
Kick-off Briefing on Proper Use of Lantau Conservation Fund

8 January 2026 (Thursday)

List of Schedules in the Agreement

Schedule A – Details of the Project

Schedule B – Funding Condition

Schedule C – Approved Budget

Schedule D – Disbursement Schedule

Schedule E – Progress Report and Completion Report Templates

Schedule F – Notes for Auditors and Sample Auditors' Report

Grantee's Obligations (1)

The Grantee shall:

- ensure the grant is wholly and **exclusively** for the purpose of the Project and in accordance with the Approved Budget
- **commence** the Project on the **date specified** in Details of the Project
- carry out the Project on **prudent** commercial
- maintain **open, fairness and transparency** in **recruiting personnel** for the Project
- comply with all **laws and regulations** applicable to the Project

Grantee's Obligations (2)

The Grantee shall:

- **attend all meetings** as may be required by the Government
- **keep the Government informed** of matters relating to the Project
- **answer enquiries** made by the Government

Payment of Grant

- The Grant will **not** exceed the approved amount
- Made in accordance with the **Disbursement Schedule** in consideration of the **projected expenditure**
- Upon completion or earlier termination of the Agreement, any **unspent** Grant shall be **returned** to the Government

Project Income

- During the implementation of the project, the Grantee may earn, raise or obtain additional income for the project from various sources
- This income will be considered part of the project income and **must be deposited** and kept in the **designated bank account for the project's use**

Project Expenditure

- Expenses spent by the Grantee for the **sole and exclusive purpose** of the Project
- The following expenses are **not** regarded as Project Expenditure:
 - a) expenses without any proof
 - b) only supported by invoices/payment notices without receipts/payment transaction records
 - c) not listed or exceeding the amount specified in Approved Budget
 - d) not procured in accordance with the stipulated procurement procedures

Approved Budget Categories and Items

- Grantee should follow the ambit of approved budget categories and items

Reallocation of Budget Items (1)

- Grantee may reallocate funds of items **within the same category**

	Particulars 分項詳情	Unit Cost (\$) 單位成本	Quantity 數量	Total (\$) 總計
1.	Transportation 交通			
1.1	28-seat car rental for transportation of visitors (\$1000/day x 10 times) 租借28座車以作訪客交通 (一日\$1000 x 10次)	1,000	10	10,000
1.2	5.5T lorry rental for delivery of equipment (\$500/day x 10 times) 租借5.5噸貨車以作運送設備 (一日\$500 x 10次)	500	10	5,000
			Sub-total 小計	15,000



Reallocation of Budget Items (2)

- Not exceeding 15% of the approved cap across different categories of Project Expenditure
Otherwise, prior written approval from Secretariat / LCFAC required. Please consult Secretariat beforehand.
- In any circumstances, projects staff costs and audit fees are not allowed for reallocation

	Particulars 分項詳情	Unit Cost (\$) 單位成本	Quantity 數量	Total (\$) 總計
1.	Transportation 交通			
1.1	28-seat car rental for transportation of visitors (\$1,000/day x 10 times) 租借28座車以作訪客交通 (一日\$1,000 x 10次)	1,000	10	10,000
			Sub-total 小計	10,000
2.	Education Activities 教育活動			
2.1	Education tour/workshop (\$7,000/session x 3 times) 教育導賞/工作坊 (每次\$7,000 x 3次)	7,000	3	21,000
			Sub-total 小計	21,000



Reallocation
Not Exceeding
15%



Additional Items - NOT on Approved Budget List

Reasonable → not exceed the cap → prior written approval is required

	Particulars 分項詳情	Unit Cost (\$) 單位成本	Quantity 數量	Total (\$) 總計
1.	Transportation 交通			
1.1	28-seat car rental for transportation of visitors (\$1000/day x 10 times) 租借28座車以作訪客交通 (一日\$1000 x 10次)	1,000	10	10,000
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			Sub-total 小計	15,000

New item

Procurement of Goods and Services (1)

- Ensure **fair, open, competitive** and **value-for-money** in the procurement of goods and services

Total procurement cost	Written quotation required
not exceed HK\$5,000	1
over HK\$5,000 but not more than HK\$50,000	2
over HK\$50,000 but not more than HK\$280,000	3
over HK\$280,000 but not more than HK\$1,350,000	5
over HK\$1,350,000 (w.e.f. 1 January 2026)	issue an open tender

Procurement of Goods and Services (2)

- Keep records of any invited suppliers / contractors who fail to provide quotation;
- Supplier selection:
 - the lowest conforming bid (if price only)
 - the highest mark amongst the conforming bids (if marking scheme)
 - If not, full justifications and prior agreement must be given/obtained
- Payout in **cash** for each transaction : Not exceed **HK\$30,000**
- Must **not disclose the approved budget** to any prospective suppliers / contractors before the conclusion of the procurement

**Strengthening
Integrity and Accountability -
Government Funding Schemes
Grantee's Guidebook**



**「誠信·問責」－
政府基金資助計劃
受資助機構實務手冊**



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Submission of Reports

- **Progress Report with Statement of Accounts:**
 - once every 6 months (milestone)
 - within 2 months from the end date of the reporting period
- **Annual Audited Accounts:**
 - once every 12 months
 - within 2 months from the end date of the reporting period
 - appoint an independent auditor to conduct independent audits and to prepare all Audited Accounts
- **Completion Report, Final Audited Accounts, Project summary:**
 - within 4 months from the completion of the Project

Monitoring and Evaluation (1)

- **Activity / event:**
 - **Inform at least 1 month before** (name, dates, time, venues, personnel involved, factual content, exhibition panels, drama scripts, etc.)
 - **Submit all publicity materials** for approval **at least 2 weeks before** the date of any activity / event
 - The Government Representative **may attend** any activities / events of the Project and the Grantee shall give access and provide all **assistance and facilitation**
 - LCF Secretariat may carry out **on-site inspections or surprise checks** at any time (for activity / event / field work)

Monitoring and Evaluation (2)

- **Other submissions:**
 - Vet by LCF Secretariat and/or SSLO / relevant B/Ds / LCFAC
 - Clarify / improvement measures from project team if necessary
- **Complaints:**
 - The Grantee shall acknowledge any complaints received about the Project **within 7 calendar days** from the date of their receipt
 - The Grantee shall respond to the complaints within **30 calendar days** from the date of their receipt

Monitoring and Evaluation (3) *Project Assets*

- **Rental** as far as possible before giving consideration to purchase
- **Solely and exclusively** for the purpose of carrying out the Project
- Hold, operate and use in a proper way and **maintain in good repair and condition**
- Keep **inventory** and **stock-taking** annually
- LCF Secretariat may perform **random check**

Monitoring and Evaluation (4)

Throughout the project period :

- **Delay** and/or **unsatisfactory performance** of activity/event/field work/submission, the Grantee must **provide justifications and improvement measures**.
- A **reminder** shall be issued if there are **no acceptable reasons**. The disbursement schedule may need to be reviewed.
- A **warning letter** shall be issued **after three reminders** have been issued. → **may adversely affect application in future**
- If necessary → report to LCF Advisory Committee, may **interview Project Leader and/or Person-in-charge**, or *termination of Agreement*

Termination (1)

May **suspend** the Project (including payment of the Grant or terminate the Agreement) immediately on notice to the Grantee, if:

- No longer fulfilling the eligibility requirement of LCF
- Fails to commence the Project within 1 month from the commencement date without justified reason
- For extreme case(s) that the Grantee **fails to remedy the poor performance or to achieve the targets set out**
- For the sake of **public interest**
- Any **material change occurs** in the management or control of the Grantee (in particular the Key Project Staff)

Termination (2)

- The Grantee having committed a **default** which is **not capable of being remedied**
- The Grantee becomes **insolvent**
- The Grantee or any of its **employees or agents** has engaged, is engaging or is reasonably believed to have engaged or be engaging in acts or activities that are likely to constitute or cause the occurrence of an offence endangering **national security** or which would otherwise be contrary to the interest of national security

Acknowledgement and Publicity (1)

- Submit all **publicity materials** for approval **at least 2 weeks before** the date of any activity / event
- Any publicity materials should display the **logos** of the LCF, the SSLO and/or the CEDD; and the **logo of Government-funded Programme**
- **Notify the LCF Secretariat** before accepting any requests from media for interview in relation to the Project
- Display the **disclaimer** in publicity materials as far as applicable
- **No** publicity materials shall be used for **purposes of personal, political, commercial or religious publicity** of any person

Acknowledgement and Publicity (2)

- The Government shall be entitled to require the Grantee to withdraw or **cease using any publicity materials** which the Government at its absolute discretion considers to be **inappropriate or undesirable**
- The Grantee shall upon request of the Government Representative at any time during the Agreement Period and within twelve months thereafter, **assist the Government in its publicity and promotional work for conservation of Lantau**

Changes to Project and/or Budget

- **Major changes** [e.g. extension of project period, change of project team members, change of project details and scope, and reallocation of fund across approved categories by over 15%] to project and/or budget are normally NOT allowed
- If changes are unavoidable, the Grantee shall submit **full justifications** and obtain written approval by the Government

Intellectual Property Rights

- The **Grantee** is the **owner** of the intellectual property rights of the content and research results of the project
- The Grantee shall **unconditionally grant the content and research results** of the project for the benefits of the Government
- **Project-derived data**, e.g. ecological survey data, cultural and historical data, etc. and results of the project shall be made available to the Secretariat upon request, where appropriate, for publicising on Government platforms (e.g. the Biodiversity Geographic Information System) / public access

Confidentiality

The Grantee undertakes not to disclose to any person:

- any information/project materials
- records
- databases
- reports
- documents
- contracts
- all other data and materials of any nature (in or on whatever media)

Indemnity

The Grantee shall **fully indemnify and keep indemnified the Government**, its authorised users, assigns and successors-in-title from and against:

- all and **any claims, actions**, investigations, demands, proceedings, threatened, brought or instituted against the Government, its authorised users, assigns and successors-in-title
- **all liabilities** (including liability to pay compensation and damages), damage, losses, costs, charges and expenses which the Government, its authorised users, assigns and successors-in-title may sustain or incur

Prevention of Bribery

- Prevention of Bribery Ordinance (Cap. 201)
- Issue a **code of conduct** to every person employed or engaged
 - with reference to the sample code of conduct set out in the *Best Practice Checklist – Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook* issued by the ICAC

https://cpas.icac.hk/UPLoadImages/InfoFile/cate_43/2017/43903a1c-f8c9-4bac-b4f8-e7ed80b9a004.pdf

Avoidance of Conflicts of Roles and Interests

The Grantee shall not undertake any service, task or job or do anything which conflicts, or which may be seen to conflict, with the Grantee's duties -

- including the Project Leader, Key Project Staff, each of its directors, employees, agents and contractors and their respective associates
- if conflicts of roles and interests arise during the implementation of the Project, the Grantee shall handle and report the conflicts to the Government in writing

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Independent Contractor

- The Grantee as an independent contractor only
- Shall not represent itself as an employee, servant, agent or partner of the Government

Thank You