Handling of Donations

Areas of Concern

! Improper or unauthorised use of donations.

! Valuable and recurring gifts/donations from unfamiliar/dubious sources.

Control Measures

- Put in place a monitoring mechanism on the use of donations, including –
  - keeping a register setting out the details of the donations received;
  - ensuring the donations are used for the stated purpose; and
  - properly accounting for the receipt and use of donations in the organisations' financial reports.
- Be vigilant on the acceptance of donations, avoid accepting those from dubious sources.

Use of Information Technology (IT)

Areas of Concern

! Over reliance on manual processes and paper records.

! Inadequate measures to prevent unauthorised access to and tampering with records in computer systems.

Control Measures

- Streamline procedures, enhance operational efficiency, security of records and monitoring using IT, such as –
  - developing computer systems to automate major workflows, and facilitate timely supervisory checks and management oversight; and
  - building in the computer systems effective corruption prevention safeguards, internal control and auditing functions.

For more corruption prevention measures on NGOs' general operations:

Best Practice Checklist on Governance and Internal Control in NGOs

CPAS 防貪諮詢服務 Corruption Prevention Advisory Service

2526 6363 cpas@cpd.icac.org.hk

2522 0505 http://cpas.icac.hk

The Corruption Prevention Advisory Service (CPAS) of the Corruption Prevention Department of ICAC provides free, confidential and tailor-made advisory service to private organisations including NGOs. Please contact CPAS through the above channels.

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Corruption Prevention Tips for Non-governmental Organisations (NGOs)

OPERATIONS AMID EMERGENCY SITUATIONS

NGOs may need to provide urgent relief/assistance to their service users suffering from emergency situations (e.g. pandemics, natural disasters, economic crises). In order to meet the service users' needs, it is sometimes necessary for NGOs to allow their staff to exercise discretion, and not to strictly adhere to the preset procedures with a view to expediting the service delivery. Therefore, NGOs should be wary of the risks of corruption and abuse that such practice may lead to, and adopt necessary safeguards to reduce them. This pamphlet highlights the areas of concern, from the corruption prevention perspective, on NGOs' operations amid emergency situations, and provides some tips for NGOs in upholding staff integrity and guarding against possible corruption and malpractice.

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Integrity Management

A high integrity standard of NGOs' Board members and staff is a key to corruption prevention, in particular for delivery of services amid emergency situations which require exercising discretion and making swift decisions. Therefore, NGOs should demonstrate their commitment to integrity, raise the awareness of their Board members and staff, and equip them for making ethical decisions, by –

- issuing a Code of Conduct and regular reminders on probity to Board members and staff

Sample Code of Conduct

Full version *Abridged version*

- organising corruption prevention training for managers and supervisory staff

ICAC's corruption prevention training services

Key Corruption Prevention Principles

NGOs are advised to adhere to the following principles in their daily operations and delivery of services.

SIMPLICITY

review and simplify procedures, with essential controls included at key stages of the operations

TRANSPARENCY

disclose services availability, eligibility criteria and application procedures to ensure fairness in service delivery

ACCOUNTABILITY

maintain proper records of major actions/ decisions with justifications to ensure accountability

Emergency Response Plan

NGOs are recommended to devise an emergency response plan to ensure the propriety and timeliness of actions taken under emergency situations, which includes –

- drawing up or streamlining procedures for emergency operations (e.g. urgent purchases, recruitment of temporary staff, provision of services);
- setting out clearly the approving authorities for deviation from normal operations (e.g. urgent purchases);
- communicating the plan to all relevant staff; and
- reviewing the plan in response to changing operations or operating environment.

Areas of Concern and Control Measures

Urgent Purchases and Stock Control

Areas of Concern

! A single staff member to invite, receive and assess quotations/tenders, and accept the goods/services purchased.

! Unreasonably high consumption/disposal rate for particular items within a certain period.

Control Measures

- Segregate the duties of inviting, receiving, assessing quotations/tenders and accepting goods/services procured where practicable.
- Ensure the safekeeping of stock, in particular for those that are valuable and sought-after in market, maintain register of their use, and compile exceptional reports to deter and detect irregularities.

Provision of Services

Areas of Concern

! The services availability, eligibility criteria and application details are not disclosed.

! The eligibility criteria for the services are not pre-determined.

Control Measures

- Publicise the services availability, application details and eligibility criteria.
- Pre-determine eligibility criteria and require either prior or retrospective approval for any deviation from the criteria.
- If necessary, put in place a mechanism to prioritise the provision of services to target users (e.g. on first-come-first-served basis).
- Conduct random checks on cases granted on compassionate grounds.

Management of Temporary Staff

Areas of Concern

! Employment of unnecessary temporary staff and offer of unreasonably high pay to them.

! Lax monitoring of attendance of temporary staff.

! Temporary staff receive wages partially despite satisfactory performance.

Control Measures

- Subject the engagement of temporary staff and their pay scale to approval of an appropriate authority, and make transparent the pay scale.
- If there is an on-going need for temporary staff, maintain a pool of eligible candidates selected through proper recruitment procedures.
- Devise a mechanism to monitor temporary staff's attendance.
- Arrange direct payment of wages to temporary staff, and maintain proper payment records.