

SAMPLE

Code of Conduct for Officials and Staff for Organizations

Introduction

(Name of Organization) is fully committed to the principle of honesty, integrity and fair play in all its businesses and activities. All officials¹ and staff should ensure that the businesses of the Organization, such as procurement of materials, hiring of staff and services for activities, are dealt with in an open, fair and impartial manner. They should bear in mind that the Organization is accountable to its sponsors, including the government and any private sponsors, and all its members, in the conduct of its activities.

2. This Code of Conduct sets out the basic standard of conduct expected of all officials and staff and the Organization's policy on such matters as acceptance of advantages and declaration of conflict of interest. This Code also applies to temporary or part-time staff employed by the Organization.

Prevention of Bribery Ordinance

3. Under Section 9 of the Prevention of Bribery Ordinance (Cap. 201), an employee who solicits or accepts an advantage in relation to his employer's business or affairs without the latter's permission may commit an offence. The term "advantage" is defined in the Ordinance and includes almost anything of value, except entertainment, such as

¹ Officials include Office-bearers, Council Members, Executive Members, and any Members of the Association acting on behalf of the Association.

money, gift, commission, loan, fee, reward, office, employment, contract, service or favour (*Appendix 1*).

Acceptance of Advantages

4. It is the policy of this Organization to prohibit all staff from soliciting any advantage from any persons having business dealings with the Organization (e.g. suppliers, contractors, members, activity participants). Officials and staff who wish to accept any advantage from such persons should seek special permission from the *Board/Committee/(post of designated officer)* prior to the acceptance.

5. Any gifts offered voluntarily to the officials or staff in their official capacity are regarded as gifts to the Organization and they should **not** be accepted without permission. Officials and staff should decline the offer if the acceptance could affect their objectivity in conducting the Organization's business, or induce them to act against the interest of the Organization, or lead to perception or complaints of bias or impropriety.

6. For gifts which are presented to officials or staff in their official capacity and of nominal value (*below \$XXX*), the refusal of which could be seen as unsociable or impolite (e.g. a plaque presented to an official or a staff member during a seminar in which he is invited to be the guest speaker), the Board/Council has given a **blanket permission** for the officials and staff to accept these gifts. In other circumstances, the officials and staff should apply in writing to the *Board/Committee/(post of designated officer)* for permission to accept the gifts. Each application should be carefully considered by the *Board/Committee/(post of designated officer)*. Proper records of these applications should be kept

showing the name of the applicant, the occasion of the offer, the nature and estimated value of the gift, and whether permission has been granted for the applicant to retain the gift or other directions have been given to dispose of the gift. Possible ways of disposal of such gifts are listed at *Appendix 2*.

7. There is however no restriction on the acceptance of advantages, in the official's or staff's private capacity, from any person who does not have any official dealings with the Organization. In case of doubt, the officials and staff should refer the matter to the *Board/Committee/(post of designated officer)* for advice and instruction before accepting such offer of advantages.

Conflict of Interest

8. A conflict of interest situation arises when the "private interests" of the official and staff compete or conflict with the interests of the Organization. "Private interests" means both the financial and personal interests of the official and staff or those of their connections including:

- family and other relations;
- personal friends;
- other companies or business interests which they hold or own (both in part or in whole);
- other clubs and societies to which they belong; and
- any person to whom they owe a favour or are obligated in any way.

9. Officials and staff should avoid using their official position or any information made available to them in the course of their duties for the Organization to benefit themselves, their relations or any other persons with whom they have personal or social ties, or business connections. They should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest with the Organization. Failure to avoid or declare any conflict of interest may give rise to criticism of favouritism, abuse of authority or even allegations of corruption, which are to the corporate disgrace of the Organization. In particular, officials and staff involved in the procurement process should declare conflict of interest if they are closely related to, or have or will likely be perceived to have, beneficial interest in any company which is considering submission of quotation/tender to the Organization or is being considered for selection as the Organization's supplier of goods or services. *Appendix 3* provides some examples of conflict of interest situations which may be encountered and should be avoided by officials and staff.

10. When called upon to deal with matters of the Organization for which there is an actual or perceived conflict of interest, the officials and staff should make a declaration in writing to his supervisor or the *Board/Committee/(post of the designated officer)*. He should then abstain from dealing with the matter in question, and follow the instruction of his supervisor or the *Board/Committee/(post of the designated officer)* who may (or may not) reassign the task to other officials or staff.

Entertainment

11. As defined in Section 2 of the Prevention of Bribery Ordinance, “entertainment” refers to food or drink provided for immediate consumption on the occasion, and any other entertainment provided at the same time. Although entertainment is an acceptable form of business and social behaviour and is not an “advantage”, officials and staff must not accept lavish or frequent entertainment from persons with whom the Organization has official dealings (e.g. suppliers or contractors, clubs/persons to which the Organization may allocate resources or job assignments), so that they will not be placed in a position of obligation to the offerer.

Misuse of Official Position

12. Officials and staff who misuse their official position for personal gains or to favour their relatives or friends or to benefit their business connections are liable to disciplinary action by the Organization or even prosecution by the appropriate authorities. Examples of misuse include an official or a staff member responsible for the selection of suppliers giving undue favour or leaking tender information to his own or his relative’s company with a view to awarding the contract to the latter, or placing it in an advantageous position ahead of other competitive bidders. Other examples include reserving tickets for popular events for relatives and friends without prior permission and without going through the proper ticket allocation procedures by the Organization, and unfair allocation of resources (e.g. venue) to other parties for personal gain.

Handling of Classified or Proprietary Information

13. Officials and staff are not allowed to disclose any classified or proprietary information to anybody without prior authorisation by the Organization. Officials and staff who have access to or are in control of such information should at all times provide adequate safeguards to prevent its abuse or misuse. Examples of misuse include disclosure of information in return for monetary rewards, or use of information for personal interest or business benefit. It should also be noted that unauthorised disclosure of any personal data may result in a breach of the Personal Data (Privacy) Ordinance (Cap. 486).

Property and Other Resources of the Organization

14. Officials and staff given access to any property or other resources of or acquired by the Organization (such as venue) should ensure that it is properly used solely for the purpose of conducting the Organization's business. Misappropriation or unauthorised use of such property or resources, such as for personal use or personal gain (e.g. resale or unauthorised leasing) is strictly prohibited.

Sponsorship

15. The Organization is accountable to its sponsors for the use of their sponsorship. Officials and staff should ensure that any sponsorship or sponsored item is used solely for the purpose for which it is provided. Consent from the sponsor should be obtained if it is to be used for a purpose that deviates from the stated purpose for which it is obtained. Officials and staff should also ensure adequate transparency on the use of

sponsorship to the sponsors, and ensure that the Organization can account for the use of their sponsorship.

Gambling

16. Officials and staff must not engage in frequent or excessive gambling with persons who have business dealings with the Organization as well as among colleagues, particularly with subordinates. If on social occasions where refusal of gambling (provided that the activity is legal) is considered unsociable, the amount of money involved should not be significant. Gambling in the Organization's premises, government venues, and locations where activities of the Organization take place is strictly forbidden.

Outside Employment

17. Staff who wish to take up paid outside work, including those on a part-time basis, must seek the written approval of the Organization before accepting the job. Applications for outside work should be made to *Board/Committee/(post of designated officer)* for consideration. Approval will not be given if the outside work is in conflict with the interest of the Organization.

Compliance with the Code

18. It is the personal responsibility of every official and staff to understand and comply with the Code of Conduct, in particular by conscientiously avoiding any conflict of interest, and making declaration and seeking prior permission from the Organization in accordance with this Code in any case of exception.

19. The Organization Management will ensure that officials and staff understand and comply with the standards and requirements stated in the Code. Any problems encountered as well as any suggestions should be channeled to *Board/Committee/(post of designated officer)* for consideration and advice.

20. Any official and staff who violates any provision of the Code will be subject to disciplinary action, or termination of appointment/employment where warranted. In cases of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate authorities.

“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),

**Ways to dispose of gifts presented to
an Official or a Staff Member in his official capacity**

- If the gift is of perishable nature (e.g. food or drink), it may be shared among the office or during an activity organised by the Organization.
- If the gift is of historical or other interest, it may be sent to a library or museum.
- If the gift is suitable for display (e.g. a painting, vase, etc), it may be retained for display in the recipient's office or elsewhere noticeable in the Organization's premises.
- If the gift is of low value (*below \$XXX*), it may be donated to the Organization's social function as a lucky draw prize.
- If the gift is a personal item of low value (*below \$XXX*), it may be retained by the recipient after approval by the Organization.

Examples of Conflict of Interest Situations

- An official or a staff member takes part in the selection of suppliers or contractors, and one of the bidders under consideration is his relative or close personal friend.
- An official or a staff member has a financial interest in a company which is being considered for selection as the Organization's supplier of goods or services, or is an existing supplier.
- An official or a staff member acquires dealership of goods or services on insider knowledge that such goods or services are being considered for procurement by the Organization.
- An official or a staff member has beneficial interests in a supplier whose goods or services are being selected through an intermediary (e.g. a publicity agent) appointed by the Organization.
- An official or a staff member selects a venue where his relative or close personal friend has management responsibility.
- An official or a staff member accepts frequent or lavish entertainment or expensive gifts from the Organization's suppliers or contractors.
- An official or a staff member hires a relative as staff member, or is considering the promotion of such a person.
- An official or a staff member nominates a relative as office-bearer.
- An official vetting applications for programme sponsorship submitted by a Community Club of which he is also a committee member.

- An official or a staff member, responsible for controlling the allocation of venue rented by the Organization, allocates prime time slots to a training school or a club operated by himself or a relative.
- An official or a staff member responsible for selling tickets of a popular programme reserves tickets for his relatives or personal friends without permission.