

## Integrity and Quality Building Daily Operation

### Preventive Measures

#### Corruption Loopholes

#### Preventive Measures

##### a ) Appointment of Proxy

- MC members or PMC

staff accepting advantages to solicit proxies

- Falsifying proxy

- The OC/PMC should issue guidelines forbidding the MC members/staff to accept advantages relating to collection of proxies.
- The MC should issue a standard instrument of proxy to owners in the format according to the BMO.
- The owners should appoint only persons they trust
- The owners should give voting instructions clearly to the appointed person on their choice of vote.
- The secretary of the OC meeting should send an acknowledgement of the instruments of proxy as confirmation to the owners who have appointed proxies.
- The secretary should display the information of proxy appointment at a prominent location of the building before the meeting and until its conclusion.

##### b ) Procurement of goods/services

- Bribery/conflict of interest in the selection of suppliers/service
- Integrity Management

providers

- Bogus quotations/tenders
- False receipts/short delivery

MC members, staff members or the Manager involving in the procurement exercise should:

- declare any actual or perceived conflict of interest and refrain from the procurement process as soon as he becomes aware of the conflict; and
- not accept advantage or excessive entertainment offered by the bidding and serving suppliers/service providers.

- Procurement Procedure

The OC should:

- enhance checks and balance assigning different MC members, staff members or the manager to take charge of different processes as far as possible;
- prohibit MC members, staff

members or the manager to split high value purchases into small amount of purchases to circumvent the approval by the appropriate approving authority;

-review regularly purchase orders and management reports on purchases made to detect any suspicious purchase pattern;and  
-keep all procurement records for audit or checking as necessary.

- Procurement by Quotation

The MC should:

-not only include those nomina by the MC members or the manager when sourcing suppliers/service providers;  
-use a designated fax machine in a secure place or an email account with password contro

receiving quotations to prevent manipulation of quotations;

-designate an MC member or a staff member or the manager to receive and securely keep the quotations which should not be opened until after the deadline;and

-accept the lowest conforming bid as far as possible. Otherwise, justifications should be given in a report for consideration by the approving authority in case the lowest offer is not recommended.

- Procurement by Tender

To invite tender, the MC should

-include a probity clause in the tender invitation;

-show only the name of the OC not the name of the appointed consultant in the advertisement

that invite tenders;

-ensure all bidders receive the same tender information;

-require bidders to submit tenders directly to the address of the OC or the Manager;and

-take measures to ensure the security of the tenders received and that the tender box only bears the OC's name instead of the manager;

To evaluate tender, the MC should:

-pre-determine the criteria for evaluation before opening the tenders;

-appoint an evaluation panel comprising at least two MC members or staff members of the manager to conduct evaluation based on the pre-determined criteria and to make a recommendation to the approving

authority;

-require panel members to record their deliberations and any dissenting views to enhance accountability;

-require the panel to recommend the lowest conforming bidder and provide justifications if the lowest offer is not recommended.

To award contract, the MC should:

-inform the owners by a notice if the purchase involves the award of a contract or it is of high value above a specified amount;and

-notify the selected supplier and inform the unsuccessful bidders.

- Receipt of Goods and Making Payment

The MC should:

-assign an MC member or a st

member or the manager preferably not the person placing the purchase order, to receive and inspect the goods delivered against the specifications and quantity;

- follow up immediately with the supplier for any short delivery or defective goods;
- require the assigned MC member to certify acceptance of goods within a specified time limit upon receipt of goods.

•

### **c ) Monitoring of services**

- Bribery for accepting substandard/inadequate services

- Major Contract Terms

For MCs to effectively monitor the services provided by the cleaning/security contractors, objective service standards and adequate

control measures should be clearly stated in the contract terms to facilitate enforcement:

- specify the scope of cleaning/security work

- specify the manpower and equipment requirements

- specify the need for a supervision plan/ a work plan

- specify the contract period and avoid any terms enabling the automatic renewal of the contract upon the expiry of the contract

- specify the reporting requirements

- specify the arrangement of variation or addition of service/ the right of the MC to direct additional or variation of services

- specify the sanctions against sub-standard performance

- include probity clauses in the contract

- specify the contractual payment arrangements and the supporting documents required



-include a termination clause by either party of the contract

- Monitoring of Cleaning Service

The MC should:

-appoint an MC member or a staff member or the manager to monitor the manpower resources deployed by the cleaning contractor as pledged to undertake the cleaning work required and the standard service;

-display the cleaning schedules at a conspicuous place of the building for owners' information and provide a hotline for complaints;

-require the cleaning contractor to keep record of the work done by his cleaner

-carry out spot checks on site to take headcounts and ensure the cleaning schedules are properly implemented and the services delivered have met the prescribed

standards.

- Monitoring of Security Service

The MC should:

- appoint an MC member or the management staff to monitor the security contractor's service level;

- check randomly the security guards' logged-in and the time of patrol at specific spots of the building;

- check on a surprise basis the attendance and inspection records of the security guards/ staff;

- certify the completion of service on the attendance records for payment verification purpose as appropriate.

- Processing of Payments

The MC should:

- require the cleaning/security contractor to submit an invoice, together with the sta

- payroll record for claims of payment;
- ensure the payment are processed and completed within the time limit specified in the contract;and
- inform all MC members and the manager when adverse performance of the cleaning/security contractor is recorded.

•

#### **d ) Staff Administration**

- Bribery/conflict of

interest for

- recruiting staff
- giving favour in work shifts/arrangement of duties/staff appraisal
- lax supervision

- False attendance/over-time

- Staff Recruitment

The MC should:

- designate a panel comprising at least two members to oversee or handle staff recruitment matters;
- require all MC members and staff involved in the recruitment process to declare conflict of interest and abstain from the recruitment process if a conflict is declared;

work records

- assign an MC member or staff to screen the applications against the eligibility criteria;
- form a panel comprising two or more MC members or staff to interview the applicants;and
- require the panel members to record their assessment on a standard interview form and recommend the most suitable applicant for appointment by the OC.

- Staff Attendance and Supervision

The MC should:

- assign more than one MC member or a supervisor engaged by the OC to handle attendance and supervision matters;
- require the staff concerned to seek the MC member's or supervisor's approval for swapping of shifts or duties;
- require the staff to sign in and sign out in an attendance register;
- require the supervisor to spot check the

signing in and out;

- take head counts and check performance randomly, in particular during night shifts; and
- lay down the criteria and conditions and the policy for compensation for overtime work.

- Administration of Payroll

The MC should:

- check the payroll statements against the attendance and overtime records;
- require the treasurer to prepare the monthly payrolls for staff and payroll reports for the MC's information;
- avoid cash payment.

- Appraisal of Staff Performance

The MC should:

- use a standard form for performance appraisal;
- complete the staff performance appraisal at regular intervals;

- report to the MC any staff with adverse performance appraisal reports for consideration of management action;and
- recommend salary increases or bonus payments having regard to the performance appraisal reports for the MC's endorsement.

•

### **e ) Handling Complaints**

- Accepting bribes for ignoring/ partial or delay in handling complaints The MC should:
  - set up user-friendly complaint channels and well publicize them;
  - require the MC members or staff receiving the complaint to handle the matter and take action promptly and report serious cases to the OC;
  - refer urgent complaints or minor building services to the staff and contractors concerned for immediate actions and require

them to record the time of inspection and completion of remedial action in a register;

-take photographs as evidence to support observations or complaints of substandard service;

-take photographs to show the site situation as proof of the incidents handled;

-refer any suspected criminal cases to the appropriate law enforcement agency for investigation immediately;

-record findings of the complaint and inform the complainant accordingly;

-report the cases at the MC's meetings;and

-take disciplinary actions against the staff if the case involves any non-compliance of the laid down procedures or negligence of duty.