

**Quality Education Fund
General Guidelines on Management and Monitoring of Projects**

These guidelines shall be read and adhered to by the Grantee as well as the project leader and staff handling the Quality Education Fund (QEF) projects. If these guidelines are not followed, the non-compliance will be duly recorded and the expenditure incurred may not be supported for disbursement.

Expenditure Control

Purchase of Goods, Equipment and Employment of Staff

The Grantee shall ensure that the expenditure incurred is within the ambit and the scope of the approved Budget. The expenditure shall be expended in accordance with the “Proposal” contained in Schedule I to the QEF Agreement (the Agreement) and shall not exceed the “Budget” contained in Schedule II to the Agreement. In general, items not included in the “Proposal” in Schedule I ***shall not be charged*** to the project. Only in exceptional circumstances where an item previously unforeseen but was found absolutely necessary for the benefit of the project would be considered.

2. The Grantee shall ensure that the staff employed is dedicated to the implementation of the project. Moreover, the principle of ***economy and cost effectiveness*** of expenditure shall be observed by the Grantee at all times. The Grantee shall ensure that a system is in place to avoid any real or perceived conflict of interest while implementing the QEF project.

Re-allocation of Funds

3. The re-allocation of funds (except audit fee) is allowed for approved non-salary items of the Budget. ***Unused funds from unspent budget items should not be re-allocated to offset overspending in other items.*** The re-allocation of funds must comply with the following principles:

- (a) for projects with a total grant of \$300,000 or less, the re-allocation of any particular item in the “Budget” contained in Schedule II to the Agreement shall not exceed \$50,000;
- (b) for projects with a total grant between \$300,001 and \$1 million, the re-allocation of any particular item in the “Budget” contained in Schedule II to the Agreement shall not exceed \$100,000; and

- (c) for projects with a total grant exceeding \$1 million, the re-allocation of any particular item in the “Budget” contained in Schedule II to the Agreement shall not exceed \$200,000.

4. Where the re-allocation of funds between the approved non-salary items exceeds the respective amounts set out in paragraph 3 above, **prior approval** in writing must be sought from the QEF together with supporting documentary evidence to demonstrate the need for and benefit of the proposed re-allocation. The QEF may at its sole discretion determine whether to grant approval or not. The Grantee is encouraged to refer to the “Tips for Financial Management” webpage on the QEF website (https://www.qef.org.hk/en/reference/tips_for_financial_management.html).

5. All project personnel shall be remunerated on a fixed salary point during the entire project period. In normal circumstances, salary increment is not permitted. In exceptional circumstances such as difficulties in recruitment / replacement of project staff, variation of the approved salary items is allowed on the conditions that:

- (a) the revised Budget on salary does not exceed 20% of the approved Budget on salary;
- (b) the number of staff to be employed for each approved post in support of the project remains unchanged; and
- (c) the variation of salaries (monthly or total) of individual posts does not exceed 20% of the budgeted salary amount.

6. Except for the permitted variation mentioned in paragraph 5 above, **prior approval** in writing must be sought from the QEF for any other variation and request for re-allocation of funds to or out of the approved salary items. The QEF may at its sole discretion determine whether to grant approval or not. The Grantee is encouraged to refer to the “Tips for Financial Management” webpage on the QEF website (https://www.qef.org.hk/en/reference/tips_for_financial_management.html).

7. Where the Grantee has re-allocated the funds in excess of the respective amounts set out in paragraph 3 above or varied the approved salary items without prior approval from the QEF as required under paragraph 6 above, the QEF will issue a notice requiring the Grantee to return the excess amount. If the Grantee fails to return this amount within one month of the first notification, the QEF may, at its sole discretion, take one or more of the following actions:

- (i) notify the Grantee that it may be barred from applying for the QEF for up to three years, starting from the date of notification;

- (ii) suspend processing any pending application(s) from the Grantee during such period;
- (iii) refuse to enter into any new agreement with the Grantee during such period; and
- (iv) pursue additional measures as necessary to recover the outstanding amount from the Grantee.

Payment

8. Before making payment for goods supplied or work or service rendered for the project, the Grantee shall ensure that such goods, work or service are of a satisfactory quality before effecting payment. Original invoices and official receipts must be obtained and kept for record purposes.

9. The payment of personal emoluments to contract staff (either through direct credit to the staff's bank account or cash payment) shall be properly documented and recorded. For projects involving payment of instructor fees, a receipt shall be signed by the recipient which will form part of the supporting documents to the financial reports. A sample receipt is at **Annex 1** for reference.

10. Record keeping of all payments in the form of a ledger must be maintained.

Bank Account

11. **The Grantee shall open and maintain with a licensed bank in Hong Kong a bank account or to set up a separate ledger in the Grantee's accounting system designated for the sole purpose of keeping and transacting all monies of the Grant (the Designated Account). The Grant shall be deposited to the Designated Account of the Grantee bearing account names such as "ABC Primary School – QEF Account" and "XYZ Association – QEF Account".** To facilitate the reconciliation of account and the submission of regular financial reports to the QEF, the Grantee shall check bank statements relating to the Designated Account against the ledger of income and expenditure on a regular basis.

12. Any matching grant or donation received from other sources to fund the project shall not be deposited in the Designated Account. The Grant shall be kept separate from all the other monies belonging to the Grantee. However, the Grantee shall keep the QEF fully informed of any matching grant or donation received to support the project.

Submission of Interim Financial and Progress Reports

Interim Financial Report

13. The Grantee shall submit Interim Financial Report(s) to the QEF promptly in strict accordance with the report submission date(s) stipulated in the Report Submission Schedule in the revised proposal (Schedule I of the QEF Agreement). The Financial Report(s) and related documents will be subject to examination by an independent firm of accountants or accounting staff nominated by the QEF as and when required. When preparing the Financial Report(s), reference should be made to Annex 2 for formatting and Annex 5 for the general principles on whether an item could be charged to the project.

Progress Report

14. The Grantee shall submit Progress Reports (prescribed format and guideline for completion at **Annex 3**) promptly in strict accordance with the Report Submission Schedule.

15. The Grantee shall submit Interim Financial Reports together with supporting documents in hard copies either by mail or in person and shall submit Progress Reports in soft copies via the “Electronic Project Management System” (EPMS). Late submission of the Interim Financial or Progress Reports may result in suspension of payment of the Grant until the outstanding reports are received and accepted as satisfactory by the QEF. The QEF reserves the right to maintain such suspension regardless of submission of the reports if outstanding issues remain unresolved in its opinion.

16. If the Interim Financial Report / Progress Report and the related documents mentioned in paragraphs 13 and 14 above are not submitted to the satisfaction of the QEF within two weeks after the issue of the first reminder to the Grantee, the QEF reserves the right, at its sole discretion, to take one or more of the following actions:

- (i) notify the Grantee that it may be barred from applying for the QEF for up to one year, starting from the date of notification;
- (ii) suspend processing any pending application(s) from the Grantee during such period;
- (iii) postpone entering into any new agreement with the Grantee until the Report(s) and the related documents are submitted to the satisfaction of the QEF; and

- (iv) terminate the project in accordance with Clause 5 of the QEF Agreement.

Final Financial and Project Reports

Final Financial Report

17. The Grantee shall submit the Final Financial Report within three months after completion of the project or immediately in case of early termination of the project. The Financial Report(s) and related documents will be subject to examination by an independent firm of accountants or accounting staff nominated by the QEF as and when required. When preparing the Financial Report(s), reference should be made to **Annex 5** for the general principles on whether an item could be charged to the project. A list of the documents required is tabled below:

| <u>Document</u> | <u>Applicability and Exemption ¹</u> | |
|--|---|------------------------------------|
| | <i>Project with grant up to \$100,000</i> | <i>over \$100,000 ²</i> |
| - Final Financial Report (complete Section I of Annex 2) | ✓ | ✗ |
| - Final Financial Report (complete Section II of Annex 2) ¶ | ✓ | ✗ |
| - Audited accounts of the project (see Annex 6) | ✗ | ✓ |
| - "Assets Register" for procured assets (complete Annex II of the General Guidelines on Handling of Assets) | ✓ | ✗ ³ |
| - Final Financial Report (Summary) and Certificate of Completion of Project / Declaration (complete Annex 4) | ✓ | ✓ |
| - Refund for unused fund | ✓ | ✓ |

¹ ✓ the Grantee shall submit the document.

✗ the Grantee is exempt from submitting the document.

¶ the Grantee shall attach supporting documents such as certified true copies of invoices, receipts, bank statements covering the entire reporting period, etc. when submitting the document.

² Under certain conditions, the requirement to submit audited accounts may be waived for projects with grant over \$100,000 implemented by public sector schools (including government schools, aided schools, caput schools, and Direct Subsidy Scheme schools) and universities funded by the University Grants Committee that are terminated where no expenditure was incurred throughout the project period. Upon project termination, Grantees of these projects are required to submit all documents (except audited accounts) listed in paragraph 15 above, and to make available to the QEF all information, supporting documents and explanations relating to the projects for vetting purposes.

³ For projects with grants over \$100,000, the Grantees are not required to submit the "Assets Register" to the QEF. That said, the acquisitions and disposals of non-financial assets should still be properly recorded on the "Assets Register" and be examined by the Grantees' auditors.

Final Project Report

18. The Grantee shall submit a Final Project Report (prescribed format and guideline for completion at **Annex 7**) to the QEF within three months after completion of the project or immediately in case of early termination of the project.

19. The Grantee shall submit Final Financial Reports together with supporting documents in hard copies either by mail or in person and shall submit Final Project Report in soft copies via the “Electronic Project Management System” (EPMS). If the Final Financial Report / Final Project Report and the related documents mentioned in paragraphs 17 and 18 above are not submitted to the satisfaction of the QEF within one month after the issue of the first reminder to the Grantee, the QEF reserves the right, at its sole discretion, to take one or more of the following actions:

- (i) notify the Grantee that it may be barred from applying for the QEF for up to three years, starting from the date of notification;
- (ii) suspend processing any pending application(s) from the Grantee during such period;
- (iii) refuse to enter into any new agreement with the Grantee until the Report(s) and the related documents are submitted to the satisfaction of the QEF; and
- (iv) pursue additional measures as necessary to recover any outstanding unused fund from the Grantee.

20. The actions taken or which may be taken by the QEF according to paragraphs 7, 16 and 19 above may be used, at the QEF’s sole discretion, as a reference in the evaluation of the Grantee’s performance under the project and his / her future applications to the QEF.

Important Note

21. The Grantee shall conform in all respects with all legislation (including without limitation the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region), regulations and by-laws of the Hong Kong Special Administrative Region in carrying out the project.

~ End ~

22nd Revision
QEF Secretariat
December 2025

優質教育基金計劃
Quality Education Fund Project

導師收據
Receipt for Instructor Fee

計劃編號及名稱
Project No. / Title :

學校 / 機構名稱
Name of School / Organisation* :

導師姓名
Name of Instructor :

服務性質
Nature of Service Provided :

期間 / 日期*
Period / Date* :

工作時 / 日 / 堂數*(備註)
No. of Hour / Day / Lesson* (Note):

時薪 / 日薪 / 堂費*(備註)
Fee per Hour / Day / Lesson* (Note):

總額
Total Amount :

付款方式 Payment Method :

現金 Cash

支票號碼 Cheque No. _____

銀行名稱 Name of Bank _____

其他 Others _____

由獲授權人確證
Certified by Authorised Person:

由收款人簽署
Signed by Recipient:

姓名 Name: _____

姓名 Name: _____

*請刪去不適用者 Please delete as appropriate

備註：應根據協議書附表I「建議書」內的項目填寫。

Note: Please state the items in accordance with the "Proposal" in Schedule I of the Agreement.

**Quality Education Fund ("QEF") Project
Interim / Final*
Financial Report**

Project No. : _____

Project Title : _____

For the period from# _____ to _____
(dd/mm/yyyy) (dd/mm/yyyy)

Declaration

I declare that-

- (a) all the income and expenditure information and supporting documents (if any) provided in this Report are true and correct;
- (b) all the expenditure of the project was spent in accordance with the approved budget, the terms and conditions of the Grant Agreement and the directives or instructions issued by the QEF Secretariat;
- (c) all incomes relating to the projects were reported in this Report;
- (d) the Grantee understands that this Report will be subject to examination by the QEF and undertakes to make appropriate adjustment in the report based on the result of such examination; and
- (e) the Grantee understands and undertakes that, if there is unused fund upon the project end, a cheque / bank draft payable to "Permanent Secretary for Education Incorporated No. 6 Account (Quality Education Fund)" for refunding the unused grant shall be attached to the submitted Final Financial Report (Summary) and Certificate of Completion of Project / Declaration.

Signature of Authorised Person[®]

Name of Authorised Person[®]

**(head of the school / head of the department or centre / head of the organisation)*

Date: _____

(dd/mm/yyyy)

* Delete where appropriate.

The period shall follow the report submission schedule stated in Schedule I of the QEF Agreement. For the first Financial Report, the date shall be the project starting date. For subsequent Financial Report, it shall be from the date immediately following the end date of the last submitted Financial Report.

@ If the Grantee is a kindergarten, primary school, secondary school or special school, signature of the head of the school is required.

If the Grantee is a tertiary institution, signature of the head of the department / centre is required.

If the Grantee is an organisation, signature of the head of the organisation is required.

Quality Education Fund Project
Interim / Final*
Financial Report

Grantee with grant size up to \$100,000 is required to submit Section II

| | | | |
|---------------------|--|----|--|
| Project No. : | | | |
| Project Title : | | | |
| For the period from | | to | |

| Income and Expenditure Items | Approved Budget ¹ | ← Actual → | | |
|--|------------------------------|------------------------------|----------------------------------|-----------------|
| | | Opening balance ² | Amount for the period | Closing balance |
| | | i | ii | iii = i + ii |
| Income | | | | |
| - QEF Grant | | | | |
| - Interest Earned | | | | |
| - Other Income | | | | |
| Total Income : | | | | |
| Less : Expenditure ³ | | | | |
| - Staff Cost | | | | |
| - General Expenses | | | | |
| - Equipment | | | | |
| - Services | | | | |
| - Works | | | | |
| - Others (Please specify) : | | | | |
| Total Expenditure : | | | | |
| Fund balance as at period end | | | Surplus ⁴ / (Deficit) | |

1. Total approved budget of the project.
2. There is no opening balance in the first Financial Report. For subsequent Financial Report(s), the last financial report's closing balance has to be brought forward correctly in this column.
3. List out expenditure items in accordance with the approved budget.
4. Return any surplus at the end of the project (i.e. unused fund) to the QEF.

Progress Report of Project

Project No. : /

Reporting Period: From _____ (month/year) to _____ (month/year)

Part A

Project Title: _____

Name of Organization / School: _____

Project Period: From _____ (month/year) to _____ (month/year)

Part B

*Please read the **Guidelines to Completion of Progress Report of Quality Education Fund Projects** before completing this part of the report.*

Please use separate A4-size sheets to report the progress with regard to the following aspects:

1. Project activity during the reporting period
2. Project variation*, if any, during the reporting period
3. Self-evaluation of project effectiveness with indicators and measures of effectiveness clearly stipulated
4. Dissemination of deliverables and good practices, if any, and responses to such dissemination

Name of Project Leader: _____ Name of Grantee: _____

Signature: _____ Signature: _____

Date: _____ Date: _____

** For variations not covered by the terms of the Agreement, a **separate** written application should be submitted to the Quality Education Fund for **prior** approval.*

** Progress Report of Project should be submitted via “Electronic Project Management System” (EPMS). Once submitted, these reports are regarded as already endorsed by the supervisor of the school / the head of the organization or the one who signed the Quality Education Fund Agreement for allocation of grant on behalf of the organization.*

Guidelines to Completion of Progress Report of Quality Education Fund Projects

The Progress Report is intended to be an aid to reflection by Project Leaders on the implementation of the project. Kindly study the following guidelines prior to the completion of the report and elaborate clearly on the four aspects described below.

1. Project activity

This section should cover:

- information on the dates, time, venues and number of participants of the activities held during the reporting period (*the information may be presented in a table form*)
- the percentage, in terms of key tasks, of the project completed at the end of the reporting period

2. Project variation

This section should cover, where applicable, variations of project with details and justifications during the reporting period:

- changes in the schedule of the programme, including the activities cancelled, postponed or added
- details of the deviation from the proposal regarding the quantity and qualification of the staff hired for the project; staff turnover
- budget item reallocation
- change in project team composition
- other variations not mentioned above

Please state whether the above variations are able to solve the problems encountered.

3. Self-evaluation of project effectiveness

This section should evaluate the effectiveness of the project activities with regard to:

- attainment of the stated objectives
- success of the activities in the light of the impact on the participants
- resources (e.g. people, time and equipment, etc.) used for the activities

4. Dissemination of deliverables and good practices

This section should cover, where applicable:

- tangible deliverables (e.g. CD ROMs, publications, etc.) at this stage
- dissemination activities such as experience-sharing sessions, distribution of deliverables or media interview held during the reporting period and the responses of the participants / recipients to such dissemination activities
- deliverables or good practices that are worthy of dissemination to the school sector at this stage and the mode in which these deliverables or good practices can be disseminated (e.g. workshop, seminar etc.)

Please enclose the tangible deliverables with this progress report.

優質教育基金計劃
財政總結和計劃完成證明書 / 聲明
Quality Education Fund Project
Final Financial Report (Summary)
and Certificate of Completion of Project / Declaration

| | |
|-------------------------|--|
| 計劃編號 Project No. : | |
| 計劃名稱 Project Title : | |
| 計劃進行時間 Project Period : | |

甲. 收入

A. Income

| 收入項目 Income Item(s) | 金額 Amount (港幣 HK\$) |
|----------------------|---------------------|
| 撥款總額 Approved Grant | |
| 利息收入 Interest Earned | |
| 其他收入 Other Income | |
| 總收入 Total Income: | |

乙. 開支

B. Expenditure

| 按協議書附表二所列的開支項目 Expenditure Item(s) as per Schedule II of Agreement | 金額 Amount (港幣 HK\$) |
|--|---------------------|
| | |
| 總開支 Total Expenditure: | |

餘款 (總收入 - 總開支)

Unused Funds (Total Income - Total Expenditure): 港幣 HK\$ _____ 元

隨表附上 _____ (銀行名稱) 銀行支票一張，編號 _____，抬頭人為「Permanent Secretary for Education Incorporated No. 6 Account (Quality Education Fund)」，以退回餘款港幣 _____ 元 _____ 角 _____ 仙正。

A cheque payable to "Permanent Secretary for Education Incorporated No. 6 Account (Quality Education Fund)" in the amount of HK\$ _____ Cheque No. _____ drawn on _____ (Name of Bank) for the return of unused funds is enclosed.

丙. * 計劃完成證明書 / # 聲明

C. * Certificate of Completion of Project / # Declaration

(請刪去不適用者 Please delete as appropriate)

本人謹此聲明，計劃的所有開支是依據已審核之預算(包括購買固定資產)、撥款的條款和條件以及優質教育基金秘書處的許可而支付，而所有未用撥款或剩餘款項已退還優質教育基金。

I declare that all the expenditure of the project was spent in accordance with the approved budget, including the purchase of fixed assets, the terms and conditions of the grant and the approval from the Quality Education Fund (QEF) Secretariat and that all unused fund was returned to QEF.

獲授權人@簽署

Signature of

Authorised Person@ : _____

獲授權人@姓名

Name of

Authorised Person@ : _____

日期

Date : _____

* 適用於完成計劃 Applicable to Completion of Project

(head of the school,
department / centre, organisation)

適用於提早終止計劃 Applicable to Early Termination of Project

@ 如受款人為幼稚園、小學、中學或特殊學校，須由校長簽署。如受款人為大專院校，須由學系 / 中心主管簽署。如受款人為機構，須由機構主管簽署 If the Grantee is a kindergarten, primary school, secondary school or special school, signature of the head of the school is required. If the Grantee is a tertiary institution, signature of the head of the department / centre is required. If the Grantee is an organisation, signature of the head of the organisation is required.

Quality Education Fund Principles for Allowable Costs

Introduction

This document aims at assisting the Grantee and its auditor in considering whether, the cost of an item is allowable under the QEF Grant as well as the extent thereof.

General Principles

2. The general principles for determining allowable costs for a QEF project are as follows:

- (a) The cost is in accordance with the terms and conditions stipulated in the QEF Agreement;
- (b) The cost is incurred within the ambit and the scope of the approved Budget;
- (c) The cost is incurred within the project period;
- (d) The cost is necessarily incurred for the purposes for which the QEF Grant is provided;
- (e) The cost is reasonable and accords with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness; and
- (f) The cost is actually and provably spent. It is adequately documented by accounting records and documents such as invoices, receipts, payroll records, timesheets, etc.

Target Beneficiaries

3. The QEF Grant shall only be used for the agreed target beneficiaries.

Common Unallowable Costs

4. The Grantee shall finance the unallowable costs from non-QEF sources such as his / her own fund. Some unallowable items are listed below as a reference.

(a) *Building Facilities (including office and accommodation)*

Expenses for rates, rental, building management fee, renovation, operation, repair and maintenance, etc.

(b) *Business set up cost*

Expenses on the formation or establishment of a limited company or organisation.

(c) *Entertainment expenses and prizes*

- Costs associated with any type of entertainment and related incidental expenses.
- Prizes either in the form of cash or other types of souvenir including door prizes, movie tickets, cash coupons, gift certificates, passes to amusement parks, memorabilia, promotional items (such as T-shirts, caps, recycle bags, key chains, imprinted pens), etc.

(d) *Equipment Maintenance*

Maintenance costs for equipment such as computer, video equipment, etc.

(e) *Food Costs*

Food of any kind such as snacks, beverages, refreshments, meals, etc.

(f) *Insurance premiums*

All kind of insurance such as public liability insurance, travel insurance, employees' compensation insurance, directors' and officers' liability insurance, etc.

(g) *Penalties and Fines*

(h) *Personal Expenses*

Expenditures on goods and services for private purposes.

(i) *Staff Cost*

- Salary increment to project personnel.
- Fringe benefits for staff (e.g. education allowance, medical insurance, housing allowance, etc.).
- Severance payment and untaken leave of staff employed.

- Salary costs for staff who are already employed full-time by the Grantee, such as the school's teaching staff who spend a portion of their time on the project.

(j) *Stored value card*

Costs for acquiring and / or adding value to stored value card such as Octopus.

(k) *Travelling*

- Travelling expenses between home / accommodation and workplace.
- Excess travelling expenses, i.e. amount over the cheapest reasonable form and route of public transport.
- Costs for travel documents (e.g. passport costs) and related expenses (e.g. visa fees).

(l) *Utility*

Expenses such as charges for electricity, gas, water, telephone (fixed line or mobile), fax, internet access, etc.

Matching Requirement

5. When there is a matching agreement in the agreed proposal, the Grantee shall finance its specific portion of the costs from non-QEF sources according to the approved Budget. The Grantee shall keep the accounting records of the contributions from non-QEF sources (matching contributions). If the Grantee's actual matching contributions are lower than the budgeted amount, the actual amount of the QEF Grant will be reduced to maintain the budgeted sharing percentage or ratio. Common examples of the costs that could have matching agreement are students' activities costs and set up costs for "Use of New Technology for School Administrative Work" projects.

Handling of Unallowable Costs

6. Expenditure on unallowable items that cannot be charged to the QEF Grant shall be borne and financed by the Grantee.

Quality Education Fund Audited Accounts

Introduction

This document provides guidance for the Grantees on the submission of audited accounts upon completion / termination of the project.

I. Audit Requirement

2. The Grantee shall prepare the project accounts (including the Income and Expenditure Statement, Balance Sheet and Notes) and supplementary information of the project in accordance with the “Accounting Policies for QEF Projects” which are contained in the “Notes for Auditors of the QEF Grantees”¹. The auditor’s report on the project accounts shall be signed by a practice unit as defined under the Professional Accountants Ordinance (Cap. 50) which is not in any way connected with the project. The Grantee shall request the auditor to provide an agreed-upon procedures report² in connection with the internal controls established by the Grantee. The Grantee shall submit these two auditor’s reports together with the project accounts and supplementary information to the QEF within three months after completion of the project (or forthwith in case of project termination). The Grantee shall keep proper books and records for at least seven years after completion of the project, and make available to the auditor all information, documents and explanations relating to the project.

3. The Grantee shall ensure that the selected auditor possesses the necessary expertise and knowledge to perform the audit. In selecting an auditor, the Grantee shall conduct a competitive process according to a pre-established set of selection criteria. The process shall be consistent with the QEF “General Guidelines on Staff Administration and Procurement Matter” which can be downloaded from the QEF website at <http://qef.org.hk>.

II. Guide on Appointment of an Auditor

Selection of an Auditor

4. When selecting an auditor, the Grantee may take account of the following:

¹ The document can be downloaded from the QEF website at <http://qef.org.hk>.

² A report of factual findings should be submitted if the terms of the agreed-upon procedures engagement are agreed before 1 January 2022.

- (a) audit fee;
- (b) number of partners and professional staff of the auditor;
- (c) the auditor's relevant experience such as engagement in grant recipient's project accounts;
- (d) audit methodology and approach to be adopted by the auditor;
- (e) clientele of the auditor;
- (f) feedback on the auditor's performance from other clients; and
- (g) independence (i.e. the auditor is required to be independent of the Grantee in order to express an audit opinion without bias, conflict of interest or undue influence).

Solicitation Document for Inviting Prospective Auditors to Submit Bids

5. The Grantee shall prepare a clear solicitation document for inviting prospective auditors to submit bids. The solicitation document shall include the following essential information:

- (a) the name, address, history and current operation, and the accounting system, internal controls and administrative procedures of the Grantee;
- (b) the QEF project to be audited;
- (c) the scope of audit service and the expected audit products to be provided;
- (d) the name and telephone number of a contact person of the QEF project;
- (e) the expected format of the bids to be prepared by bidders;
- (f) the address that the bids should be delivered or sent to;
- (g) the closing date and time for the submission of bids;
- (h) the evaluation criteria to be used;
- (i) the expected schedule of audit work; and
- (j) the method and timing of payment.

6. With reference to the selection criteria which it adopted, the Grantee shall request relevant information from the prospective auditors in the solicitation document.

7. The ways listed below may be used when preparing the list of prospective auditors:

- (a) seeking information from the Grantee's finance section which may provide such list;
- (b) consulting other schools / institutes / organisations; and
- (c) browsing the website of the Accounting and Financial Reporting Council (AFRC) for the list of firms.

The Engagement

8. The Grantee and the auditor should agree on the terms of engagement in writing for (a) the audit of the project accounts; and (b) the conduct of agreed-upon procedures³. The engagement letters should include the objective and scope of the audit and the agreed-upon procedures, the respective responsibilities of the Grantee and the auditor, the right of access to records, documentation and other information requested in connection with the audit, the form of any reports or other communication of results of the engagements and the audit fee. The Grantee shall ensure that the engagement letter contains the requirement that his auditor would (i) send a copy of the auditor's management letter, if any, to the QEF concurrently when the letter is sent to him; and (ii) make an immediate written report to the QEF direct on any fraud / irregularity or suspected fraud / irregularity on the part of the Grantee that comes to the auditor's notice / knowledge. It is a normal practice for an auditor to use its own template for a letter of engagement and to request its client to sign the letter showing agreement with the terms before commencing the service. As a signed engagement letter represents a binding contract, the Grantee should carefully read through the engagement letter to ensure there is no misunderstanding and no outstanding issue which requires clarification before signing it.

³ Please refer to the Hong Kong Standard on Related Services 4400 (Revised) for the objectives of an agreed-upon procedures engagement.

Final Report of Project

Project No. : /

Part A

Project Title: _____

Name of Organization / School: _____

Project Period: From _____ (month/year) to _____ (month/year)

Part B

Please read the **Guidelines to Completion of Final Report of Quality Education Fund Projects** before completing this part of the report.

Please use separate A4-size sheets to provide an overall report with regard to the following aspects:

1. Attainment of objectives
2. Project impact on learning effectiveness, professional development and school development
3. Cost-effectiveness – a self-evaluation against clear indicators and measures
4. Deliverables and modes of dissemination; responses to dissemination
5. Activity list
6. Difficulties encountered and solutions adopted

Name of Project Leader: _____ Name of Grantee*: _____

Signature: _____ Signature: _____

Date: _____ Date: _____

** Final Report of Project should be submitted via “Electronic Project Management System” (EPMS). Once submitted, these reports are regarded as already endorsed by the supervisor of the school / the head of the organization or the one who signed the Quality Education Fund Agreement for allocation of grant on behalf of the organization.*

Guidelines to Completion of Final Report of Quality Education Fund Projects

Please elaborate the following items in your evaluation of the project. It is expected that the guide would provide a reference to the project leader / team in reflecting on the effectiveness of the project.

1. Attainment of Objectives

The following items should be included in the evaluation of the attainment of each of the project objectives stated in the project proposal (*the information may be presented in a table form in the format of Table 1 in this Annex or in short paragraphs*):

- objective statement
- activities related to the objective
- extent of attainment of the objective
- evidence or indicators of having achieved the objective
- reasons for not being able to achieve the objective, if applicable

2. Project Impact

The project's effects on the learning effectiveness / professional development / school development should be evaluated, in evidence-based approach, with regard to:

- broadening students' / teachers' horizons
- increasing students' / teachers' sense of achievement
- fostering students' development in their potential and specific abilities
- training students to better meet social demands
- increasing training opportunities for teachers and enhancing their professional development
- improving learning atmosphere
- fostering team spirit and enhancing the overall image of the school
- inducing collaboration with other schools / professional organizations.

3. Cost-effectiveness

Grantees are required to complete the 'Budget Checklist' at Table 2 in this Annex and enclose it as an appendix of this report. Please adopt the classification of budget items in Schedule II of the Agreement.

The project's cost-effectiveness should be evaluated with regard to:

- utilization of available resources (e.g. equipment, human resources of applicant school / participating school(s))
- unit cost for the direct beneficiaries
- sustainability of the learning programme and materials developed
- expenditure items which require no injection of resources when the project is replicated by other schools (including setup cost of the project, deliverables ready for use)
- alternative approaches for equivalent benefits at less cost

4. Deliverables and Modes of Dissemination

The following items should be included in the evaluation of each of the project deliverables and their value for dissemination (*the information may be presented in a table form in the format of Table 3 in this Annex*):

- description of the deliverable (e.g. type, title, quantity, etc.)

- evaluation of the quality and dissemination value of the deliverable
- the dissemination activities conducted (please state the date, mode, etc.) and the responses of the participants / recipients to such dissemination activities
- the value and feasibility for the deliverable to be widely disseminated by the QEF as well as suggested modes of dissemination.

A brief description of the elements / experiences contributing to the success of the project and feasibility of continuing the project should also be given.

5. Activity List

Particulars of activities conducted during the project period such as types of activities, brief descriptions of the activities, number of participants and feedback from participants should be reported (*the information may be presented in a table form in the format of Table 4 in this Annex or in short paragraphs*).

6. Difficulties Encountered and Solutions Adopted

The information here should explain why the actual project implementation (including the budget, schedule and process) differs from the original plan, if applicable.

Table 1: Attainment of Objectives

| Objective statement | Activities related to the objective | Extent of attainment of the objective | Evidence or indicators of having achieved the objective | Reasons for not being able to achieve the objective, if applicable |
|---------------------|-------------------------------------|---------------------------------------|---|--|
| Objective 1 | Activity 1 Activity 2 | Fully achieved | | |
| Objective 2 | Activity 1 Activity 2 | 75% attained | | |

Table 2: Budget Checklist

| Budget Items (Based on Schedule II of Agreement) | Approved Budget (a) | Actual Expense (b) | Change [(b)-(a)]/(a) +/- % |
|---|------------------------|-----------------------|----------------------------------|
| Staff Cost | \$240,000 | \$200,000 | -16.7% |
| Equipment | \$60,000 | \$65,000 | +8.3% |

Table 3: Dissemination Value of Project Deliverables

| Item description (e.g. type, title, quantity, etc.) | Evaluation of the quality and dissemination value of the item | Dissemination activities conducted (e.g. mode, date, etc.) and responses | Is it worthwhile and feasible for the item to be widely disseminated by the QEF? If yes, please suggest the mode(s) of dissemination. |
|--|---|--|---|
| Two teacher manuals on "Team Building" | | distributed to 100 participants at the dissemination seminar in 6/2001; about 10 teachers indicated that they would use the materials as try-out | |
| One CD-ROM on "Workshops on Team Building Activities" | | distributed to 50 schools on request in 7/2001 | |

Table 4: Activity List

| Types of activities (e.g. seminar, performance, etc.) | Brief description (e.g. date, theme, venue, etc.) | No. of participants | | | | Feedback from participants |
|--|--|---------------------|----------|----------|----------------------------|----------------------------|
| | | schools | teachers | students | others (Please specify) | |
| | | | | | | |
| | | | | | | |