

# Private Hospitals – Management of Obstetric Services



防止貪污處

Corruption Prevention Department



## *Foreword*

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The number of Mainland women giving births in Hong Kong has increased drastically in the past ten years amidst a number of factors. Following the Government's policy to limit service capacity at public hospitals for these expectant mothers, the demand for obstetric delivery services at private hospitals is far outstripping supply. In addition to affecting availability of the services to local users, there are also media reports about suspected improper, unethical practices among individual obstetricians and agencies to assist Mainland pregnant women to secure places for obstetric delivery services in local private hospitals. Staff of the hospitals are also exposed to risks of corrupt approaches by such persons. As any impropriety or system weaknesses giving rise to perceived malpractice in the private hospitals would adversely affect the hospital's reputation, it is necessary for the hospitals to put in place a sound control system for the management of its obstetric delivery services.

This Corruption Prevention Guide aims at providing a list of recommended safeguards to help private hospitals strengthen their governance and relevant control systems and prevent corruption and malpractice in relation to the provision of obstetric delivery services. The principles and recommendations are by no means prescriptive or exhaustive. They are not intended to supersede any laws, or regulatory or professional requirements. Private hospitals are advised to adopt the recommended measures as appropriate, having regard to their organizational structure, resource capability, operational needs, and risk exposures. They should also refer to other relevant guidelines and codes issued by the Government and relevant professional bodies as appropriate.

*The Advisory Services Group of the Corruption Prevention Department of ICAC stands ready to provide free, confidential, and tailor made corruption prevention advice to private companies on request, including the ways to implement the recommended practices in this Practical Guide. For further information, please contact the Group at telephone no. 2526 6363 or fax no. 2522 0505 or email address at [asg@cpd.icac.org.hk](mailto:asg@cpd.icac.org.hk).*

### **Disclaimer**

Descriptions of legal requirements under the Prevention of Bribery Ordinance in this Guide are necessarily general for easy understanding by layman. If in doubt, users of the Guide are advised to seek legal advice. The ICAC will not accept any liability, legal or otherwise, for loss occasioned to any person acting or refraining from action as a result of any material in this Guide.



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## ABBREVIATIONS

DH	Department of Health
ICAC	Independent Commission Against Corruption
O&G	Obstetrics and Gynaecology



**1.1 The Prevention of Bribery Ordinance**

Directors, staff and agents<sup>1</sup> of the hospital should have a basic understanding of the relevant provisions of the Prevention of Bribery Ordinance (Cap. 201, Laws of Hong Kong). The following is gist of the relevant section (Section 9) of the Ordinance<sup>2</sup>, its key elements and some examples relating to a hospital's environment.

**(a) Section 9 – Corrupt Transactions with Agents**

- ◆ Section 9 (1) - It is an offence for an agent to, without lawful authority or reasonable excuse, solicit or accept an advantage as an inducement to, or reward for, his doing or forbearing to do any act, or showing or forbearing to show favour or disfavour to any person, in relation to his principal's affairs, except with his principal's permission.
- ◆ Section 9 (2) - Any person who offers an advantage to an agent for the above purpose also commits an offence.
- ◆ Section 9 (3) - Any agent who, with an intent to deceive his principal, uses any receipt, account or other document which contains any statement which is misleading or false or defective in any material particular and in respect of which the principal is interested, is guilty of an offence.

**(b) Principal**

- ◆ The principal is the employer or any authorized persons of the employer.

**(c) Agent**

- ◆ An agent is a person acting for the principal. If a hospital appoints a person to act for it in business, that person becomes the agent whether the appointment is full-time or part-time, and whether or not the agent receives a fixed salary or a fee from the hospital. Any employee acting for the hospital is an agent of the hospital.

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<sup>1</sup> Hospitals may seek legal advice on whether the mode of co-operation between the hospital and its honorary / associate obstetricians construes a principal / agent relationship.

<sup>2</sup> The full text can be accessed through the Department of Justice's Bilingual Laws Information System website at <http://www.legislation.gov.hk/eng/home.htm>.

#### **(d) Advantage**

- ◆ An advantage includes money, gift, discount, commission, offer of employment or free service.
- ◆ Entertainment, defined as food or drink provided for consumption on the occasion, is not an advantage under the Ordinance.

#### **(e) Principal's Permission**

- ◆ An agent may accept an advantage in his official capacity with his principal's permission.

#### **(f) Custom Constitutes No Defence**

- ◆ It is not a defence to claim that an advantage accepted or offered is customary in any profession, trade, vocation or calling.

#### **(g) Penalty**

- ◆ A person convicted of an offence under Section 9 of the Prevention of Bribery Ordinance is subject to a maximum penalty of seven years' imprisonment and a fine of HK\$500,000.

## **1.2 Ethical Business Culture**

To enhance the integrity of its staff and prevent corrupt practices and employee frauds, the hospital should promote and foster an ethical business and law-abiding culture in the hospital. Actions that should be taken include:

### **Guidelines and Instructions**

- Make an explicit commitment and disseminate a clear message of commitment to business ethics and integrity, e.g. by including Integrity, Professional and Business Ethics in the hospital's stated Core Values.
- Lay down and specify the ethical and integrity standard expected of all staff in a Code of Conduct.

### **Education and Training**

- Provide training on the Prevention of Bribery Ordinance, other relevant laws and regulations for the medical profession, business ethics, provisions of the Code of Conduct, etc. in staff's orientation training and refresher training.

- ❑ Provide training on corruption prevention awareness and measures to management and hospital staff.
- ❑ Communicate clearly to the staff that unethical practices will not be tolerated.

### Action and Enforcement

- ❑ Require the top and senior management to lead by example by conducting the hospital's business in compliance with relevant laws and regulations and ethical business practices.
- ❑ Provide channel(s) for feedback/enquiry for patients, and also confidential, trustworthy channel(s) for staff for making enquiries or reporting misconduct.
- ❑ Establish a disciplinary system (e.g. a disciplinary committee, procedures and guidelines on disciplinary actions) for investigation and taking of disciplinary action.
- ❑ Report serious breaches/misconduct or illegal activities to the regulatory or law enforcement authorities concerned.

## 1.3 Code of Conduct for Directors, Staff and Agents

The first step to good governance is to demonstrate that the hospital is committed to ethical practices through setting out the standard of conduct expected of its Board/Council members, staff (including full time and part time staff) and agents in a Code of Conduct. The Code should also set out the hospital's policies regarding acceptance of advantages in relation to the hospital's affairs, providing adequate guidelines to Board/Council members, staff and agents to prevent inadvertent breaches of the Prevention of Bribery Ordinance. A sample Code of Conduct is provided at the *Appendix* (separate Codes may be issued for Board/Council members and staff, where necessary).

Further advice or points to note are as follows.

### (a) Acceptance of Advantage

- ❑ Specify in the code the permissible value (i.e. limit) of gift/advantage that staff are allowed to accept from persons having business dealings with the hospital, and specify the occasions on which such advantage may be accepted (e.g. during festivals or events when gifts are traditionally exchanged). The limit should desirably be nominal, and should not be of an amount that may influence the staff's impartiality (taking into consideration the staff's income and social norm).

- ❑ Require staff to report the receipt of any gift/advantage above the allowable limit from persons having business dealings with the hospital and seek approval for their treatment/disposal method.

**(b) Offering Advantages**

- ❑ Remind staff not to offer any advantages to employees of any government department or public body with which the hospital/staff has business dealings (e.g. the Department of Health).

**(c) Avoidance and Declaration of Conflict of Interest**

- ❑ Provide some examples applicable to the hospital environment to help staff assess whether they have conflict of interest. Some examples are:
  - an associate obstetrician, or an applicant, or an agency making a delivery service booking for a Mainland woman, is a family member or relative of the staff responsible for handling the booking;
  - a resident obstetrician operating/manning the hospital's prenatal clinic has investment in, or has a relative operating, an agency for arranging delivery service bookings for Mainland women.

**(d) Protection of Hospital Property and Information**

- ❑ Remind staff that valuable information such as ad hoc vacancies arising from cancellations of delivery service bookings or unused buffers should not be disclosed to others without authorization.

**(e) Promulgation**

- ❑ Submit the Code of Conduct to the Board/Council for endorsement to signify top-level commitment to ethical practices.
- ❑ Issue the Code to each employee/agent and Board/Council member on appointment, or incorporate it into the staff handbook, and require the recipients to acknowledge receipt.
- ❑ Re-circulate the provisions or post notices in the hospital on acceptance of advantages before major festivals when gifts are traditionally given.

## 2.1 Integrity and Ethical Conduct<sup>3</sup> of Obstetricians

While associate/honorary obstetricians are not employees of the hospital, given their involvement in the provision of the hospital's obstetric services, any improper/unethical behaviour on their part in connection with corrupt practices could tarnish the hospital's reputation. The hospital should therefore make its best effort to ensure their integrity and ethical conduct in handling or using the hospital's obstetric services. Resident obstetricians should also be governed by conduct requirements specific to the provision of obstetric services in addition to the general Code of Conduct for staff. The hospital should therefore specify the integrity and ethical conduct expected of the associate/honorary obstetricians, including the following:

- ❑ Specify, for avoiding corruption risk, the ethical requirements, rules and conditions for granting admission privilege to associate/honorary obstetricians and use of services at the hospital, in the admission agreement or a separate Code of Conduct, covering the following and other requirements as necessary.
- ❑ Prohibit associate/honorary/resident obstetricians from any improper, dishonest or manipulative practices in using the hospital's obstetric services, such as:
  - making delivery service booking for expectant women who have not yet undertaken antenatal check-up with the obstetrician;
  - making false or inaccurate claim about the expected date of delivery for the sake of securing a delivery service booking;
  - knowingly providing false or inaccurate information about the expectant woman when making a delivery service booking; and/or
  - unnecessarily arranging early caesarean section for the sake of securing a delivery service booking, etc.
- ❑ Prohibit associate/honorary/resident obstetricians from charging patients or agencies any fee/commission, or accepting any other advantages from them, for securing delivery service bookings or use of their quota, or making use of their delivery service booking right or quota to make profit in excess of their medical service charges.

<sup>3</sup> "Ethical conduct" in this chapter refers to general integrity and ethical behaviour in the management and use of the hospitals' services and the requirements of the Prevention of Bribery Ordinance, and is not intended to cover the professional conduct/ethics of medical practitioners the requirements on which are set by the Medical Council of Hong Kong.

- ❑ Prohibit them from any collusion/partnership with any third party (e.g. agency) that allows the latter to exploit any patients (e.g. Mainland pregnant women), e.g. by “selling” or “auctioning” the hospital’s delivery service bookings to make profit.

## **2.2 Granting Admission Privilege/Appointment of Obstetricians**

The second step to ensure the integrity and ethical conduct of the hospital’s associate/honorary/resident obstetricians when using the hospital’s obstetric services is to grant admission privilege to or appoint only ethical obstetricians, and reject/remove those with records of serious/repeated records of unethical conduct (e.g. those mentioned in 2.1).

### **(a) Granting of Admission Privilege/Appointment of Obstetricians**

- ❑ Set up a committee/panel, where practicable, to consider, vet and approve (or make recommendation to the Board/Council or Chief Executive on) the granting of admission privilege of associate/honorary and the appointment of resident<sup>4</sup> obstetricians.
- ❑ Subject members of the committee/panel to the Code of Conduct or appropriate ethical guidelines.
- ❑ Lay down the selection/admission criteria for obstetricians covering requirements relating to integrity and ethical conduct, which, for example, may take into consideration:
  - any disciplinary records with or disciplinary inquiries by relevant professional bodies; and/or
  - reference from other hospitals, if available.
- ❑ Require the approval of the granting of admission right/appointment of an obstetrician to be fully justified and the justifications documented.

### **(b) On-going Monitoring and Review**

- ❑ Monitor regularly the ethical conduct of the existing associate/honorary/resident obstetricians, e.g. taking into consideration any complaints from patients/staff, non-compliance with the hospital’s rules/policies etc. by senior management and the committee/panel.

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<sup>4</sup> *As resident obstetricians are employees of the Hospital, their recruitment and appointment should also follow the Hospital’s normal human resources policies and procedures. The recommendations here are supplementary only and not meant to replace the Hospital’s established human resources policies and procedures.*

**(c) Enforcement and Disciplinary Action<sup>5</sup>**

- ❑ Lay down the procedures for investigation of suspected/alleged misconduct on corruption and the consideration and taking of disciplinary actions, the disciplinary actions that may be taken (e.g. warning letter, suspension of service, termination of appointment/association), and the criteria/conditions (e.g. based on seriousness and frequency) warranting the different disciplinary actions.
- ❑ Communicate clearly to associate/honorary/resident obstetricians that misconduct will not be tolerated.
- ❑ Inquire into suspected/alleged misconduct on corruption of any associate/honorary/resident obstetricians (to be conducted by the committee/panel or a separate disciplinary committee, which should make decisions or recommendations to the Board/Council or Chief Executive), and take effective disciplinary actions.
- ❑ Report breaches of professional conduct to the relevant regulatory authorities or professional bodies as appropriate, and any possible offences (e.g. bribery, use of false instruments) to the law enforcement agencies concerned.

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<sup>5</sup> This refers to disciplinary action by the hospital as an employer or business partner, such as termination of appointment or admission privilege.

## 3.1 Control Framework

The following are the basic internal control framework that should be put in place for management of the booking requests and allocation of delivery service bookings.

### (a) Clear Policies, Guidelines and Procedures

- ❑ Lay down the policies, criteria, guidelines and procedures for the management of booking requests and allocation of delivery service bookings, such as quota management, allocation policies and criteria, processing of booking requests, etc. and review them regularly.
- ❑ Define clearly the roles and responsibilities of each level of staff or post and the approving authorities for various transactions.

### (b) Checks and Balances

- ❑ Segregate duties in corruption-prone processes as far as practicable, e.g.
  - the duty of receiving and recording booking requests should be segregated from the duty of accepting requests and allocation of delivery service bookings; and
  - clinical audit should be conducted by a staff member other than the one accepting the booking request.

### (c) Record-keeping

- ❑ Require the staff responsible for the acceptance and allocation of delivery service bookings to keep proper and sufficient record of important activities (e.g. booking requests received, acceptance of request in exceptional cases and the justifications etc.).
- ❑ Safeguard important records and documents from tampering.

### (d) Supervision

- ❑ Engage a remunerated employee, where practicable and resources permit, to manage and run the hospital O&G Department/Unit for closer supervision and to enhance independence of the Department/Unit from obstetricians in private practices.
- ❑ Require supervisors to closely monitor the allocation of delivery service bookings, and conduct spot checks to deter and detect irregularities.

- ❑ Provide senior management with reports to facilitate their monitoring of the activities and trends.

#### **(e) Transparency and Feedback Channel**

- ❑ Make transparent the hospital's policies, booking procedures, availability of delivery service bookings, fees and charges, etc. to users, as appropriate.
- ❑ Establish a user-friendly, trustworthy and confidential channel for feedback from patients, staff and business partners, and assign independent staff to investigate any suspected irregularities.

#### **(f) Independent Audit**

- ❑ Carry out regular audit on the allocation of delivery service bookings.

### **3.2 Management of Quota**

Management of the hospital's quota for delivery service booking is a corruption prone function as it affects/determines the quota available to different parties and the manner in which quota are allocated. It is therefore necessary to lay down clear quota allocation policies and procedures and put in place adequate safeguards to ensure proper management and allocation of the quota.

It is understood that some hospitals allocate a preset quota to each individual resident/associate/honorary obstetrician, while others allocate only a common pool of quota to each type of obstetricians (e.g. resident and associate obstetricians). There are advantages and risks for each approach and hospitals should put in place adequate and appropriate safeguards in each approach:

- ◆ Common pool of quota – This approach makes the quota open for booking by all patients on a first-come-first-served basis regardless of their choice of obstetrician, and may thus be more patient-oriented. However, this approach may allow less control by the hospital over the distribution of delivery service bookings among obstetricians of different seniority and reputation, allow some (e.g. those associated with Mainland agencies) to obtain a large number of bookings, and expose the obstetricians/staff to greater risk of corrupt approaches. Hence, a robust appointment booking system with strong controls is required for this approach to ensure bookings are allocated on a first-come-first-served basis.

- ◆ Quota for individual obstetricians – This approach may allow the hospital greater control over the distribution of bookings among obstetricians of different seniority and reputation, put a limit on the risk of possible abuse by a few obstetricians, and create less corruption opportunity in the booking process. On the other hand, there may be risk of favouritism or perceived favouritism in the allocation of quota to individual obstetricians, and risk of an unscrupulous obstetrician “selling” the quota allocated to him. Hence, a fair, objective and robust system for the allocation of quota is particularly important.

#### **(a) Quota Allocation**

- ❑ Preset the annual and monthly quota (i.e. available delivery service booking or “bed space”) for Hong Kong residents and non-Hong Kong residents, as appropriate, and the quota for different categories of users (e.g. for resident obstetricians and associate obstetricians, for hospital staff as staff benefit, etc.), as necessary.
- ❑ Require the proposed allocation of quota for delivery service bookings to be approved by a panel comprising senior management (e.g. chaired by the hospital Chief Executive) and/or the Board/Council members.
- ❑ Assign a person without any actual or perceived conflict of interest (e.g. an honorary/associate obstetrician with his own private practice would have perceived conflict) to take up the quota allocation duty.
- ❑ Lay down the criteria for allocating preset quota to individual obstetricians (where the hospital adopts such an approach), which may include reputation, experience etc., and periodically review the quota for individual obstetricians.
- ❑ Prohibit the allocation of quota to any agencies (e.g. agencies for Mainland users).
- ❑ Define clearly the eligibility criteria if the hospital allocates a quota or gives priority to staff (e.g. whether only the staff or the staff’s spouses and family members are entitled).

#### **(b) Quota Utilization**

- ❑ Allocate quota/delivery service booking to patients adopting the first-come-first-served principle.
- ❑ Require any unused quota to be returned to the hospital for re-allocation, in cases where a fixed quota has been allocated to individual or a group of obstetricians (i.e. the obstetricians should not be allowed to accumulate unused quota).

- ❑ Lay down policy and criteria, and approval procedures, for utilization of the buffer quota, if maintained.
- ❑ Prohibit parties (e.g. associate obstetrician) with access to the quota from charging any patients additional fees for using the quota.

**(c) Transparency**

- ❑ Make transparent to the public or prospective users, as far as practicable and where considered appropriate, information about the hospital's quota system, including:
  - quota available from the hospital's antenatal clinic; and
  - the hospital's quota allocation policy (e.g. those in (b) above).

### **3.3 Delivery Service Booking**

The delivery service booking process is corruption-prone as it is usually performed by relatively junior staff without adequate system control. Hospitals should consider adopting the following measures where applicable to reduce the risk of corruption or malpractice.

**(a) Duties**

- ❑ Set out the process, duties and authorities for each post involved, which should commensurate with the ranks/seniority.
- ❑ Segregate the following duties, as far as practicable:
  - receipt and initial handling of booking requests;
  - acceptance of booking requests and maintenance of booking records;
  - vetting of appointments made; and
  - pre-admission checks to ensure compliance with admission criteria, matching of information provided at booking, etc.

**(b) Policies and Method of Booking**

- ❑ State clearly who may make booking requests (e.g. resident and associate obstetricians). Booking requests from agencies should not be considered.

- ❑ State the allowable method(s)/channel(s) for submitting booking requests (e.g. by fax to a designate fax number, by email, or through the antenatal clinic).
- ❑ State the policy on processing booking requests is on a first-come-first-served basis, and when a booking request is regarded as received and will be processed/considered (e.g. when all the necessary information on the booking form is provided).
- ❑ Prohibit the substitution of patients for appointments made (any unused/cancelled appointments should be returned to the hospital for re-allocation).

**(c) Computerization of Booking Process**

- ❑ Computerize the booking process/recording of bookings as far as resources permit, using a database management system with adequate access controls and data integrity safeguards.
- ❑ Restrict the right of access to the system/records to staff members on a need-to-know basis (e.g. different level of access rights may be given to different level of staff depending on authority and need).
- ❑ Require counter-checking and authorization of a senior staff on amendments to key data such as patient name, booking order and dates, room type booked, etc. and log all changes with audit trail.
- ❑ Ensure that the system generates periodic reports showing quota/delivery service booking utilization, number of delivery service booking by each obstetrician, and the place of residence of the patients, etc., and exception reports showing amendments to key data, exceeding of quota, etc. to allow management/supervisors to regularly monitor booking situations.

**(d) Receipt and Handling of Booking Forms**

- ❑ Require the requesting obstetrician to supply and certify correct all information specified on the booking form to enable the processing officer to assess whether the booking can be accepted (e.g. expected date of confinement, blood test result, medical situations determining whether a non-Hong Kong pregnant woman is high-risk or not).
- ❑ Process only forms furnished with all the specified information.

- ❑ Put in place a sound mechanism for recording the date and time of receipt of each booking form, e.g.
  - set the fax machine to print a receiving-end timestamp (if supported); or
  - apply a timestamp on each form using a timestamp device immediately upon receipt.
- ❑ Require obstetricians to immediately notify/update hospitals on any changes to information on the booking form.
- ❑ Consider receiving requests via an electronic system for better control and audit tracking capability, where practicable.
- ❑ Acknowledge receipt of booking forms within a specified timeframe, and make known the pledge to all obstetricians with admission privileges.
- ❑ Require booking requests to be input into the computer system (if used) as soon as possible.
- ❑ Require supervisors to conduct checks at random on the booking requests received by fax against the fax machine journal and the entries in the computer (if used) to ensure there are no missing forms or entries, the order of the requests are assigned according to the time of receipt, and no unauthorized changes such as insertion of a late booking (queue-jumping) or unauthorized change of the room type of an existing booking, and no unauthorized exceeding of quota.
- ❑ Require supervisors and management to review periodic and exception reports to ensure that the bookings are in order and to check if there are any irregularities.

**(e) Acceptance and Vetting of Booking Requests**

- ❑ Lay down clear and specific criteria for acceptance of booking requests (with reference to the guidelines issued by relevant bodies e.g. the Hong Kong College of Obstetricians and Gynaecologists, Department of Health).
- ❑ Assign a senior professional staff or a panel of professional staff, where possible, to vet the acceptance of booking requests for compliance with policy and guidelines issued.

## (f) Transparency

- ❑ Make transparent, through various channels including the hospital's website, to the public or prospective users the hospital's booking policies and arrangements, e.g.
  - methods of booking appointments with the hospital (see also 3.2(c));
  - detailed information about the hospital's obstetric services and packages and all fees and charges;
  - a policy statement that bookings are accepted on a first-come-first-served basis and the hospital does not, and no one is authorized by the hospital to, charge additional fees for allocation of an appointment;
  - where practicable, update information on delivery service booking slots available; and
  - an enquiry/feedback channel.

### 3.4 Handling of Cancelled Delivery Service Booking

Bookings may be released as a result of cancellations or from the buffer zone each month. The handling of released delivery service booking is often overlooked, providing an opportunity for staff to tip off befriended obstetricians/agencies so that they can secure them at the earliest moment. To put in place a mechanism to properly handle released bookings, hospitals should:

- ❑ Lay down the policy and method for handling and allocating such delivery service booking, e.g.
  - where the delivery service booking date is more than a specified period of time away, offer it to patients on the waiting list first, and then to the patients of the hospital's antenatal clinic or associate obstetricians if it is not filled;
  - where the cancelled delivery service booking date is less than a specified period of time away, leave it unfilled, or allocate it only with approval by the proper authority.
- ❑ Put in place an open, fair and transparent method to inform the resident/honorary/associate obstetricians of vacancies that become available, such as by email notification to all at the same time.
- ❑ Conduct audit checks on the utilization of bookings released to see if there are any anomalies, e.g. frequent use by a particular obstetrician.

### 3.5 Security Control of Confirmation Certificate on Delivery Booking

The standardized Confirmation Certificates on Delivery Booking centrally distributed by the Department of Health (DH) to hospitals for their issuance to Mainland pregnant patients are numbered and carry authentication features to deter fraud<sup>6</sup>. Hospitals should follow DH's directions/guidelines on the use of the certificates. To prevent misuse of the blank certificates, security control should also be put in place in the hospitals from the point of receipt until issue to the patients.

#### (a) Overall Control

- ❑ Appoint a sufficiently senior staff member as the controller of blank certificates, to be responsible for and supervise the safekeeping and issuing of blank certificates (to user departments) and the disposal and accounting of voided certificates.
- ❑ Restrict access to and handling of the stock of blank certificates to a limited number of staff on a need basis, and designate the staff members authorized to withdraw blank certificates for use.
- ❑ Maintain accurate and up-to-date inventory records of the certificates including their stock level and details (e.g. date, time, certificate numbers involved, handling staff members) of movements (including receipt, issue, return, disposal, etc.).
- ❑ Segregate the duties of control of the certificates and updating of the inventory records (i.e. the two duties should be carried out by different staff).
- ❑ Restrict access to the inventory records/database to designated staff and put in place adequate access/security controls.

#### (b) Receipt and Safekeeping

- ❑ Check the number of blank certificates received before acceptance, and promptly record the quantity received, which should be certified/verified by the controller.

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<sup>6</sup> The new standardized "Confirmation Certificate on Delivery Booking" was introduced on 23 September 2011.

- ❑ Store blank certificates in a secure cabinet:
  - locked with the key kept by the controller, or double-locked with the keys held separately by the controller and another staff member to further strengthen control if necessary;
  - with duplicate key(s) kept by other staff member(s) under seal for contingency.

**(c) Control of Use**

- ❑ Issue blank certificates to authorized staff members only and promptly record the issue.
- ❑ Require designated staff members to verify the information on each certificate against service/medical records before it is certified and issued.
- ❑ Require blank certificates to be returned for safekeeping in the cabinet at the end of each day.
- ❑ Retain a photocopy of each certificate issued, marked “COPY”, for future reference and auditing purpose.
- ❑ Require the controller to conduct daily reconciliation of inventory records of blank certificates, number/copies of certificates issued/voided, and number of relevant obstetric delivery service appointments made, to ensure they tally.
- ❑ Conduct spot checks on the stock and inventory records of blank and voided certificates by senior staff members, internal audit, etc.

**(d) Handling/Accounting for Voids**

- ❑ Mark “CANCELLED” immediately on any damaged/voided certificates to prevent misuse and return them to the controller for safe keeping.
- ❑ Maintain a record of the certificates damaged/voided.

### 3.6 Conduct of Clinical Audit

Mainland pregnant women will be subjected to a set of screening criteria laid down by the hospitals. There is a risk that unscrupulous obstetricians may provide false/inaccurate information at the time of booking so as to secure an appointment for a Mainland patient not meeting the criteria, with or without the connivance of the hospital's booking staff. It is therefore necessary to conduct clinical audit on such patients. Hospitals should:

- ❑ Put in place a system and procedures to conduct clinical audit on cases of non-Hong Kong resident patients, following the clinical audit system formulated by the Hong Kong College of Obstetricians and Gynecologists, and the Hong Kong College of Paediatricians.
- ❑ Arrange more than one qualified staff members to conduct the clinical audit, where resources permit.
- ❑ Investigate and maintain records of abnormal cases or cases of non-compliance/breaches.
- ❑ Lay down the procedures and actions to be taken on obstetricians with non-compliance/breaches, e.g. warning or termination of employment/association for obstetricians with repeated non-compliances.

## Introduction

1. The (*name of company*) (hereafter referred to as the Company) regards honesty, integrity and fair play as our core values that must be upheld by all directors and staff<sup>1</sup> of the Company at all times. This Code sets out the basic standard of conduct expected of all directors and staff, and the Company's policy on acceptance of advantage and handling of conflict of interest when dealing with the Company's business.

## Prevention of Bribery

### Prevention of Bribery Ordinance

2. Under the Prevention of Bribery Ordinance (the Ordinance), any director or staff member who, without the permission of his employer or principal (i.e. the Company), solicits or accepts an advantage as a reward or inducement for doing any act or showing favour in relation to the latter's business, commits an offence. The person offering the advantage also commits an offence.

(The relevant provisions of Section 9 of the Ordinance and the definition of "advantage" are detailed at **Annex 1**.)

### Acceptance of Advantage

3. It is the Company's policy that directors and staff should not solicit or accept any advantage for themselves or others, from any person, company or organization having business dealings with the Company, except that they may accept (but not solicit) the following advantages when offered on a voluntary basis:

- (a) advertising or promotional gifts or souvenirs of a nominal value; or
- (b) gifts given on festive or special occasions, subject to a maximum limit of \$\_\_\_\_\_ in value; or
- (c) discounts or other special offers given by any person or company to them as customers, on terms and conditions equally applicable to other customers in general; or
- (d) gifts or souvenirs of nominal value presented to them in official functions.

No director or staff member should accept any advantage from a subordinate, except those mentioned in paragraphs (a) and (b) above.

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<sup>1</sup> "Staff" cover full-time, part-time and temporary staff, except where specified.

4. Gifts or souvenirs described in paragraph 3(d) above are deemed as offers to the Company. The directors and staff members concerned should report the acceptance to the Company and seek direction as to how to handle the gifts or souvenirs from *the approving authority*<sup>2</sup> using Form A (**Annex 2**). If a director or staff member wishes to accept any advantage not covered in paragraph 3, he/she should also seek permission from *the approving authority* using Form A.

5. However, a director or staff member should decline an offer of advantage if acceptance could affect his/her objectivity in conducting the Company's business or induce him/her to act against the interest of the Company, or acceptance will likely lead to perception or allegation of impropriety.

6. If a director or staff member has to act on behalf of a client in the course of carrying out the Company's business, he/she should also comply with any additional restrictions on acceptance of advantage that may be set by the client.

### **Offer of Advantage**

7. Directors and staff are prohibited from offering advantages to any director or staff of another company or organization, for the purpose of influencing such person or company in any dealings, or any member or staff of a government department or public body while having business dealings with the latter, whether directly or indirectly through a third party, when conducting the Company's business.

### **Entertainment**

8. As defined in Section 2 of the 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, a director or staff member should avoid accepting overly lavish or frequent entertainment from persons with whom the Company has business dealings (e.g. suppliers or contractors) or from his/her subordinates to avoid placing himself/herself in a position of obligation.

### **Records, Accounts and other Documents**

9. Directors and staff should ensure that all records, receipts, accounts or other documents they submit to the Company, give a true representation of the events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the Company, regardless of whether there is any gain or advantage involved, may constitute an offence under the Ordinance.

### **Compliance with Laws of Hong Kong and in Other Jurisdictions**

10. Directors or staff must comply with all local laws and regulations when conducting the Company's business, and also those in other jurisdictions when conducting business there.

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<sup>2</sup> Specify the post of the approving authority in the Code and the Form.

## Conflict of Interest

11. Directors and staff should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Company) or the perception of such conflicts. They should not misuse their position or authority in the Company to pursue their own private interests which include both financial or personal interests and those of their family members, relatives or close personal friends. When actual or potential conflict of interest arises, the director or staff member should make a declaration to the management through the reporting channel using Form B (**Annex 3**).

12. Some common examples of conflict of interest are described below but they are by no means exhaustive:

- (a) A staff member involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the Company.
- (b) One of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the staff member involved in the process.
- (c) A director of the Company has financial interest in a company whose quotation or tender is under consideration by the Board.
- (d) A staff member (full-time or part-time) undertaking part-time work with a contractor whom he is responsible for monitoring.

## Use of Company Assets

13. Directors and staff in charge of or having access to any Company assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the Company's business. Unauthorized use, such as misuse for personal gain, is strictly prohibited.

## Confidentiality of Information

14. Directors and staff should not disclose any classified information of the Company without authorization or misuse any Company information (e.g. unauthorized sale of the information). Those who have access to or are in control of such information, including information in the Company's computer system, should at all times protect the information from unauthorized disclosure or misuse. Special care should also be taken in the use of any personal data, including directors', staff's and customers' personal data, to ensure compliance with the Personal Data (Privacy) Ordinance.

## Outside Employment

15. Any full time staff who wish to take up employment outside the Company, must seek the prior written approval of *the approving authority*. The approving authority should consider whether the outside employment would give rise to a conflict of interest with the staff's duties or the interest of the Company.

## Relationship with Suppliers, Contractors and Customers

### Gambling

16. Directors and staff are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the Company.

### Loans

17. Directors and staff should not accept any loan from, or through the assistance of, any individual or organization having business dealings with the Company. There is however no restriction on borrowing from licensed banks or financial institutions.

*[The Company may wish to include other guidelines on the conduct required of directors and staff in their dealings with suppliers, contractors, customers, and other business partners as appropriate to specific trades.]*

## Compliance with the Code

18. It is the responsibility of every director and staff member of the Company to understand and comply with this Code, whether performing his company duties in or outside Hong Kong. Managers and supervisors should also ensure that the staff under their supervision understand well and comply with this Code.

19. Any director or staff member in breach of this Code will be subject to disciplinary action, including termination of appointment. In cases of suspected corruption, a report will be made to the ICAC, and of other criminal offences, to the appropriate authority.

20. Any enquiries about this Code or reports of possible breaches of this Code should be made to (post of designated senior staff).

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(Name of Company)

Date :

## Extracts of the Prevention of Bribery Ordinance

### Section 9

(1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his –

- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
- (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(2) Any person, who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's –

- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
- (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document –

- (a) in respect of which the principal is interested; and
- (b) which contains any statement which is false or erroneous or defective in any material particular; and
- (c) which to his knowledge is intended to mislead the principal,

shall be guilty of an offence.

(4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

(5) For the purpose of subsection (4) permission shall –

- (a) be given before the advantage is offered, solicited or accepted; or
- (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purpose of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

### Section 2

**'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.

**'Entertainment' means :**

The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

### Section 19

In any proceedings for an offence under this Ordinance, it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.

**(Company Name)**  
**REPORT ON GIFTS RECEIVED**

**Part A – To be completed by Receiving Staff**

To : (Approving Authority)

Description of Offeror :

*Name & Title of Offeror :* \_\_\_\_\_

*Company :* \_\_\_\_\_

*Relationship (Business / Personal) :* \_\_\_\_\_

Occasion on which the Gift  
was / is to be received :

\_\_\_\_\_

Description & (assessed) value of the Gift :

\_\_\_\_\_

*Suggested Method of Disposal :*

*Remark*

( ) Retain by the Receiving Staff \_\_\_\_\_

( ) Retain for Display / as a Souvenir in the Office \_\_\_\_\_

( ) Share among the Office \_\_\_\_\_

( ) Reserve as Lucky Draw Prize at Staff Function \_\_\_\_\_

( ) Donate to a Charitable Organization \_\_\_\_\_

( ) Return to Offeror \_\_\_\_\_

( ) Others (please specify) : \_\_\_\_\_

(Date)

\_\_\_\_\_  
(Name of Receiving Staff)

(Title)

**Part B – To be completed by Approving Authority**

To : (Name of Receiving Staff)

The recommended method of disposal is **\*approved / not approved**. \*The gift(s) concerned should be disposed of by way of : \_\_\_\_\_

(Date)

\_\_\_\_\_  
(Name of Approving Authority)

(Title)

\* Delete as appropriate.

**(Company Name)**  
**Declaration of Conflict of Interest**

**Part A – Declaration** *(To be completed by Declaring Staff)*

To : (Approving Authority) via (supervisor of the Declaring Staff)

I would like to report the following actual/potential\* conflict of interest situation arising during the discharge of my official duties:-

<b>Persons/companies with whom/which I have official dealings</b>
<b>My relationship with the persons/companies (e.g. relative)</b>
<b>Relationship of the persons/companies with our Company (e.g. supplier)</b>
<b>Brief description of my duties which involved the persons/companies (e.g. handling of tender exercise)</b>

(Date) \_\_\_\_\_ (Name of Declaring Staff)  
 \_\_\_\_\_ (Title / Department)

**Part B – Acknowledgement** *(To be completed by Approving Authority)*

To : (Declaring Staff) via (supervisor of the Declaring Staff)

**Acknowledgement of Declaration**

The information contained in your declaration form of     (Date)     is noted. It has been decided that:-

- You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- You may continue to handle the work as described in Part A, provided that there is no change in the information declared above, and you must uphold the Company’s interest without being influenced by your private interest.
- Others (please specify) : \_\_\_\_\_

(Date) \_\_\_\_\_ (Name of Approving Authority)  
 \_\_\_\_\_ (Title / Department)

\* Delete as appropriate.





## Corruption Prevention Department

Independent Commission Against Corruption

303 Java Road, North Point, Hong Kong