[Name of Grantee]* 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. Any breach of or non-compliance with this sub-clause by the Tenderer shall, without affecting the Tenderer's liability for such breach rules and laws 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/sub-contractors to solicit their assistance in preparation of tender submission.
- (3) The Tenderer shall submit to the *[Name of Grantee]* a duly signed warranty in the form set out in Annex to the effect that he understands and will abide by these clauses. The warranty shall be signed by a person authorised to sign the contract on the Tenderer's behalf.
- (4) Any breach of any of the representations and/or warranties by the Tenderer may prejudice the Tenderer's future standing as a *[Name of Grantee]* contractor.

**Annex**

To: *[Name of Grantee]*

Dear Sir/Madam,

**Warranty**

- (1) By submitting a tender, the Tenderer represents and warrants that in relation to the invitation of tender of *[description]* :
- (i) it has not communicated and will not communicate to any person other than the *[Name of Grantee]* the amount of any tender price;
  - (ii) it has not fixed and will not fix the amount of any tender price by arrangement with any person;
  - (iii) it has not made and will not make any arrangement with any person as to whether it or that other person will or will not submit a tender; and
  - (iv) it has not otherwise colluded and will not otherwise collude with any person in any manner whatsoever in the tendering process.
- (2) In the event that the Tenderer is in breach of any of the representations and/or warranties in Clause (1) above, the *[Name of Grantee]* shall be entitled to, without compensation to any person or liability on the part of the *[Name of Grantee]* :
- (i) reject the tender;
  - (ii) if the *[Name of Grantee]* has accepted the tender, withdraw its acceptance of the tender; and
  - (iii) if the *[Name of Grantee]* has entered into the contract with the Tenderer, terminate the contract.
- (3) The Tenderer shall indemnify and keep indemnified the *[Name of Grantee]* against all losses, damages, costs or expenses arising out of or in relation to any breach of any of the representations and/or warranties in Clause (1) above.
- (4) A breach by a Tenderer of any of the representations and/or warranties in Clause (1) may prejudice its future standing as a *[Name of Grantee]*'s supplier or service provider.



- (5) Clause (1) shall have no application to the Tenderer's communications in strict confidence with its own insurers or brokers to obtain an insurance quotation for computation of the tender price, or with its professional advisers, and consultants or sub-contractors to solicit their assistance in preparation of tender submission. For the avoidance of doubt, the making of a bid by a bidder to the *[Name of Grantee]* in public during an auction will not by itself be regarded as a breach of the representation and warranty in Clause (1)(i) above.
- (6) The rights of the *[Name of Grantee]* under Clauses (2) to (4) above are in addition to and without prejudice to any other rights or remedies available to it against the Tenderer.

Authorised Signature & Company Chop : \_\_\_\_\_

Name of Person Authorised to Sign (in Block Letters) : \_\_\_\_\_

Name of Tenderer in English (in Block Letters) : \_\_\_\_\_

Date : \_\_\_\_\_

**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 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, 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.

**Annex**

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

To: [Name of Organisation]

Contract No. :

Title :

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-contractors 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 Signatory :

Position of the Signatory :

Name of the Contractor :

Date :

**[Name of Organisation]**  
Tender Opening Record

Tenders for \_\_\_\_\_ (Type of Goods/Services) 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:

	Name of Tenderer	Tender Price
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

**Signature of Witness**

	Name	Post	Signature
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

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 and time: \_\_\_\_\_

Tender validity period: \_\_\_\_\_ days from \_\_\_\_\_

#### Tenders Received

Number of tenders received: \_\_\_\_\_

Details of tenders received:

Tenderers	Tendered Sums (lowest first)

\*Name of non-returning tenderers:

Tenderers	Reasons, if known

### Compliance with Tender Specifications

Tenderers (in order of tendered sum)	Compliance with tender specifications	Details of any non- compliance
	*Yes / *No	
	*Yes / *No	
	*Yes / *No	
	*Yes / *No	
	*Yes / *No	
	*Yes / *No	
	*Yes / *No	

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)

		Name of Tenderers		
		[Tenderer A]	[Tenderer B]	[Tenderer C]
		Lowest Bid	2 <sup>nd</sup> Lowest Bid	3 <sup>rd</sup> Lowest Bid
(a)	Strengths			
(b)	Weaknesses			
(c)	Recommendations of Assessment Panel			

### \*Tender Qualifications of Lowest Three Tenderers (if any)

		Name of Tenderers		
		[Tenderer A]	[Tenderer B]	[Tenderer C]
		Lowest Bid	2 <sup>nd</sup> Lowest Bid	3 <sup>rd</sup> Lowest Bid
(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

		Name of Tenderers		
		[Tenderer A]	[Tenderer B]	[Tenderer C]
		Lowest Bid	2 <sup>nd</sup> Lowest Bid	3 <sup>rd</sup> Lowest Bid
(a)	Previous dealings with the Organisation	*Yes / *No	*Yes / *No	*Yes / *No
* (b)	Previous performance	*Satisfactory / *Unsatisfactory, details: _____ _____	*Satisfactory / *Unsatisfactory, details: _____ _____	*Satisfactory / *Unsatisfactory, details: _____ _____
* (c)	Recommendations of Assessment Panel	*Suitable / *Not suitable for contract award	*Suitable / *Not suitable for contract award	*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 of  
Assessors:

\_\_\_\_\_

Post of  
Assessors:

\_\_\_\_\_

Date:

\_\_\_\_\_

(\* Delete as appropriate)

**資產記錄表**  
**Assets Register**

計劃編號  
Project No. : \_\_\_\_\_  
計劃名稱  
Project Title : \_\_\_\_\_  
受資助機構名稱  
Name of Grantee : \_\_\_\_\_

資產類別  
Class of Asset : \_\_\_\_\_

編號 Item No.	項目說明* Item/Description*	單價 Unit Cost/Item 港幣 HK\$	數量 No. of Units	總值 Total Cost 港幣 HK\$	購買日期 Date of Purchase	供應商發票 編號 Supplier's Invoice No.	項目存放地點 Location of Item	根據資產運用計劃作出調配 Deployed in accordance with the Asset Usage Plan		負責人 (請註明姓名及職銜) Person in Charge (Please state Name and Post)
								是 Yes	否 No (理據 Justification)	
1.										
2.										
3.										
4.										
5.										
6.										

類別總計  
Total for the Asset Class : 港幣  
HK\$ \_\_\_\_\_

\* 該項目如有牌子、型號及編號，請詳列  
Please detail out the brand, model and serial number, if any

This is to certify that –

Item No.	Disposed on	Signature of Person in charge

**受資助機構確認真實無誤**  
**Certified True and Correct by Grantee**

獲授權人簽署 : \_\_\_\_\_  
Signature of Authorised Person  
獲授權人姓名 : \_\_\_\_\_  
Name of Authorised Person  
獲授權人職銜 : \_\_\_\_\_  
Title of Authorised Person  
日期 : \_\_\_\_\_  
Date



## Corruption Prevention Department

Independent Commission Against Corruption

303 Java Road, North Point, Hong Kong