



ecsecc
eastern cape socio economic
consultative council



ETHICS AND CONFLICT OF INTEREST POLICY

Policy Category: Governance



Document Information

Revision History

Version	Primary Author	Summary of Changes	Date
1	Chief Financial Officer	New Conflict of Interest Policy Development	May 2017
2	Chief Financial Officer	Inclusion of Ethics Chapter and minor amendments to Conflict of Interest Chapter	November 2018

Review

This document shall be reviewed every three years unless warranted sooner

Office responsible for review

Chief Financial Officer's Office

Approval




Name	Position	Signature	Date
Mr. Luvuyo Mosana	Chief Executive Officer		January 2019
Mr. Zolile Tini	Chairperson of Finance and Administration Board Sub-Committee		January 2019
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Table of Contents

CHAPTER 1: ETHICS	4
1 Scope.....	4
2 Policy statement	4
3 Acronyms and definitions	4
4 Ethical conduct.....	5
5 ECSECC core values and principles	5
6 ECSECC Board’s ethical responsibilities.....	5
7 Employees’ ethical responsibilities and rights	6
8 Responsibilities of ECSECC managers.....	6
9 Non-Adherence to ethical conduct	7
CHAPTER 2: CONFLICT OF INTEREST	8
10 Scope.....	8
11 Policy statement	8
12 Acronyms and definitions	8
13 Outside remunerated work.....	9
14 Details of registrable Interests to be disclosed	10
15 Minimum conduct requirements	11
16 Register of declarations	11
17 Confidentiality of submitted forms and register	11
18 Failure to disclose interests	11
19 Effective date	12
20 Review date.....	12

CHAPTER 1: ETHICS

1 Scope

The purpose of this document is to lay down a strict ethical code with which the Board of Directors, employees, contractors and all ECSECC stakeholders is required to comply with. This policy must be read in conjunction with the ECSECC Fraud Prevention Policy, Fraud Prevention Strategy and Plan, Information Communications Technology Policy and Human Resource Policy.

2 Policy statement

The ECSECC is committed to a policy of fairness, transparency, honesty, impartiality, objectivity, credibility, integrity and, above all, accountability, in the conducting of all its business affairs, both inside and outside the organization. This commitment is based on a fundamental belief in honest, fair and legal conduct in all business activities. ECSECC expect the Board, all its employees and stakeholders to share this commitment to high moral, ethical and legal standards.

The ECSECC's reputation of a solid foundation in good corporate governance, depends on the nature of every business transaction conducted by every individual daily. It is also built on an implicit set of values which inspires the Board and employees to maintain the highest ethical standards in all dealings with stakeholders, society at large, as well as relationships within the ECSECC.

The Code of Ethics has the full support of the ECSECC Board and the Senior Management and staff. It reflects the organization's commitment to what is right, fair, reasonable, legal and just and is on all fours with the Guidelines contained in the KING IV Code as well as the aims, objectives and provisions of PFMA.

In terms of ECSECC's Code of Conduct, employees are required to maintain the highest standards of integrity always.

3 Acronyms and definitions

For this policy, the following definitions have been used:

Code of Conduct	: refers to the Code of Conduct for the ECSECC.
Ethical Conduct	: Ethical conduct refers to standards of conduct or the ways in which we should behave, based on our moral values that arise from principles about what is right and wrong in our business environment. Ethical conduct is fostered and maintained when individual employees act with integrity, honesty and in good faith in all their business dealings. It is reflected in behaviour that adheres to this policy, adopts its principles and follows its guidelines.
ECSECC	: Eastern Cape Socio Economic Consultative Council
PFMA	: Public Finance Management Act
KING IV Code	: The King IV Report for Corporate Governance

4 Ethical conduct

A good reputation for honesty and integrity attracts and retains employees and stakeholders and ultimately has a direct bearing on the resources available to ensure that the entity consistently complies with its statutory mandate, thereby rendering it possible to make an increasingly bigger impact and contribution to the improvement of the quality of life of the people of this country. Furthermore, having strong ethical values and consistently displaying them in all activities, will derive added benefits, such as:

- 4.1 Improved business management;
- 4.2 increased productivity;
- 4.3 avoidance of litigation;
- 4.4 an enhanced organization image that attracts and retains talent; and
- 4.5 earning the public's goodwill.

5 ECSECC core values and principles

ECSECC encourages an organizational culture that lives by its core values listed below.

- 5.1 Non-racism;
- 5.2 Non-sexism;
- 5.3 Human dignity;
- 5.4 Democracy;
- 5.5 Transparency;
- 5.6 Professionalism;
- 5.7 Innovation;
- 5.8 Organizational Learning;
- 5.9 Constructive Criticism; and
- 5.10 Creating conditions for people to realize their full potential.

The Board of Directors, employees, contractors and all ECSECC stakeholders are expected to embrace these values and live them in their day-to-day internal and external work environment. In living these values, an ordinary man's test should always be applied when one is unsure whether or not their actions upholds these.

6 ECSECC Board's ethical responsibilities

The following is what is expected of the ECSECC Board:

6.1 The Board should lead ethically and effectively

Members of the Board, individually and collectively, should cultivate and exhibit in their conduct the shared values of the organisation. They should further lead with integrity, accountability and competency.

- 6.2 The Board should govern the ethics of the organisation in the way that supports the establishment of an ethical culture

The Board must ensure that policies and procedures are in place and implemented to manage the risk of unethical practices and behavior. The Board must further provide oversight of the management of ethics within the organisation. In fostering an ethical culture, the Board will ensure that, amongst other things:

- 6.2.1 Ethics policy is published on the ECSECC website;
- 6.2.2 Ethics policy is incorporated in HR and supply chain practices; and
- 6.2.3 The organization's risk assessment process considers risk of unethical behavior.

- 6.3 The Board should ensure that the organisation is seen to be a responsible corporate citizen

In ensuring that this the Board must ensure the organisation complies with the Constitution of South Africa (including the Bill of Rights), the law, leading standards and its own Code of Conduct and policies. Further, the Board must ensure that the organization's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen by providing oversight and monitoring the consequences of the organization's activities in areas such as workplace, economy, society and environment.

7 Employees' ethical responsibilities and rights

- 7.1 Familiarize yourself with this policy and all other ECSECC policies.
- 7.2 Request that you are familiarized with the full ECSECC Code of Conduct and your responsibilities in terms thereof.
- 7.3 Request to be made aware of and be sensitive to situations that could lead to unethical or illegal behavior and avoid such situations.
- 7.4 Do not tolerate and report unethical behavior in others.
- 7.5 Understand and keep up to date with South African laws and stakeholder requirements as these relate to your job.
- 7.6 Treat people with fairness, courtesy and sensitivity to their rights.
- 7.7 Perform your duties with honesty and integrity, to the best of your ability and the good of the ECSECC.
- 7.8 Communicate openly and honestly and act with commitment to achieve a fair, transparent and a responsible result.
- 7.9 Take responsibility and accept accountability for your actions and decisions.
- 7.10 Obtain authority for any public statement that may be interpreted as an official comment from the ECSECC.

8 Responsibilities of ECSECC managers

In addition to their ethical responsibilities and rights as ECSECC employees, managers have additional responsibilities resulting from their managerial duties:

- 8.1 A personal commitment to act according to the ECSECC's Code of Conduct, communicate this commitment to your employees and lead by example;
- 8.2 maintain a work environment that encourages open communication about business ethics issues and concerns, and one that promotes compliance with such ethics;

- 8.3 regularly review standards of conduct during team briefings;
- 8.4 ensure that the Code of Conduct is communicated clearly and available to all your employees;
- 8.5 ensure that appropriate ethics sensitization and training is provided;
- 8.6 familiarize yourself with the resources and processes available to assist in the resolution of questions and concerns about business ethics;
- 8.7 identify areas of risk in your business activities and establish ways to address potential contraventions of the Code of Conduct;
- 8.8 take responsibility for the conduct of your staff and ensure that serious or recurrent misconduct is dealt with appropriately; and
- 8.9 do not delegate discretionary authority to those employees who are unaware of or insensitive to the requirements of the ethics policy or guidelines.

9 Non-Adherence to ethical conduct

The organization has several policies that serve to guide and regulate employee business conduct such as the Fraud Policy, Code of Conduct, ICT Policy and all other ECSECC policies. These policies serve to protect the organization and the employee. All employees within the ECSECC are expected not to transgress these policies.

Non-adherence to this policy or transgression of the ethics will result in disciplinary action being taken in terms of the HR Policy.

Should an employee require clarification on any policy, he/she is encouraged to seek information from Senior Management.

CHAPTER 2: CONFLICT OF INTEREST

10 Scope

The purpose of this Policy is to articulate clearly ECSECC's philosophy on conflict of interest by employees and provide the controls, if observed, will allow a transaction to be valid and binding even though an employee has or may have a conflict of interest with respect to the said transaction. This policy applies to all employees. This policy must be read in conjunction with the ECSECC Fraud Prevention Policy, Fraud Prevention Strategy and Plan and Human Resource Policy.

11 Policy statement

Every employee shall, not later than 30 April of each year, disclose to the Accounting Authority or its delegate, on the form included herein, particulars of his or her registrable interests in respect of the year 1 April to 31 March of the particular financial year. Furthermore, should this change during the year, this disclosure should be amended by the employee.

Any person who becomes an employee during the year shall also disclose his or her financial interest.

The provisions of Section 38(1)(a)(i) of the Public Finance Management Act stipulates that the Accounting Authority is responsible for ensuring that the Entity has and maintains effective, efficient and transparent system of financial and risk management and internal control.

In terms of ECSECC's Code of Conduct, employees are required to maintain the highest standards of integrity at all times. In so doing, the Code of Conduct further requires employees to disclose all information relating to registrable financial interests.

12 Acronyms and definitions

For the purpose of this policy, the following definitions have been used:

Code of Conduct : refers to the Code of Conduct for the ECSECC.

Conflict of Interest : means a conflict between the public duties and private interests of an employee which could directly or indirectly influence the performance of the employee's official duties and responsibilities or the reputation of the ECSECC in its relationships with its stakeholders. It arises when the private interests of the employee interfere with or has the potential to interfere with their ability to conduct their public duties. Conflicts of interest have been categorized as:

- Perceived Conflict of interest: where it appears that an employee's private interests could improperly influence the performance of their duties.
- Potential Conflict of Interest: where the employee has private interests that could conflict with their official duties.

- Actual Conflict of Interest: where the employee's interest actually interferes with the ability to conduct his/her public duties in a proper manner because of their private business.

Declaration of Interest	: means the process whereby an employee declares all his/her registrable interests and those registrable interest of his/her spouse/partner.
Outside Remunerated Work	: means any work performed by an employee outside ECSECC for which reward or payment for services is received by the employee.
Partner	: means a person (not necessarily a spouse) with whom the employee cohabits and/or shares a long-term hetero-sexual or homosexual relationship.
Registrable Interest	: means the following financial interest:- (a) Shares and other financial interests in private or public companies and other corporate entities recognized by law; (b) Directorships and partnerships; (c) Remunerated work outside ECSECC; (d) Consultancies and retainerships; (e) Sponsorships; and (f) Gifts and hospitality from a source other than a family member.
Remuneration	: means any benefit received in cash or in kind.
Spouse	: means a marriage partner, husband or wife of the employee.

13 Outside remunerated work

No employee may perform or engage himself or herself to perform remunerated work outside his or her employment by ECSECC without permission granted by the accounting authority or an officer authorized by the said authority.

In deciding whether to grant permission, the accounting authority shall at least take into account whether or not the outside work could reasonably be expected to interfere with or impede the effective or efficient performance of the employee's functions within ECSECC or constitute a contravention of the Code of Conduct.

The permission must be granted on an annual basis.

No employee may claim any additional remuneration in respect of any official duty or work which he or she performs voluntarily or is required by the accounting authority or its delegate to perform.

An employee may not use ECSECC's letterhead, personnel, equipment, supplies or other resources for activities not related to ECSECC nor may an employee do personal or private activities during times when he/she is required to do work for ECSECC.

An employee may not hold an employment position with anyone that conducts business with the ECSECC.

14 Details of registrable interests to be disclosed

The following details of registrable interests shall be disclosed: -

- 7.1 Shares and other financial interests in private or public companies and other corporate entities recognized by law: -
 - The number, nature and nominal value of shares of any type in any public or private company and its name, and
 - The nature and value of any other financial interests held in private or public company or any other corporate entity and its name.
- 7.2 Directorships and partnerships
 - the name and type of business activity of corporate entity or partnership, and
 - if applicable, the amount of any remuneration received for such directorships or partnerships (applicable to employees only).
- 7.3 Remunerated work outside the Entity: -
 - the type of work, and
 - the name and type of business activity of the employer
- 7.4 Consultancies and retainerships: -
 - The nature of the consultancy or retainership of any kind, and
 - The name and type of business activity of client concerned.
- 7.5 Sponsorships: -
 - The source and description of direct financial sponsorship or assistance, and
 - The value of the sponsorship or assistance.
- 7.6 Gifts and hospitality from a source other than a family member:
 - A description and the value and source of a gift with a value in excess of R350 (this is including money),
 - A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the 12 month period,
 - Hospitality intended as a gift in kind.

15 Minimum conduct requirements

An employee shall:

- Recuse him/herself from the process where a decision made that may result in or give the appearance of improper personal gain. In conducting official business make choices based on merit and in pursuance of public interest;
- Except for matters that the law requires the employee to keep confidential, conduct official affairs with the maximum feasible transparency and openness to public scrutiny.

An employees may not:

- In making a decision in an official capacity, take into account a material benefit for him/herself personally, or his/her family, friend or associates;
- In his or her private capacity enter into a transaction or otherwise act in a way that conflicts with or infringes upon the execution of his or her official duties, or appears to do so;
- In his or her private capacity, enter into a financial or other obligation to a private individual or organization that may influence the performance of his or her duties, or give the appearance that it may influence that performance;
- Use, conceal or disclose information received in his/her official capacity in a way that unfairly discriminates in favor of him/herself or particular individuals;
- Cause, try to cause or help another employee of the ECSECC to do anything that would violate any provision of this policy;
- Knowingly request or accept any interest, employment or reward which would breach this policy; and
- Conduct any work relating to his/her registrable private interests during times when he/she is required to do work for the ECSECC.

16 Register of declarations

The Declaration of Interest forms will be submitted, and a register compiled.

17 Confidentiality of submitted forms and register

The following shall have access to the submitted forms and/or register of declarations: -

- The Board of Directors;
- The Chief Executive Officer;
- Human Resource Manager;
- The Compliance Officer; and
- The Assurance Providers.

18 Failure to disclose interests

Any employee who: -

- fails to disclose a registrable interest in terms of this policy, or
- when disclosing a registrable interest wilfully provides incorrect or misleading details,

is guilty of misconduct. The disciplinary procedures per the Human Resource Policy will be followed.

19 Effective date

This policy is effective from date of signature and shall apply prospectively.

20 Review date

This policy shall be review every 3 (three) years unless warranted sooner.

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