

Ethical Leadership in Action

Handbook for
Senior Managers in the Civil Service

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The Challenges Ahead

“CIVIL SERVICE IS PUBLIC TRUST”

Civil service is a unique calling. We serve the public and gain their support by earning their trust. Only a civil service that maintains the public trust can inspire confidence of the people. This, in turn, is one of Hong Kong’s main pillars of stability and prosperity.

CHANGING ENVIRONMENT AND EXPECTATIONS

The civil service faces tremendous changes in the new millennium. The ever growing needs and rising expectations of the community require the civil service to deliver quality service. The increasingly fast moving and complex issues faced by the community demand departments to work together quickly across traditional boundaries to deliver an effective response. A more demanding legislature and inquiring media place the civil service, especially senior officers, in the limelight of higher public scrutiny and accountability. The rapid moving technological developments call for our instantaneous adaptation and adjustment. Enhanced productivity means more output has to be achieved with less resources. Against this backdrop of changes and rapid developments, we must maintain our highest standard in serving the community.

SHARED VALUES OF THE CIVIL SERVICE

In meeting the challenges, we have a set of shared core values which serves as a compass to guide us through. The then Chief Secretary for Administration has underlined the shared values at a seminar for senior government officers¹. They can be summed up as six key principles:

- (a) commitment to the rule of law;
- (b) honesty and integrity above private interests;
- (c) accountability and openness in decision-making and in all our actions;
- (d) political neutrality in conducting our official duties;
- (e) impartiality in the execution of public functions; and
- (f) dedication and diligence in serving the community.

THE GROWING IMPORTANCE OF LEADERSHIP

To realise the shared values, we need the conscious effort of managers at all levels. Managers lead people. They provide the right direction which is of particular importance to staff in times of change when ethical dilemma may appear at different levels and in different ways. It is through leadership that the shared values mentioned can be transmitted, nourished and reinforced. It is also through leadership that every member in the team can contribute to the building up of an ethical culture.

¹ *The Seminar on Hong Kong into the 21st Century- Maintaining Integrity in the Civil Service jointly held by the CSB and the ICAC in May 1998.*

INTRODUCTION OF THE 3As' STRATEGY

The "3As' Strategy" is a useful tool to assist senior managers in implementing ethics management. The 3As are:

Awareness

Assessment

Action

Awareness

Alert your staff to the safeguards against the danger

TO HELP YOUR STAFF STAY AWAY FROM CORRUPTION AND MALPRACTICE, SENIOR MANAGERS MUST HEIGHTEN THEIR AWARENESS OF

- ❖ statutory provisions relating to bribery offences
- ❖ instructions and guidelines on conduct and discipline
- ❖ vulnerability to corruption and malpractice

I. STATUTORY PROVISIONS RELATING TO BRIBERY OFFENCES

- The Prevention of Bribery Ordinance (PBO) prohibits bribery in the civil service and sets out the minimum standards of behaviour for a government officer.
- Sections 3, 4 and 10 of the PBO are the basics that every government officer must get to know.

Section 3

Accepting advantage in general without permission.

Section 4

Accepting advantage with abuse of office.

Section 10

Maintaining a standard of living beyond one's means.

It is also important to note that the ICAC Ordinance empowers the ICAC to investigate any alleged or suspected offence of blackmail committed by a government officer by or through the misuse of his office.

Advantage and Entertainment

Advantage refers to almost anything which is of value except **entertainment**. Common examples of advantages include any gift (both of money and in kind), commission, loan, employment, discount, service and favour, etc.

Entertainment refers to food or drink provided for immediate consumption and any other entertainment connected with and provided at the same time, for example, a performance linked to a dinner.

1. Section 3

It is a very important section backed up by the Acceptance of Advantages (Chief Executive’s Permission) Notice (AAN).

<p>The Gist</p>	<ul style="list-style-type: none"> ▪ Government officer² ▪ Without the general or special permission of the Chief Executive ▪ Solicits or accepts any advantage
<p>The Spirit</p>	<ul style="list-style-type: none"> ▪ To prevent a government officer from falling into the “Sweetening Process”. <i>From past experience, a government officer is not always offered a direct bribe at the outset. Corruption often starts with the government officer involved being offered small favours.</i> ▪ To uphold an extremely high standard of integrity for the civil service. <i>This high standard is needed because a government officer has powers and influence which are not available to ordinary citizens.</i>
<p>The Penalty</p>	<ul style="list-style-type: none"> ▪ A maximum fine of HK\$100,000 and imprisonment for 1 year ▪ To pay any part of the advantage received by the convicted as specified by the court
<p>Points-to-note</p>	<ul style="list-style-type: none"> ▪ It is important to realise that Section 3 disregards whether or not the advantage relates to a corrupt motive. ▪ Section 3 is applicable irrespective of whether the advantage is solicited or accepted in one’s official or private capacity. ▪ To ensure that Section 3 does not unduly restrict a government officer’s official and private life, the AAN is in place as a counter-balance. ▪ The AAN is an important guide, particularly when supervisors need to advise staff what they can or cannot accept.

² In Section 3 of the PBO, the term “prescribed officer” is used. As defined in section 2(1) of the PBO, a “prescribed officer” includes any person holding an office of emolument, whether permanent or temporary, under the Government. Please refer to the provisions for details.

Acceptance of Advantages (Chief Executive's Permission Notice (AAN))

- The AAN sets out the rules governing solicitation and acceptance of certain advantages under certain circumstances. “Restricted” advantages i.e. **gifts (both of money and in kind), discounts, loans of money and passages (air, sea and overland)** can only be accepted under certain restricted circumstances as stated in the AAN.
- The circumstances in which an officer³ can accept a “restricted” advantage without seeking permission depend largely on the occasion on which the advantage is offered, value of the advantage and status of the offeror. Types of offerors under the AAN include: **relations** (there are 19 types as specified by the AAN), **tradesmen/commercial establishments/associations, close personal friends** and **other persons**. Details are as follows:

Gifts/Discounts/Passages

Status of Offeror	Relations*	Tradesmen/ Commercial Establishments/ Associations	Close Personal Friends	Other Persons
Restriction: Limit of Monetary Value	May solicit or accept any gift/ discount/ passage of any value	May solicit or accept any gift/ discount/ passage of any value	May only accept a gift/ passage of value not exceeding HK\$ 3,000 (on special occasion, e.g. birthday) and HK\$ 500 (on any other occasion)	May only accept a gift/ passage of value not exceeding HK\$ 1,500 (on special occasion, e.g. birthday) and HK\$ 250 (on any other occasion)
Other Conditions	- No other condition	- the offer is equally available to persons who are not prescribed officers - offeror has no official dealings with the prescribed officer concerned - advantage offered to the prescribed officer in his private capacity	- offeror not being a subordinate of the prescribed officer concerned - offeror has no official dealings with the department in which the prescribed officer works - advantage offered to the prescribed officer in his private capacity	

³ In AAN, the term “prescribed officer” is used. As defined in section 2(1) of the PBO, a “prescribed officer” includes any person holding an office of emolument, whether permanent or temporary, under the Government. Please refer to the provisions for details.

Loans of Money

Status of Offeror or Lender	Relations*	Tradesmen/ Commercial Establishments/ Associations	Close Personal Friends	Other Persons
Restriction: Limit of Loans	No limit	No limit	Maximum HK\$ 3,000 per person per occasion	Maximum HK\$ 1,500 per person per occasion
Other Conditions	- No other condition	- loan conditions offered similar to persons who are not prescribed officers - in the course of normal business of the lender - lender has no official dealings with the prescribed officer concerned - loan offered to the prescribed officer in his private capacity	- repaid within 30 days - lender not being a subordinate of the prescribed officer concerned - lender has no official dealings with the department in which the prescribed officer works	

* "Relations" means:

- spouse (including a concubine)
- any person with whom the government officer is living in a regular union as if man and wife
- fiancé, fiancée
- parent, step-parent, lawful guardian
- spouse's parent, spouse's step-parent, spouse's lawful guardian
- grandparent, great-grandparent
- child, ward of court
- spouse's child, spouse's ward of court
- grandchild
- child's spouse
- brother, sister
- spouse's brother, spouse's sister
- half-brother, half-sister
- step-brother, step-sister
- brother's spouse, sister's spouse
- brother's child, sister's child
- parent's brother, parent's sister
- parent's brother's spouse, parent's sister's spouse
- parent's brother's child, parent's sister's child

- An officer must seek special permission if he wishes to solicit or accept a "restricted" advantage **other than** the circumstances described in the above two tables. For example, an officer has to seek permission to accept a wedding gift if the offeror is his subordinate. **Permission** has to be sought prior to or as soon as reasonably

possible after being offered or presented with the advantage. The approving authorities for officers at different levels are defined in the AAN and individual departmental guidelines.

- As explained in paragraphs 3 and 4 of CSB Circular No. 4/2007 “Advantages/entertainment offered to an officer in his official capacity and gifts and donations to a department for the benefit of staff”, no permission is given under the AAN for the acceptance of advantages presented to an officer in his official capacity. All such gifts presented on social and ceremonial occasions which the government officer attended in his official capacity are to be regarded as gifts to the department in which the officer works. In circumstances where it is considered inappropriate to return the gifts to the donor, the officer should report and hand over to the department the gifts received for disposal in the following ways:

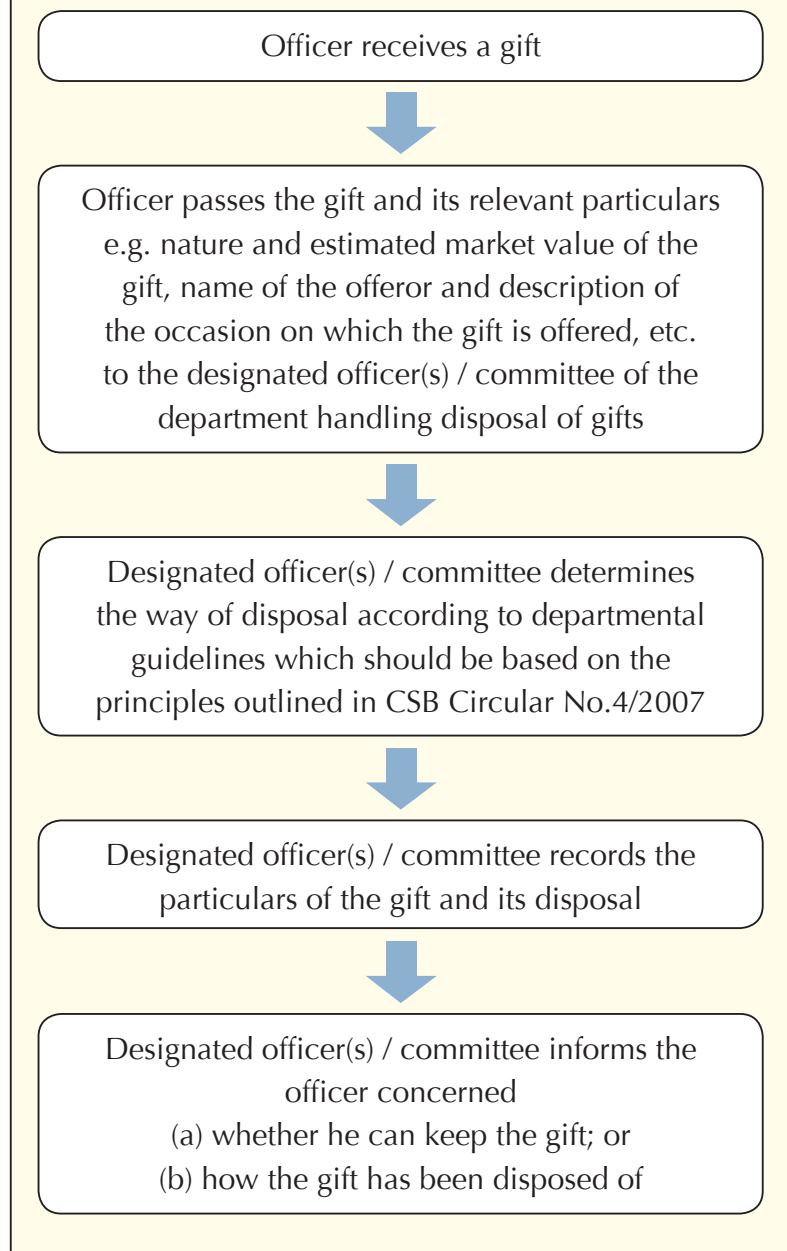
- ◆ To be shared among the office;
- ◆ To be retained by the recipient;
- ◆ To be donated to the department as lucky draw prize;
- ◆ To be donated to a charitable organisation, school, library or museum; or
- ◆ To be displayed in the office.

In any case, the department should act in accordance with paragraphs 10-14 of CSB Circular No.4/2007.

Suggestions on Disposal of Gifts

- **As a means to demonstrate ethical practice, an officer is advised to treat the gift as one received in his official capacity if he is unable to identify the offeror of the gift or is in doubt as to whether the gift is received in his official or private capacity.**
- **To streamline the disposal procedure and to upkeep an ethical culture in departments, heads of department may consider designating officer(s) of senior rank or a committee to deal with the disposal of gifts. The mechanism should be transparent and there should be adequate checks and balances. Proper records on all cases should be maintained.**

- **Listed below is the suggested procedure in handling gifts received in an officer's official capacity:**



- An officer who solicits or accepts advantages which are permitted under the AAN will not be liable to prosecution under Section 3 of the PBO. However, he may be liable to disciplinary action if he solicits or accepts any advantage which has led, or could have led, to a conflict between his private interests and his official duties, irrespective of whether the acceptance of the advantage is permitted under the AAN (Please make reference to P.19 on "Conflict of Interest").

2. Section 4

It is the section dealing with the crime of official corruption.

The Gist	<ul style="list-style-type: none">▪ Government officer⁴▪ In Hong Kong or elsewhere▪ Solicits or accepts any advantage▪ For abusing his official power or position
The Spirit	<ul style="list-style-type: none">▪ To prevent a government officer from abusing his authority for personal gain▪ To safeguard the interests of the government and the community at large
The Penalty	<ul style="list-style-type: none">▪ A maximum fine of HK\$500,000 and imprisonment for 7 years▪ To pay any part of the proceeds of corruption received by the convicted as specified by the court
Points-to-note	<ul style="list-style-type: none">▪ If a transaction amounts to a Section 4 offence, how the advantage is accepted is immaterial. Even if the advantage is accepted through a third party like spouse, the advantage may be regarded as received on the government officer's behalf.▪ Parties offering or accepting a bribe are guilty even if the government officer has no real power to fulfil his promise or has not in fact fulfilled the promise.

⁴ In Section 4 of the PBO, the term "public servant" is used. As defined in section 2(1) of the PBO, a "public servant" includes any prescribed officer and also any employee of a public body. Please refer to the provisions for details.

3. Section 10

It is the section dealing with a government officer maintaining a standard of living beyond one's means.

The Gist	<ul style="list-style-type: none"> ▪ Former or serving government officer⁵ ▪ Maintains a standard of living or possesses or controls assets which are not commensurate with his official emoluments ▪ Without any satisfactory explanation to the court
The Spirit	<ul style="list-style-type: none"> ▪ To bring to book a government officer who receives bribes over a period of time
The Penalty	<ul style="list-style-type: none"> ▪ A maximum fine of HK\$1,000,000 and imprisonment for 10 years ▪ To pay a sum not exceeding the amount of the pecuniary resources the convicted possesses, the acquisition of which cannot be explained to the satisfaction of the court
Points-to-note	<ul style="list-style-type: none"> ▪ There is no time limit for laying a charge of Section 10. ▪ The person involved need not be a government officer at the time the charge is laid against him.

Checklist for Managers

- Are your staff fully conversant with the provisions stipulated in Sections 3, 4 and 10 of the PBO?
- Are there any briefing sessions on the PBO arranged in induction and refresher courses for your staff?

⁵ In Section 10 of the PBO, the term "prescribed officer" is used. As defined in section 2(1) of the PBO, a "prescribed officer" includes any person holding an office of emolument, whether permanent or temporary, under the Government. Please refer to the provisions for details.

II. INSTRUCTIONS AND GUIDELINES ON CONDUCT AND DISCIPLINE

- **Supplementing the laws and providing clear standards.**
- **Helping a government officer to solve ethical dilemmas he faces at work.**
- **Creating a shared understanding of ethical values across the government and within each department.**

1. Civil Service Bureau (CSB) Circulars and Civil Service Regulations (CSRs)

- Providing direction on a broad spectrum of areas of concern relating to the integrity of government officers.
- A comprehensive list of relevant CSB Circulars, CSRs and publications issued by the government is at the Appendix for reference.

2. Departmental Guidelines on Conduct and Discipline

- They may appear in various forms (such as a comprehensive code of conduct or a departmental circular) depending on the needs of individual departments.
- Quite often, they underline the department's mission and key areas of concern. Common topics covered include guidelines on acceptance of advantages/entertainment/free service, conflict of interest, investment, outside work, indebtedness, handling of proprietary information and reporting of crimes with examples of work situations which may frequently give rise to breaches of these rules.
- "What to do if offered a bribe?" is also a topic normally included in a departmental code or circular. Although the guideline and requirement may vary from department to department, the general principle is that the staff concerned should remain calm, think carefully and report to either the management or the ICAC as soon as possible. In addition, suspected corrupt behaviour should also be reported. In any case, staff should not take action that may hinder or frustrate subsequent action by the ICAC.

Checklist for Managers

- Are your staff, especially those newly-recruited, aware of the relevant CSB Circulars, CSRs and publications issued by the government as listed in the Appendix?
- Do you circulate the relevant circulars and guidelines on conduct and discipline to your staff at regular intervals?
- Have you regularly reminded your staff of the importance of adherence to the guidelines, CSB Circulars and CSRs?

III. VULNERABILITY TO CORRUPTION AND MALPRACTICE

- **In performing his official duties, a government officer may lower his vigilance and resistance to temptations of corruption and malpractice when he is:**
 - Faced with an opportunity he may make use of to further his private interests. We normally term such situations as “conflict of interest”;
 - Heavily indebted; or
 - In an obligatory position.
- **To ward off the danger, staff should be reminded to pay attention to the following areas:**

1. Conflict of Interest

Conflict of interest is a situation in which an officer’s “private interests” interfere with the proper discharge of his official duties.

“Private interests” include the financial and other interests of the officer himself, his family or other relations, his friends, the club and association of which he is a member, any person with whom he has frequent social gatherings or to whom he owes a favour or is obligated in any way.

A fundamental rule underlying civil service integrity is the need for an officer to avoid any conflict of interest. A government officer should put the interests of the government before all other interests in the course of carrying out his duties.

Different dimensions of conflict of interest

i. Actual conflict of interest

- It occurs when staff's actions and decisions **are** under the influence of their "private interests".

Example:

A government officer who sits on a tender assessment board favours a bidder who is his personal friend.

ii. Perceived conflict of interest

- It occurs when staff's actions and decisions, **as perceived by the public**, are under the influence of their "private interests". Unless the officers concerned can take steps to avoid such perception, they may be subject to public criticism.

Example:

A government officer who sits on a tender assessment board fails to declare that a bidder is his family member, relation or close personal friend.

Problems arising from conflict of interest

- It is important to note that an actual conflict of interest often involves **abuse of official position** and in some cases even **corruption** if an advantage is obtained.
- A perceived conflict of interest, though may not involve abuse of official position, can be as damaging as an actual one because it **undermines public confidence** in civil service integrity.

Conflict of interest may arise in cases where an officer may exercise authority, influence decisions and actions, or gain access to proprietary information. Here are some examples of work situations that may lead to conflict of interest:

- An officer entering into partnership with contractors with whom his department has official dealings.
- An officer involved in the award of a contract to a firm which he will join after resignation/retirement.
- A supervisor indulging in games of chance for money or money's worth with his subordinates or his work contacts.

- An officer investing in a company which provides goods or services to his department or over which he has regulatory or enforcement responsibilities.
- An officer working part time for companies which have official dealings with his department.
- The wife of an officer responsible for licensing functions operating a consultancy firm to advise applicants on licensing matters.

Advice to your staff to avoid conflict of interest

1) *Stay alert to situations which may lead to an actual or perceived conflict of interest*

- Remember to put the government's interests before all other interests in discharging official duties
- Observe the relevant internal guidelines and CSB Circulars
- Anticipate the perception of the public
- Identify work situations which may frequently give rise to conflict of interest and give appropriate advice
- Consult supervisors if in doubt

2) *Take steps to avoid conflict of interest*

- Declare to supervisors when called upon to deal with official matters which may give rise to conflict of interest
- Refrain from participating in the discussion and decision making or dealing with the official matters in question

Checklist for Managers

- Are the relevant circulars and guidelines on conflict of interest circulated to staff at regular intervals?
- Have all staff been reminded to declare potential conflict of interest?
- Is the issue of conflict of interest regularly and openly discussed to raise awareness of officers?
- Are there proper systems and procedures in the department to deal with conflict of interest cases?

- Are all declarations of conflict of interest fully documented and records kept of any action taken?
- Does your department periodically review and update its conflict of interest policies and procedures, with particular reference to internal checks and balances mechanism, and make sure that they are relevant to the department's current needs?

2. Indebtedness

Government officers are strongly encouraged to be prudent in managing their personal finance. Among the factors landing staff in a difficult financial situation, overspending, speculative investment beyond one's financial means and gambling are the major ones that are worthy of managers' attention. We should also note that the public have from time to time voiced their concerns over the dire consequences brought about by the problem of indebtedness in the civil service. Their concerns include government officers:

- *Resorting to corruption and other crimes in an attempt to pay off a debt.*
- *Being subject to considerable pressure which may impair the standard of their performance in official duties.*

As a manager, you should be alert to the indicators of indebtedness among your staff.

Advice to your staff on indebtedness

- **Remember the dire consequences brought about by indebtedness**
- **Report to the supervisor if you identify any officer with an indebtedness problem**
- **Avoid borrowing money from colleagues, especially subordinates and people who have official dealings with the department**
- **Report to the management any illegal loan business at work**

Checklist for Managers

- Are your staff aware of the policy and sanctions against officers with an indebtedness problem and the guidelines on dealing with cases of pecuniary embarrassment and indebtedness?
- Has your staff's attention been drawn to the serious consequences of indebtedness?
- Is there any training on prudent financial management for serving staff and new appointees?
- Do your staff know the requirement to report and seek approval for unauthorised loans within two months of appointment?
- Do your staff know how to get access to the financial assistance provided by the government?
- Are you alert in identifying officers who are heavily indebted?
- Has the department drawn up common indicators to assist in identifying officers with an indebtedness problem?
- Have you and the line supervisors closely monitored the conduct and performance of and provided counselling to officers identified to be heavily indebted?
- Have you considered and arranged to transfer indebted officers away from "high risk" posts such as those which require the frequent exercising of discretion or handling of public money?

3. Entertainment and Free Service

Entertainment

Although entertainment as defined in the PBO is not considered to be an advantage, this does not mean that an officer is free to accept lavish or unreasonably generous or frequent entertainment.

Before accepting entertainment, an officer should consider whether there is a genuine need (e.g. for liaison, information gathering and public relations purposes) to accept the entertainment. He should also be clear whether acceptance of the entertainment will impose an obligation on himself to do the host a favour, bring himself or the department into disrepute or lead to any actual or perceived conflict of interest.

Free service

Although free service is regarded as an “unrestricted” advantage under the AAN for the purpose of Section 3 of the PBO, an officer should ensure that he has no official dealings with the service providers or their business before accepting the service so that he will not be obligated to abuse his official position or power.

If an official relationship between the officer and the service provider or his business arises after acceptance of the service, it is advisable for the officer to report the acceptance to the department to avoid a perceived conflict of interest.

Advice to your staff on acceptance of entertainment and free service

- **Observe the relevant CSRs and departmental guidelines**
- **Avoid accepting frequent or lavish entertainment and free service from colleagues, especially subordinates or people with whom they have official dealings**
- **Anticipate the perception of the public when accepting frequent or lavish entertainment in official capacity**
- **Avoid placing oneself in a position of obligation**
- **Report to the department after entertainment or free service has been accepted from people having official dealings if prior notice to the department is not possible**
- **Consult supervisors for advice when in doubt**

Checklist for Managers

- Are the relevant guidelines on acceptance of entertainment and free service regularly circulated to staff, especially during festive seasons?
- Are suppliers, contractors and other official contacts well informed of the department's guidelines on staff's acceptance of entertainment and free service?
- Do staff know the proper channel and procedure to report and consult on matters relating to acceptance of entertainment and free service?

Assessment

Assess the risks so that you may devise strategies to reduce their threats

CORRUPTION AND MALPRACTICE ARE RISKS IN THE WORKPLACE. HOWEVER, THEIR THREATS CAN BE MINIMISED IF SENIOR MANAGERS KNOW WELL WHERE THE RISKS LIE AND PROACTIVELY MAKE EFFORTS IN GUARDING AGAINST THEIR ATTACK. TO START WITH, SENIOR MANAGERS MUST HAVE AN ACCURATE ASSESSMENT OF THE

- ❖ **vulnerability that is inherent in the nature of work within their units or departments**
- ❖ **adequacy and effectiveness of the checks and balances in place**
- ❖ **values and conduct of staff**

<p>With accurate assessment of the risks, senior managers may be better equipped to make effective policies or improvement to areas such as:</p>
<ul style="list-style-type: none"> • Deployment and empowerment • System control • Integrity and ethics training programmes

I. NATURE OF WORK

- **Some high risk work areas that are worthy of attention:**

Areas	Examples of common problems
Law enforcement	<ul style="list-style-type: none"> • Covering up illegal activities • Tipping off persons of planned raiding operations or enforcement action • Selective enforcement • Associating closely with undesirable elements or persons having official dealings
Licensing and processing of applications	<ul style="list-style-type: none"> • Showing favouritism to individual applicants e.g. by giving advice or information which gives them an advantage over other applicants • Expediting or delaying the processing of applications and issuing of licences

Tender control	<ul style="list-style-type: none"> • Biased or ambiguous pre-qualification criteria enabling unqualified tenderers or contractors to be shortlisted • Tender assessment board members failing to declare conflict of interest or favouring individual tenderers • Releasing sensitive tender information to individual bidders in return for advantages
Contractor supervision	<ul style="list-style-type: none"> • Showing favouritism in the supervision or turning a blind eye to the substandard works of contractors or subcontractors • Colluding with contractors / subcontractors to over-claim contract fees based on exaggerated or falsified records
Procurement and supplies control	<ul style="list-style-type: none"> • Inadequate segregation of duties leading to misappropriation of goods and assets • Fictitious quotations or split orders circumventing control and favouring individual suppliers • Falsified records covering up non-deliveries, short supplies or acceptance of substandard goods
Information control	<ul style="list-style-type: none"> • Releasing confidential information to any person without authority • Making fraudulent entries or changes to customer or client records on the data base
Personnel and administration	<ul style="list-style-type: none"> • Processing fraudulent claims for overtime, travelling or housing allowance, etc • Showing favouritism in staff appointment, promotion, training or performance appraisal, etc • Falsifying attendance records, especially by officers performing outdoor work • Accepting unauthorised loans from persons having official dealings

II. CHECKS AND BALANCES

- **Checks and balances may not work effectively when:**
 - Work procedures and guidelines are unclear.
 - Staff are not well-versed with the procedures and guidelines.
 - Duties and responsibilities for different levels of staff are not specified and/or are confusing.
 - Segregation of duties among staff is not properly established.
 - Records are not properly kept.
 - Systems and procedures are outdated.
 - Corrective action is not clearly laid down for non-compliance.
 - Staff supervision is slack.

III. VALUES AND CONDUCT OF STAFF

- **Senior managers need to be observant of the conduct of their staff so as to help identify problems or risks early. The following aspects of staff's conduct should warrant managers' attention in particular:**
 - The way they deal with subordinates, clients, contractors and other official associates.
 - The way they handle gifts and invitations, in particular those relating to entertainment, offered in their official capacity.
 - The way they handle their financial problems.
 - Their involvement in undesirable habits or lifestyles such as heavy gambling and overspending.

Checklist for Managers

- Are you aware of the vulnerable areas in your unit or department?
- Are there sufficient, practical and clear guidelines and procedures to meet the current needs?

- Have you evaluated the existing system controls on a regular basis?
- Is the span of control appropriate?
- Is discretionary power authorised to the appropriate level?
- Are there sufficient checks and balances such as segregation of duties, clear records, spot checks, etc?
- What values and work attitude do your staff have?
- What is the lifestyle of your staff? Have you paid special attention to those with “big spender” style?
- Are you vigilant in detecting any conduct and behaviour that may indicate problems and risks?
- Is there an effective staff supervision system?

Action

Convey your messages not by words but by deeds

INTEGRITY IS AN IMPORTANT ISSUE IN THE CIVIL SERVICE. SENIOR MANAGERS AT ALL LEVELS SHOULD PUT IT AT THE TOP OF THEIR ACTION LIST. IN BRIEF, THEY MUST TAKE ACTION TO

- ❖ provide clear direction by acting as a role model
- ❖ exercise monitoring and control
- ❖ implement integrity programmes
- ❖ sustain integrity promotion efforts
- ❖ align the people and the system in support of an ethical culture

I. PROVISION OF CLEAR DIRECTION BY ACTING AS A ROLE MODEL

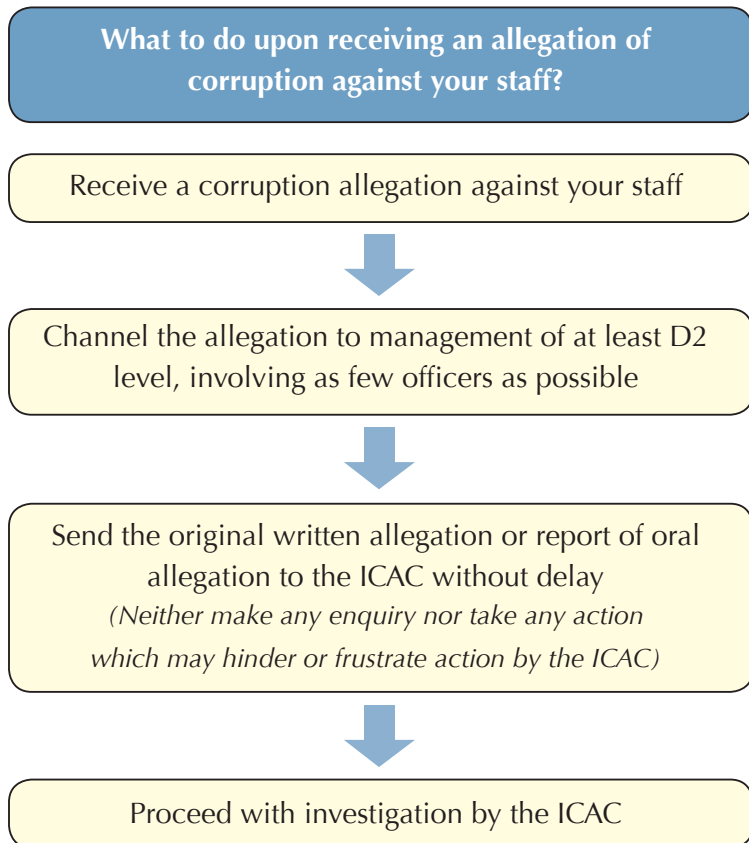
- Rules, codes or guidelines are useful in setting out the values to be upheld by staff. However, it is the managers' role in providing clear direction to subordinates by "walking the talk" which simply means **acting as a role model**.
- In fact, studies also point out that staff are more likely to do what they see their supervisors do than to adhere to formal policies.
- It is of utmost importance that senior managers should convey to staff their own beliefs in and conviction to the value of integrity.

Suggestions to senior managers on signalling their conviction to the value of integrity

- **Communicate their own beliefs in the value of integrity**
- **Discuss with staff ethical issues that may arise in work situations**
- **Support actions and decisions that uphold the value of integrity**
- **Take firm and prompt action to eliminate corruption or any unethical activity**

II. EXERCISING MONITORING AND CONTROL

- All senior managers should be vigilant in exercising monitoring and control. Any corruption or malpractice suspected or identified should be dealt with squarely and promptly. The message of **“zero tolerance”** should be sent out. Any hesitation will be construed as tolerance of corruption or malpractice.



To deal with complaints from staff members effectively, a mechanism should be in place to ensure prompt handling of complaints and protection for complainants

Guidelines on protection for complainants should include the following:

- **Handle all complaints in strict confidence**
- **Treat complainants impartially and without any prejudice**
- **Make posting arrangements for complainants if necessary**

- Senior managers should also take proactive action to update departmental guidelines and to plug system loopholes as soon as inadequacy or weakness is identified. Even those who are not directly involved in the formulation of departmental guidelines or improvement to control systems may also **provide feedback** on their adequacy, validity, applicability and effectiveness.

Manager's role in system control

- **Ensure that guidelines and control systems are operating without conflicts and contradictions**
- **Propose improvement to departmental guidelines and control systems**
- **Maintain proper control of resources**
- **Give quick and accurate responses to enquiries**
- **Monitor if the goals set are realistic and measure the progress**
- **Inculcate a sense of self-discipline at all levels**
- **Spot check the performance of staff, especially those undertaking outdoor work**
- **Collect feedback from clients / contractors**

III. IMPLEMENTATION OF INTEGRITY PROGRAMMES

- Training forms an important part of an integrity programme.
- The main objectives of implementing integrity programmes are to:
 - Improve staff's understanding of the statutory provisions, the civil service integrity rules and values set by departments and the standards expected of staff;

- Enhance staff's awareness of the importance of upholding a high standard of civil service integrity; and
 - Generate open discussion so that colleagues can exchange shared values.
- Sessions on integrity should be included in induction and refresher courses, especially for those taking up supervisory posts.
 - The focus of integrity training should be on enhancing staff's understanding of the importance of integrity and ethics and practical work issues such as dealing with ethical dilemmas and conflict of interest.

IV. SUSTAINING INTEGRITY PROMOTION EFFORTS

- One effective means to nurture an ethical culture is the setting up of an integrity promotion committee, to be chaired by a senior officer of the department, to sustain the positive atmosphere and the impact created by integrity programmes. Subject to the needs of the department, the integrity promotion committee may have sub-committees focusing on specific areas of work.
- An example of the proposed integrity promotion committee is the Steering Committee of the Force Anti-Corruption Strategy (FACS) of the Hong Kong Police Force.
- An integrity promotion committee of such kind has the following benefits:
 - Facilitate the formulation, implementation, monitoring and review of long and short-term policies and strategies of promoting integrity and reducing corruption and malpractice; and
 - Send a clear and strong signal to staff that the department is committed to promoting integrity and combating corruption and malpractice in the long run.

- For the integrity promotion committee to be effective, it is highly recommended that it be chaired by a directorate officer and its members comprise senior officers representing essential functional areas of the department.
- Broadly speaking, the scope of an integrity promotion committee may include:
 - Recommend initiatives and measures to reinforce a culture of integrity among staff at all levels;
 - Recommend initiatives and measures to reduce corruption and malpractice;
 - Monitor the impact and progress of the implementation of the policies and strategies; and
 - Promote the image of the department as an organisation that values transparency, best practices and efficient service.

Support for departments intending to set up the proposed integrity promotion committee

- **The ICAC and the CSB are always happy to share integrity promotion experience with departments.**

	<i>Telephone No.</i>	<i>Email Address</i>
ICAC	2756 3300	kesk@crd.icac.org.hk
CSB	2810 3178	csbcd@csb.gov.hk

- **The three departments of the ICAC, namely the Operations Department, the Corruption Prevention Department and the Community Relations Department can send representatives to the integrity promotion committee to offer suggestions and exchange views with senior staff of the department concerned.**

V. ALIGNING THE PEOPLE AND THE SYSTEM IN SUPPORT OF AN ETHICAL CULTURE

- Senior managers are not only required to lead by example, they should also pay attention to the following areas to ensure that they align with one another in support of an ethical departmental culture:
 - Requirements and standards stated in departmental codes or guidelines;
 - Checks and balances in different systems; and
 - Staff training.
- Any inconsistency in senior managers' actions in the above areas may send a negative signal to staff and seriously undermine the department's efforts in sustaining an ethical culture. Thus, senior managers have the responsibility to make the necessary improvement proactively or bring the issues to the appropriate authority for follow-up.
- After all, an ethical departmental culture needs the support of both its people and the system. Synergy is essential to achieve the best result.

Appendix

LIST OF RELEVANT CSB CIRCULARS, CSRs AND PUBLICATIONS

I. CONFLICT OF INTEREST

- CSB Circular No.2/2004 "Conflict of Interest"

II. ACCEPTANCE OF ADVANTAGES AND ENTERTAINMENT

- CSB Circular No.3/2007* "Acceptance of advantages offered to an officer in his private capacity"
- CSB Circular No.4/2007 "Advantages/entertainment offered to an officer in his official capacity and gifts and donations to a department for the benefit of staff."
- CSB Circular No.11/2007(C) "Sponsored Visits"
- CSRs 431-435 "Acceptance of Entertainment"
- CSR 444 "Acceptance of Advantages"
- CSR 448 "Retirement Gifts"

III. INVESTMENTS

- CSB Circular No.8/2006 "Declaration of Investments by Civil Servants"
- CSRs 461-466 "Investments"

IV. OUTSIDE WORK

- CSB Circular No.10/2005 "Taking Up Outside Work by Directorate Civil Servants After Ceasing Active Service"
- CSB Circular No.13/95 "Acceptance of Outside Appointments after Retirement"
- CSB Circular Memorandum No.50/96 "Outside Appointments during Pre-retirement Leave and after Retirement"
- CSB Circular No.3/97 "Permission to Take Up Outside Appointment on Completion of Agreement"
- CSRs 397-398 "Taking Up Outside Work After Ceasing Active Service"
- CSRs 550-564 "Outside Work"

* The Acceptance of Advantage (Chief Executive's Permission) Notice 2007 was set out at Annex III to CSB Circular No. 3/2007.

V. INDEBTEDNESS

- CSB Circular No. 4/2002 “Managing Personal Finance and Management Measures on Staff Indebtedness in the Civil Service”
- CSRs 455-459 “Insolvency and Bankruptcy”
- CSRs 480-482 “Lending Money and Borrowing Money at Interest”
- CSR 483 “Use of Subordinates as Guarantors”
- Booklet “Sources of Finance for Civil Servants”

VI. REPORTING CRIME AND CORRUPTION

- CSB Circular No.20/79 “Reporting of Criminal Offences”
- CSB Circular No.10/80 “Reporting of Attempted Bribes”
- CSB Circular No.9/94 “Allegations of Corruption Against Civil Servants”

VII. PRODUCTION BY GOVERNMENT OFFICERS OF PUBLICATIONS CONTAINING PAID ADVERTISEMENTS

- CSB Circular No.6/77 “Production by Government Officers of Publications Containing Paid Advertisements - Civil Service Regulation 530”
- CSB Circular No.23/77 “Production by Government Officers of Publications Containing Paid Advertisements - Civil Service Regulation 530”
- CSRs 530-531 “Publications and Public Donations”

VIII. OTHERS

- Booklet “Civil Servants’ Guide to Good Practices”