

Funding and Service Agreement¹

Organisation-based Extended Hours Service in Pre-primary Institutions

I. Service Definition

Introduction

Extended Hours Service (EHS) is the provision of longer hours of child care service by extending the stay of the children beyond the normal operating hours of pre-primary institutions (PPIs) in which they are enrolled.

Purpose and Objectives

2. The purpose of EHS is to provide a support service attached to the PPIs. The objectives of EHS are –

- To serve as a safety net to prevent children from being left unattended; and
- To meet parents' need for longer hours of child care centre service arising from contingencies, or their engagement in employment/ re-training programmes/ job-seeking activities.

Service Nature and Contents

3. EHS is an ancillary service to the PPIs where the children are attended by familiar carers so as to ensure the proper provision of physical and emotional care in a safe environment. The provision of basic care for children should be the same as required in the individual PPIs concerned. A balanced programme should be designed according to the age and the developmental need of the children.

4. The Service Operator is required to provide EHS based on the distribution of places and the time schedules in the PPIs concerned under its management as agreed with the Social Welfare Department (SWD). Annually, the Service Operator has to review and adjust, as appropriate, the distribution of places and the time schedules in its PPIs in the light of the changes in service demand and the advice of the SWD.

¹ This Funding and Service Agreement is a sample document for reference only.

The Service Operator should seek the endorsement of the SWD of the annual plan on the number of places and the time schedules in each of its PPIs in the coming school year. The total number of service hours in all these institutions in a normal week (i.e. a calendar week without any public holiday and recognised school holiday) in each school year should be identical with that allocated by the SWD to the Service Operator **on an organisational basis**.

Target Service Users

5. The target service users for EHS is children of the same age group enrolled to the programme of normal operating hours of the PPIs including the service users of Occasional Child Care Service. Applications for EHS could be made to the PPIs directly. Families with social need for EHS will be accorded priority. Service users with financial hardship and/or social needs could apply for the fee subsidy of the SWD under the designated scheme administered by the PPIs in accordance with the prevalent guidelines as advised by the SWD.

II. Service Performance Standards

6. The Service Operator is required to meet the following essential service requirements, service performance standards, including service output and outcome standard, for the period as specified therein unless otherwise state.

Essential Service Requirements

7. The Service Operator shall comply with the essential service requirements as follows -

- Except for public holidays and recognised school holidays of the PPIs^{Note 3}, the Service Operator is required to provide extended service hours in addition to the normal operating hours of individual PPIs at the time schedules as set out in the approval letter issued by the SWD to the Service Operator.
- Qualified child care worker (CCW) and/or qualified kindergarten teachers and supporting staff are essential staff of the Service. The staffing of CCWs will be in accordance with the enhanced manning ratios (i.e. 1 CCW to 6 children aged under two years and 1 CCW to 11 children aged two to six years).

- All services have to comply with the Child Care Services Ordinance and Regulations and also the relevant Operation Manual.

Service Output

<u>Service Output Standard</u>	<u>Service Output Indicator</u>	<u>Agreed Level</u>
1	Rate of attendance ^{Note 1} in a year (For performance between 50% and below 80%, between 20% and below 50%, and below 20%, additional promotional activities through individual contacts to introduce EHS in the form of telephone or face-to-face contacts should be provided to parents/carers' with the number of audience equivalent to 40%, 60%, 80% of children enrolment in the PPI respectively.)	80%

Service Outcome

<u>Service Outcome Standard</u>	<u>Service Outcome Indicator</u>	<u>Agreed Level</u>
1	Parents/carers' satisfaction rate towards the Service in providing a safe and sanitary environment and appropriate care service for the children in a year ^{Note 2}	70%

Service Quality

8. The Service Operator shall meet the requirements of the 16 Service Quality Standards (SQSs).

III. Obligations of the Social Welfare Department to Service Operator

9. The SWD will undertake the responsibilities set out in the General Obligations of the SWD to the Service Operator as specified in the Funding and Service Agreement (FSA) Generic Sections.

IV. Basis of Subvention

10. The basis of subvention is set out in the offer and notification letters issued by the SWD to the Service Operator.

Funding

11. EHS is subvented by the SWD under the Lump Sum Grant (LSG) Subvention System or Conventional Mode of Subvention, depending on the Service Operator's mode of receiving subvention, for a time defined period. The Government will not accept any liabilities or financial implication arising from the service other than the amount of subvention as approved by the SWD.

Service Operator under Lump Sum Grant Subvention Mode

12. The amount of subvention has been taken into account the personal emoluments including provident fund, other charges applicable to the operation of the service and recognised fee income, if any.

13. In receiving the LSG, the Service Operator is accorded flexibility in the use of the grant but required to observe the guidelines and rules of subvention as set out in the latest LSG Manual, LSG Circulars, other guidelines, management letters and relevant correspondence issued by the SWD on subvention policies and procedures. The LSG allocation will be subject to adjustments including salary adjustments in line with civil service pay adjustments and other charges in line with the price adjustment factor (currently the Composite Consumer Price Index).

Service Operator under Conventional Mode of Subvention

14. The Service Operator is required to comply with the guidelines and rules of subvention as set out in the latest Guide to Social Welfare Subventions, other guidelines, circular/ management letters and correspondence issued by the SWD on subvention policies and procedures.

Payment Arrangement, Internal Control and Financial Reporting Requirements

15. Upon the Service Operator's acceptance of the FSA, payment of the LSG subventions will be made on a monthly basis for Service Operator under LSG mode or quarterly basis for Service Operator under conventional mode of subvention.

16. The Service Operator is responsible for maintaining an effective and sound financial management system, including budget planning, projection, accounting, internal control and auditing. It should maintain proper books and records and supporting documents on income and expenditure relating to the service and make them available for inspection by the Government representative.

Service Operator under LSG Mode

17. The Service Operator shall submit the Annual Financial Report (AFR) as reviewed and the annual financial statements of the non-governmental organisation (NGO) as a whole as audited by a certified public accountant holding a practising certificate as defined in the Professional Accountants Ordinance (Chapter 50) and signed by two authorised representatives of the NGO, i.e. Chairperson/NGO Head/ Head of Social Welfare Services in accordance with the requirements as stipulated in the latest LSG Manual. The AFR should be prepared on a cash basis and non-cash items such as depreciation, staff leave accrual etc. should not be included in the AFR.

Service Operator under Conventional Mode of Subvention

18. The Service Operator shall submit the Annual Audited Accounts of the NGO, together with the Auditors' Management Letter, and the Accompanying Financial Statements for each subvented service unit, together with the Auditor's certification, as certified by a certified public accountant holding a practising certificate as defined in the Professional Accountants Ordinance (Chapter 50) and signed by two authorised representatives of the NGO, i.e. Chairperson/ NGO Head/ Head of Social Welfare Services in accordance with the requirements as stipulated in the latest Guide to Social Welfare Subventions.

Corruption Prevention and Probity Requirements

19. It is the responsibility of the Service Operator to ensure that its management, board members and staff comply with the Prevention of Bribery Ordinance (Cap. 201)

and the relevant requirements. The Service Operator shall prohibit the members, staff, agents, and contractors from offering, soliciting or accepting advantages when discharging their duties under the FSA. With regard to the provision of the subvented services, the Service Operator shall avoid and declare any conflict of interest.

20. The Service Operator should also make reference to the relevant guidelines on corruption prevention and probity requirements to uphold integrity in every aspect, including but not limited to the governance structure, internal control, financial/ fund management, procurement, staff administration, delivery of services/ activities, management of maintenance works as set out in the “Corruption Prevention Guide on Governance and Internal Control for Non-Governmental Organisations” and the “Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants” issued by the Independent Commission Against Corruption.

V Validity Period

21. This FSA is valid for a time-defined period for a time-defined period. Should the Service Operator be in breach of any term of condition of the FSA and fail to remedy the same in such manner and within such time as shall be specified in a written notice from the SWD that the same be remedied, the SWD may, after expiry of such notice, terminate this FSA by giving 30 days’ notice in writing to the Service Operator.

22. Where there is any change to the service performance standards within the agreement period, the SWD will seek mutual agreement with the Service Operator and the Service Operator will be required to achieve new requirements in accordance with the specified implementation schedule.

23. Continuation of the Service for the next term will be subject to the relevant considerations such as the prevailing policy directive, service needs and the performance of the Service Operator. The SWD reserves the right to reallocate the service.

24. The SWD may immediately terminate the FSA upon the occurrence of any of the following events –

- (a) the Service Operator has engaged or is engaging in acts or activities that are

likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;

- (b) the continued engagement of the Service Operator or the continued performance of the FSA is contrary to the interest of national security; or
- (c) the SWD reasonably believes that any of the events mentioned above is about to occur.

VI Other References

25. Apart from this FSA, the Service Operator should also comply with the requirements/ commitments set out in the Service Specification, the Service Operator's proposals and supplementary information, if any. Where these documents are in conflict, this FSA shall prevail.

Explanatory Notes

Note 1 : **Attendance** refers to the number of children receiving the service per session. Each morning or after-school session on Monday to Saturday refers to one session. A child whose service utilisation is less than, or the same as, or more than the maximum service hours in a session is counted as one sessional attendance. In this relation, the attendance rate in a year is computed as follows -

$$= \frac{\text{Total no. of sessional attendance in a year}}{\text{No. of place} \times \text{total no. of sessions operating in the year}} \times 100\%$$

Note 2 : **Parents'/ Carers' satisfaction** towards the service in providing a safe and sanitary environment and appropriate care service for the children is measured through the designated questionnaire for the parents/ carers whose children have used the service during the financial year and who have completed the questionnaire on or before 31 March of each financial year. The satisfaction rate in a year is computed as follows -

$$= \frac{\text{No. of completed questionnaires indicating that the parents/ carers agreed that the service could provide a safe and sanitary environment and appropriate care service for the children during the financial year}}{\text{Total no. of completed questionnaires during the financial year}} \times 100\%$$

Note 3 : **Recognised school holidays** refer to the non-opening days of the pre-primary institutions comprising annual vacation leave of staff and special activities to encourage parental participation (such as parents' day/ meeting, parent-child activities, open day, graduation ceremony, festive season programmes/ outings, etc.) being stipulated in the school calendar approved by the authority concerned.