


## Policy on Conflict of Interest

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Approved By	Acting CEO 
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## Table of Contents

Aiming for ISO 9001 compliance	
1. Glossary of Terms	3
2. Introduction	5
3. Purpose of Policy	5
4. Scope of Policy	5
5. Who is affected by the Policy	5
6. Ownership	5
7. Regulatory Framework	5
8. General requirements for disclosures of conflict of interest	6
9. Non-financial conflicts of interest	7
10. Financial Conflicts of interest	7
11. Financial disclosures	7
12. Paid work outside the NRCS employment	8
13. Approval for undertaking Remunerated work	8
14. Criteria considered when granting approvals	9
15. Other Conflicts of interest measures (as derived from PSC report)	11
16. Disciplinary action	11
17. Appendices and References	11
18. Maintenance and review of this policy	12
19. Compliance Audit and Enforcement	12
20. Replacement and withdrawal	12
21. Revision particulars	12
22. Annexure A	13

## 1. Glossary of Terms

<b>Financial Interest</b>	Financial benefits will be derived. Can be in the form of shares (equity), ownership of property, benefits or services (free). It refers to any interest that would result in a financial benefit that would otherwise have to be acquired.
<b>Non-financial Interest</b>	Non -financial is tacit - it may benefit friends, relatives or reputation.
<b>Conflict of Interest</b>	A conflict between NRCS duties and private interest of any NRCS employee, in which the NRCS employee has private capacity interest which could improperly influence the performance of his/ her NRCS duties and responsibilities
<b>Remunerated work</b>	For the purpose of this policy, an employee performs remunerated work if s/he renders services for which s/he is compensated or benefits in any way, whether in cash, in kind, or as hospitality and receives this from another source other than the NRCS as employer.
<b>NRCS</b>	National Regulator for Compulsory Specifications
<b>Business associate</b>	A partner in a business venture joined in with the employee, or a person performing certain functions or activities that involve creation, use or disclosure of information on behalf of, or as provider of these services to the employee.
<b>Close members of the family/ immediate family member:</b>	Close members of the family are those family members who may be expected to influence, or be influenced by, that NRCS employee in their dealings with NRCS. They may include: NRCS employee's domestic partner and children, Children of NRCS employee's domestic partner, dependents of NRCS employee or the employee's domestic partner, NRCS employee's mother, father, sibling, child, spouse, grandparent, grandchild, including step and foster relationships including aunt, uncle, cousin, in-laws or other person that have a relationship with the NRCS employee.

<p><b>Ethical point of view:</b></p>	<p>From both in their individual conduct and in their relationship with others.</p>
<p><b>Ethical decision :</b></p>	<p>A decision that has considered whether such would be in line with:</p> <ul style="list-style-type: none"> <li>a) Internationally accepted standards / norms (eg. UN Global Compact), for the greater good with least damage to those that will be affected.</li> <li>b) Consistent with the laws of a country</li> <li>c) Social norms / customs of a country</li> <li>d) Company policy</li> <li>e) Own value system</li> </ul> <p>In this above order of priority</p>

## **2. Introduction**

The policy combines and demonstrates relationships as well as the practical implications regarding the Code of Conduct, financial disclosures and applications for approval of paid work outside the NRCS employment.

It also draws on the 2006 Public Service Commission Report on managing conflicts of interest and assists with the NRCS' drive to implement its values of delivery, trust and integrity. In this regard it is regarded as one of the key instruments to guide behavior underpinning the NRCS employees and NRCS Fraud Prevention Strategy in promoting compliance and imparting value based approach.

## **3. Purpose of Policy**

The policy provides guidance on the expected ethical conduct of all NRCS employees and external committee members on conflict of interest. It notably deals with the disclosure of conflict of Interest or potential conflict of interest (i.e. before it becomes a conflict), as well as financial interests, and governs remunerated work outside the NRCS employment.

In this regard it emphasises the requirements and consequences for non-disclosure of conflict of interests (including financial) and / or not obtaining due approval to perform remunerated work outside the NRCS employment.

## **4. Scope of Policy**

The policy deals with the requirements for disclosure of financial interest and paid work outside the NRCS employment for all NRCS employees and Committee Members.

## **5. Who is affected by the Policy**

The policy applies to all NRCS employees irrespective of post level or appointment type, including temporary workers, contract appointees and interns and External Committee Members.

## **6. Ownership**

Governance Structures of the NRCS will administer this policy.

## **7. Regulatory Framework**

The policy is informed by the following:

Public Service Act, 1994 as amended

Public Service Regulations, 2003 (code of conduct)  
NRCS Fraud Prevention Plan  
The Prevention of Corrupt Activities Act, 2004 (Act 12 of 2004)  
NRCS Whistle Blower Policy  
NRCS Act, Act No. 5 of 2008  
NRCS Conditions of Service

## **8. General requirements for disclosures of conflict of interest**

- 8.1. All NRCS employees shall as soon as they become aware of any conflict of interest, or a potential conflict of interest emanating from any aspect of his/her employment, disclose that potential conflict of interest. If there is a conflict of interest, the employee shall immediately cease all participation in the process where the potential conflict of interest exists. The interest may be financial or non-financial.
- 8.2. In principle, all employees are expected to employ their energy and commitment at the disposal of the NRCS
- 8.3. If an external committee member or an employee or his or her spouse, immediate family member, life partner or business associate, has any direct or indirect financial or other interest in any matter to be dealt with by the NRCS in any forum or meeting.
- 8.3.1.1. Must disclose that interest and its extent at the beginning of the meeting by signing the prescribed form for conflict of interest declaration at the meeting, and thereafter verbally excuse him / her from the consideration of the matter in which he/she has an interest;
- 8.3.1.2. May participate in the consideration of that matter if the interest or potential interest is immaterial or trivial;
- 8.3.1.3. May not in any way endeavour to influence the opinion or vote of any other member on the relevant matter.
- 8.4. The Chairpersons of all NRCS committees or meetings must request that all members present in the meetings declare conflict/potential conflict of interest (in the manner contemplated in paragraph 8.3 above)
- 8.5. Signatories to all NRCS submissions and Memorandums that would require decision, or influence decision one way or the other, must indicate if there is a conflict or potential conflict of interest.

## **9. Non-financial conflicts of interest**

- 9.1. An ordinary NRCS employee must disclose non-financial conflict of interest to their Line Managers if and when these occur.
- 9.2. Managers or Senior Managers, General Managers, and Executives must disclose to the next reporting level. CEO must disclose to the Minister.
- 9.3. All Governance units should ensure that all employees of the NRCS comply by conducting annual reviews and monitoring exercises, and reporting on these to the Audit and Risk Management Committee.

## **10. Financial Conflicts of interest**

- 10.1. All NRCS employees must disclose their financial interests regarding the previous financial year on the prescribed form within 30 days of the end of the financial year. This will be kept on file or captured on a safe and secured database and submitted to the Auditors or Public Service Commission (PSC) as may be required.
- 10.2. All other employees must disclose to their line managers any financial interests that may conflict with their day-to-day operations.
- 10.3. Should the circumstances change after their initial financial disclosure in 10.1 above and new facts become available, the official must immediately disclose the additional information by completing an additional financial disclosure form and submitting it directly to the relevant Corporate Governance unit.

## **11. Financial disclosures**

- 11.1. All newly appointed managers (Manager upwards) must obtain and complete the prescribed financial disclosure forms. These are available from the Human resources department, any governance unit or can be accessed on the NRCS intranet and should be returned within 14 days after commencement of duty with the NRCS.
- 11.2. Existing managers (Manager upwards) must disclose all their financial interests in the prescribed form by 30 April each year for the period 1 April for the previous year to 31 March of the year in question.
- 11.3. The disclosure form referred to in 10.1 above, must reflect the financial interest during the 12-month period covered by the disclosure period and should include remuneration for paid outside work. Disclosure of the remuneration received should not be confused with approval to perform the work and receiving the remuneration. The former is after the fact, whereas the latter precedes the actual action.

## **12. Paid work outside the NRCS employment**

- 12.1. Employees may not undertake or perform any work outside the scope of their employment with the NRCS for which they receive remuneration of any kind, whether in cash, kind or as hospitality, without prior approval as per NRCS delegations.
- 12.2. There may be exceptional circumstances where approval may be granted for an employee to undertake remunerated work in addition to his / her work, provided this will not negatively impact on the NRCS 'service delivery capacity
- 12.3. Consequently, the employee may not without prior approval, whether during or outside of working time, on or off the premises,
  - 12.3.1. Undertake any other employment for remuneration outside his/ her employment with the NRCS,
  - 12.3.2. Be a director or officer or member of any company or corporation
  - 12.3.3. Carry on, or be directly associated with, or interested in, any other business, and/or
  - 12.3.4. Hold any other office or position, whether competing with the business of the NRCS or not.
- 12.4. No NRCS employee is allowed to conduct business with the State (A government department, local government institution or any Public Entity), unless approval is granted by the Accounting Officer.
- 12.5. Any remuneration for additional work for which approval has not been granted vests with the NRCS and must be deposited into the NRCS Account (cashier's office). NRCS may institute legal action to enforce these provisions.

## **13. Approval for undertaking Remunerated work**

- 13.1. The CEO is authorised to approve additional remunerated work outside NRCS service for All NRCS employees in particular direct subordinates. Any other manager is authorised to approve an application from their subordinates. The employee will receive a written advice on the outcome of the application.
- 13.2. There is no right to approval for undertaking paid work in addition to NRCS employment, and the decision of the CEO is final in this regard. However, approval will not be withheld unreasonably, provided such office or activity will not result in any conflict of interest or interference with the employee's duties and responsibilities as NRCS



employee. Such approval may be granted on any conditions necessary to protect the interests of NRCS as the primary employer, and may be withdrawn at any time.

- 13.3. If approval is granted, the requirements of NRCS, as the primary employer, should take precedence over any other demands or conflicts of interest.
- 13.4. The Head of Business Units must report annually to the CEO on the number of approvals granted and declined.
- 13.5 All applications for directorships in companies are for the life time of your association with the respective company. Any other approval will be for a specific period and if not specified, approval will be limited to the respective financial year or maximum 12 months.
- 13.6 It remains the employee's responsibility to seek timeous approval for renewal should it be required. Applications for renewal should be submitted at least two months before expiry of the period to ensure timeous administration.

#### **14. Criteria considered when granting approvals**

- 14.1. The following criteria are considered, but is not exhaustive in the approval of remunerated work besides NRCS employment:
  - The demands of the position the employee holds in the NRCS service;
  - The impact such approval may have on the business unit's capacity to deliver;
  - The precedence that will be set by such approval;
  - The performance and attendance record of the employee and the extent to which s/he meets delivery requirements;
  - The nature and the extent of the work for which approval is sought;
  - The availability of other person(s) to undertake the work for which approval is sought;
  - Any conflicts of interest that may arise; and or
  - The image of NRCS and government.

## 14.2. Conditions for approval

Conditions pertaining to the approval granted to an employee to undertake additional remunerated work include:

- The responsibilities and commitments of NRCS employment over any employment;
- Non-impediment of the performance of his/ her official duties by the additional work;
- Additional work should be performed entirely outside of prescribed hours;
- No work may be undertaken outside of the NRCS which is in line with the mandate of the NRCS, and;
- No property, equipment, premises or any resources of NRCS or the state, including the NRCS's telephone and Internet facilities, may be used for such work. (Refer to the NRCS's policies on e-mail and Internet use).

## 14.3. Remuneration for additional duties within the scope of NRCS employment

14.3.1. Employees may be required, within the scope of their employment with the NRCS, to render service/s, which are paid for by other organisations (i.e. such service/s would be required by, and form part of the authorised functions of his / her position).

14.3.2. Any remuneration, allowance, fee of any kind of reward from such service/s must be paid into the NRCS Finance Department administered by the Chief Financial Officer of the NRCS. Should any amount of this nature be paid directly to the employee in error, s/he must declare this immediately and hand it over directly to the office of the Chief Financial Officer to be paid into NRCS account.

## 14.4. Acceptance of gifts

14.4.1. NRCS actively discourages both the giving of gifts by suppliers and potential suppliers, and the receipt of such gifts by employees. Any gift (whether in cash, kind or as hospitality) which compromises, or may compromise, the independent judgment of an employee to fulfil his/her duties and to act in the best interests of the state, should not be accepted and should be returned to the donor.

14.4.2. Subject to the provisions of 14.4.1 above, an employee may accept a gift (whether in cash, kind or as hospitality) that does not exceed R350 (three hundred and fifty

rand) or which cumulatively does not exceed R350 (three hundred and fifty rand) from a single source in the annual reporting cycle.

- 14.4.3. Any gift exceeding this amount (or the amount as revised by the Department of Public Service Administration (DPSA) from time to time) should be disclosed using the Declaration of Gift Form.

#### 14.5. Declaring acceptance of gifts

- 14.5.1. All NRCS employees must declare any gift in excess of the prescribed limit (currently R350 per annum cumulatively from a single source using the disclosure of conflicts of interest form.

- 14.5.2. Any gifts must be declared within 14 days after receiving it using financial disclosure form or Declaration of Gift Form and instances where the purpose thereof is doubtful, obtain approval first.

### 15. Other Conflicts of interest measures (as derived from PSC report)

NRCS employee may not:

- 15.1. Enter into any kind of private financial relationship with a superior or subordinate.  
15.1. Ask a subordinate to work on a political campaign or make a political contribution.

### 16. Disciplinary action

- 16.1. Failure by any employee of the NRCS, irrespective of post level, to comply with any provision of this policy constitutes misconduct and disciplinary action will be taken against him/ her.
- 16.2. Any employee who fails to make the required disclosures or who willfully provides incorrect or misleading information must or will be charged with misconduct.
- 16.3. Employees are further reminded of the content of the Prevention of Corrupt Activities Act and may be liable for criminal proceedings too.

### 17. Appendices and References

The following appendices will be attached, and form part of this policy

- a) Annexure A: Application for outside remunerated work

**18. Maintenance and review of this policy**

18.1. Similarly, each committee secretariat must retain copies of disclosures pertaining to the particular meeting and each line manager as the case may be.

18.2 The policy will be reviewed as and when required in line with the requirements of the NRCS Fraud Prevention Strategy and Risk Assessment Cycles. This will be aligned to any changes in legislation such as the NRCS Act or Prevention of Corrupt Activities Act.

**19. Compliance Audit and Enforcement**

19.1. This NRCS policy is subject to internal / external audits as part of the corporate governance strategy and fraud prevention plan.

19.2. The Governance Units shall monitor the effective implementation of this policy as instituted by various divisions.

19.3. All breaches of policies will be reported to the CEO/ relevant line manager upon discovery and dealt with in accordance with the provisions this policy. Breaches of the policy must also be monitored to assess the effectiveness and appropriateness of policies.

19.4. General training and awareness will take place on this policy and will be implemented.

**20. Replacement and Withdrawal**

This document replaces CPO 620-00

**21. Revision Particulars**

This is the first revision

**Annexure A: Application for approval to do outside remunerated work**

<b>1. Background Information</b>	
Name of Applicant	
Business Unit Name	
Position	
Employee Number	
Annual Package	
<b>2. Details on intended remunerated work</b>	
Describe the nature of work you are applying for permission to undertake	
Name and address of proposed employer	
Number of hours per week the proposed work will involve	
Remuneration to be earned	
<b>3. Motivation by applicant</b>	
Please give reasons why you wish to undertake the proposed work	
When do you plan to do the work	
Does the work involve the NRCS mandate	
What facilities or equipment do you intend using?	
Do you see any potential conflict of interest between your duties within the NRCS and the proposed additional work	
<b>4. Declaration by applicant</b>	
<p>I..... hereby apply for permission to undertake additional remunerated work outside the scope of my employment with the NRCS or public service. I understand and acknowledge that:</p> <ul style="list-style-type: none"> <li>• My responsibilities and commitments arising out of my employment with the NRCS take precedence over those of any other employment;</li> <li>• The additional work must be performed outside of my prescribed hours with the NRCS;</li> <li>• No property, equipment, premises or any resources of the NRCS or State may be used for the additional work;</li> <li>• The additional work should not hamper the performance of my official duties; and</li> <li>• If granted, approval will be for a specified period from the date of application, and may be withdrawn at any stage.</li> </ul>	
<b>5. Approval by the Manager</b>	
Please comment on the performance record of the applicant	
Please comment on the attendance record of the applicant including sick leave record	
Do you anticipate any conflict of interest between the proposed work and the applicant's duties, if yes please elaborate	
<p><b>Approved/Not Approved</b></p> <p>Signature:</p> <p>Date:</p>	