

*Sample Code of Conduct  
for Non-Governmental  
Organisations*



Corruption Prevention Department  
Independent Commission Against Corruption

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# Sample Code of Conduct for Non-Governmental Organisations

## Introduction

(Name of NGO) is a non-governmental organisation receiving government subvention to deliver welfare services. The organisation is fully committed to the principle of honesty, integrity and fair play in the delivery of services to the public. All staff should ensure that the businesses of (Name of NGO), such as applications for services, procurement or staff recruitment, are dealt with in an open, fair and impartial manner.

2. This Code of Conduct sets out the basic standard of conduct expected of all staff and the organisation's policy on matters like acceptance of advantages and declaration of conflict of interest by staff in connection with their official duties. This Code also applies to temporary or part-time staff employed by the organisation.

## Prevention of Bribery Ordinance

3. Under Section 9 of the Prevention of Bribery Ordinance (Cap. 201), an employee of an organisation who solicits or accepts an advantage in connection with his work without the permission of the employer may commit an

offence. The term “advantage” is defined in the Ordinance and includes almost anything of value, except entertainment, such as money, gift, commission, loan, fee, reward, office, employment, contract, service or favour (*Appendix 1*).

## Acceptance of Advantages

4. It is the policy of this organisation to prohibit all staff from soliciting any advantage from any persons having business dealings with the organisation (e.g. clients, suppliers, contractors). Staff who wish to accept any advantage from such persons should seek special permission from the Management Board prior to the acceptance.

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

6. For gifts which are presented to 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 a staff member during a seminar in which he is invited to be the guest speaker), the Management Board has given a *blanket permission* for the staff to accept these gifts. In other circumstances, the staff

should apply in writing to the Management Board for permission to accept the gifts. Each application should be carefully considered by the Management Board or *XXX (the name and/or rank of a nominated officer)* delegated the authority to consider such applications. 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 staff's private capacity, from any person who does not have any official dealings with the organisation. In case of doubt, the staff should refer the matter to *XXX (the name and/or rank of a nominated officer)* for advice and instruction.

## Conflict of Interest

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

- family and other relations;
- personal friends;
- the clubs and societies to which they belong; and

- any person to whom they owe a favour or are obligated in any way.

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

10. When called upon to deal with matters of the organisation for which there is an actual or perceived conflict of interest, the staff member should make a declaration in writing to his supervisor. He should then abstain from dealing with the matter in question or follow the instruction of his supervisor who may reassign the task to other 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”, staff must not accept lavish or frequent entertainment from persons with whom the organisation has official dealings (e.g. suppliers or contractors), so that they will not be placed in a position of obligation to the offerer.

## **Misuse of Official Position**

12. Staff who misuse their official position for personal gains or to favour their relatives or friends are liable to disciplinary action or even prosecution. Examples of misuse include a staff member responsible for the selection of suppliers giving undue favour or leaking tender information to his relative’s company with a view to awarding the contract to the latter.

## **Handling of Classified or Proprietary Information**

13. Staff are not allowed to disclose any classified or proprietary information to anybody without authorisation. 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. 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 of the Organisation

14. Staff given access to any property of the organisation should ensure that it is properly used for the purpose of conducting the organisation's business. Misappropriation of the organisation's property for personal use or resale is strictly prohibited.

## Gambling

15. Staff must not engage in frequent or excessive gambling with persons who have business dealings with the organisation as well as among colleagues, particularly with subordinates. If on social occasions where refusal of gambling is considered unsociable, the amount of money involved should not be significant. Gambling in the organisation's premises is strictly forbidden.

## Outside Employment

16. Staff who wish to take up paid outside work, including those on a part-time basis, must seek the written approval of the organisation before accepting the job. Applications for outside work should be made to *XXX (the name and/or rank of a nominated officer)* for consideration.



Approval will not be given if the outside work is in conflict with the interest of the organisation.

## Compliance with the Code

17. It is the personal responsibility of every staff member to understand and comply with the Code of Conduct.

18. All managers should also in their daily supervision ensure that their subordinates understand and comply with the standards and requirements stated in the Code. Any problems encountered as well as any suggestions should be channeled to *XXX (the designated section or officer)* for consideration and advice.

19. Any staff member who violates any provision of the Code will be subject to disciplinary action. In cases of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate authorities.

## ***Appendix 1***

**“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.

## ***Appendix 2***

### **Ways to dispose of gifts presented to 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 a service unit of the NGO.
- If the gift is a useful item, it may be sent to a charitable organisation or a service unit of the NGO.
- 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 in the organisation.
- If the gift is of low value (*below \$XXX*), it may be donated to the organisation'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.

## **Examples of Conflict of Interest Situations**

- A staff member takes part in the selection of suppliers or contractors, one of the bidders under consideration being his family member, relative or close personal friend.
- A staff member has a financial interest in a company which is being considered for selection as the NGO's supplier of goods or services.
- A staff member accepts frequent or lavish entertainment or expensive gifts from the NGO's suppliers or contractors.
- A staff member serves as a member of the NGO's recruitment or promotion board, and one of the candidates under consideration by the board is his family member, relative or close personal friend.
- A staff member responsible for processing applications for admission to a home for the elderly operated by the NGO is considering an application from his family member, relative or personal friend.