



Verwysing: 20191106-1297
Lêerno.: 5/1/7/4
Navrae: JT Solomons

Verkrygingsbestuursminuut: 0004/2019

Aan: Adjunk-direkteurs-generaal, Hoofdirekteure, Direkteure (Hoofkantoor en distrikskantore), Adjunkdirekteure en VKB-praktisyns en VKB-kampvegters by Hoofkantoor en distrikskantore

Onderwerp: Gedragskodes en etiek vir VKB-praktisyns en ander rolspelers wat by voorsieningskettingbestuur betrokke is

1. Ooreenkomstig die *Framework for Supply Chain Management* (artikel 76(4)(c) van die Wet op Openbare Finansiële Bestuur, 1999 (Wet 1 van 1999)), het die Nasionale Tesourie die *Code of Conduct for Supply Chain Management Practitioners* as Praktyknota No. SCM 4 van 2003, gedateer 05 Desember 2003, uitgereik, en die Wes-Kaap Provinsiale Tesourie het die *Code of Ethics for Supply Chain Practitioners* uitgereik in paragraaf 3.8.1 van die Wes-Kaap Provinsiale Tesourie-instruksies (PTI's), wat op 23 September 2019 uitgereik is. Alle amptenare en ander rolspelers wat by voorsieningskettingbestuur (VKB) betrokke is, moet hieraan voldoen.
2. Ander rolspelers sluit amptenare in besluitnemingsposisies oor VKB-aangeleenthede en lede van VKB-komitees wat nie VKB-amptenare is nie (Bod-komitee, Spesifikasie-komitee, Ewalueringskomitee, Onderhandelings-komitee, Kwotasie-komitee en ander aanvaarde komitees by distrikskantore) in.
3. Die gedragskode meld dat die VKB-praktisyn moet voldoen aan die beginsels van regverdigheid, onpartydigheid, deursigtigheid en integriteit, vermyding van botsende belange en enige onbetaamlikheid, en die instelling se toepaslike beleide, reëls en prosedures moet respekteer en toepas.
4. VKB-praktisyns moet seker maak dat hulle hulle pligte doeltreffend, effektief en met integriteit nakom in ooreenstemming met die toepaslike staatsdiensregulasies, Nasionale en Provinsiale Tesourie-regulasies, praktyknotas en enige direkteiewe wat deur die Rekenpligtige Beampte uitgereik is.

5. Alle VKB-amptenare, ingeslote VKB-kampvegters, moet seker maak dat hulle die inhoud van die *Code of Conduct for Supply Chain Management Practitioners* asook die *Code of Ethics for Supply Chain Practitioners* lees en goed verstaan.
6. Daar moet ten alle tye voldoen word aan die instruksies in hierdie minuut.
7. Navrae oor die inhoud van hierdie minuut mag aan mnr. JT Solomons by telefoonno. 021 467 2818 gerig word.
8. Hierdie minuut vervang Verkrygingsbestuur-instruksie No. 0003/2013 in die geheel.
9. Verantwoordelikhedsbestuurders word vriendelik versoek om te verseker dat alle personeel ingelig word oor die inhoud van hierdie minuut.
10. Alle VKB-praktisyns, ingeslote VKB-kampioene en ander rolspelers, moet die *Code of Conduct for Supply Chain Management Practitioners* asook die *Code of Ethics for Supply Chain Practitioners* onderteken deur die aangehegte vorm in te vul en teen **20 Desember 2019** aan me. R Brinkhuis by Kamer 6-01, Grand Central-gebou, Kaapstad te stuur.

GETEKEN: LJ ELY

ADJUNK-DIREKTEUR-GENERAAL: KORPORATIEWE DIENSTE

DATUM: 2019-12-10



Reference: 5/1/P
Enquiries: JT Solomons

**CODE OF CONDUCT/ETHICS FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS
ACKNOWLEDGEMENT OF RECEIPT / UNDERTAKING**

I, _____ (Name in print) hereby
acknowledge receipt of the Code of Conduct for Supply Chain Management
Practitioners (National Treasury Practice Note SCM 4 of 2003 dated 5 December
2003) and the Code of ethics for Supply Chain Practitioners (Provincial Treasury
Instructions, 2019 dated 23 September 2019).

I have read and understand the Code of Conduct/Ethics for Supply Chain
Management Practitioners and I agree to act in accordance with requirements
stipulated therein.

THUS DATED AND SIGNED ON THIS _____ DAY OF _____ 2019.

Signature: _____

ANNEXURE C

**CODE OF ETHICS FOR SUPPLY CHAIN
PRACTITIONERS**

(Paragraph 3.8.1 of the Provincial Treasury Instructions, 2019)

CODE OF ETHICS FOR SUPPLY CHAIN PRACTITIONERS

Introduction

The main aim of every supply chain management practitioner should be to execute their function according to the highest standards of professionalism and in respect of the values, objectives and interest of the institution they serve. This implies that the supply chain management practitioner must adhere to the principles of fairness, impartiality, transparency, integrity, avoiding conflict of interest and any impropriety, and to respect and apply the institutions relevant policies, rules and procedures.

Loyalty and respect for rules and regulations

In general, a supply chain practitioner should:

- stand by decisions that are in the institutions interests even if they are unpopular;
- understand the regulatory framework pertaining to his or her profession and institution;
- know why the rules and regulations are necessary and what caused the rules and regulations to be enacted;
- respect the need for the formality of rules and regulations;
- interpret and apply rules in accordance with their intent;
- be able to perform supply chain responsibilities effectively and efficiently and still abide by the pertinent rules; and
- should perform regulated tasks consistently according to the specified procedures and take a leadership role to help co-workers and stakeholders to understand and follow them as well.

Integrity

A supply chain management practitioner is expected to maintain superior standards of integrity and moral values. Integrity must be judged on the basis of the total behaviour of a person. Elementary personal or private qualities such as honesty, truthfulness, fidelity, probity and freedom from corrupting influences are included. Integrity, to a supply chain practitioner in the marketplace, means believing that the public trust is so important that it cannot be compromised. A supply chain management practitioner should therefore demonstrate integrity to:

- upholding the principles of the Constitution;
- demonstrating values such as impartiality, fairness, honesty and truthfulness in daily activities and behaviours;
- acting without consideration of personnel gain;
- resisting undue political pressure in decision making;
- not abusing power or authority;
- taking prompt action in cases of unprofessional or unethical behaviour;
- avoiding conflicts of interest or making conflicts known when they are unavoidable; and
- maintaining confidentiality of information and never disclosing information concerning the business of others without their consent.

Impartiality and fairness

Impartiality implies objectivity, lack of bias, restraint-particularly when political disputes or differences arise. Just as the practice of impartiality will strengthen the institution, repeated instances of partiality, or bias, will do harm to the institution. According to The Concise Oxford Dictionary of Current English, "fair" is defined as "just, unbiased, and equitable; in accordance with the rules". In the context of impartiality and fairness and accordance with the description above, the supply chain practitioner should

- set aside all personal and institutional biases;
- apply the same standards of evaluation to all suppliers (equal treatment);
- treat suppliers with professional, business like courtesy;
- respect the letter and spirit of laws and regulations;
- apply the appropriate legal and regulatory standards to all transactions; and
- ensure that all interests, public and private, are appropriately considered in the regulatory decision-making processes.

Transparency

Transparency means unimpeded visibility. For the reason that public procurement involves accountability for the use of public funds, transparency is, perhaps, paramount in all supply chain management activities. Therefore, supply chain management practitioners:

- must always conduct themselves in such a way that any scrutiny, whether internal or external, would not damage the institution;
- must ensure that only when something is truly of a confidential nature, such as proprietary data belonging to a supplier, or proposals being evaluated prior to contract award, should confidentiality be given a higher priority over transparency, while still maintaining an overall transparent process; and
- should always assume that how they do their work is available to the public, even though details of pricing data or trade secrets may be held confidential.

Confidentiality

Confidentiality might seem to be in contradiction with transparency, but what this means is, the way the overall supply chain process is conducted needs to be clear and transparent, while truly proprietary data needs to remain confidential. A supply chain practitioner should therefore:

- exercise the utmost discretion with regard to all matters of official businesses;
- be aware that the disclosure of information, may seriously jeopardise the efficiency and credibility of the institution;
- not divulge confidential information without authorisation;
- not use information that has been made public and is known to them by virtue of their official position to private advantage; and
- be aware that the aforementioned obligation does not cease upon separation from service in the institution.

Avoidance of the appearance of impropriety

Not all societies have the same standards or traditions about what is proper and what is not. It is important to recognise cultural differences in appearance and to anticipate, in the most conservative terms, what might be received as improper conduct. A supply chain management practitioner must:

- be constantly aware of how their actions appear to outside observers;
- always behave in such a way that observers could not misconstrue their actions as improper;
- be aware that what people think of a supply chain management practitioner's behaviour can be the basis of major scandals based on misunderstandings and erroneous information that can damage the institutions effectiveness; and

- be aware that acting properly in a "technical" sense is not enough; avoiding even the appearance of impropriety is also necessary.

Due diligence

Due diligence in the context of supply chain management refers to carrying out duties carefully and thoroughly and avoiding careless practices or techniques. Due diligence requires that all activities by supply chain management practitioners be pursued in a manner that goes beyond the minimum effort. Diligent supply chain practitioners should:

- apply high standards of professionalism and competence as well as the encouragement of similar standards amongst colleagues;
- check the references of potential suppliers;
- develop impartial evaluation criteria;
- carefully analyse the offers received; and
- not cut corners for the sake of convenience.



**NATIONAL TREASURY
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**TO ALL
ACCOUNTING OFFICERS: NATIONAL DEPARTMENTS
HEADS: PROVINCIAL TREASURIES
CHIEF FINANCIAL OFFICERS: PROVINCIAL DEPARTMENTS
CHIEF EXECUTIVE OFFICERS / CHIEF FINANCIAL OFFICERS: CONSTITUTIONAL
INSTITUTIONS / PUBLIC ENTITIES**

**Supply Chain Management Office
Practice Note Number SCM 4 of 2003**

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS

In accordance with the Framework for Supply Chain Management (Section 76(4)(c) of the PFMA) that was promulgated in Government Gazette Number 25767 on 5 December 2003 as Treasury Regulations, National Treasury is required to issue a Code of Conduct for Supply Chain Management Practitioners that should be adhered to by all officials and other role players involved in supply chain management.

1. General Principles

- 1.1 The Government of South Africa commits itself to a policy of fair dealing and integrity in the conducting of its business. The position of a supply chain management (SCM) practitioner is, therefore, a position of trust, implying a duty to act in the public interest. Practitioners should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or supplier/contractor for themselves, their family or their friends.
- 1.2 Practitioners should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation and regulations including the Public Service Regulations issued by the Department of Public Service and Administration, National Treasury Regulations and Practice Notes and directives issued by accounting officers / authorities. They should ensure that public resources are administered responsibly.

- 1.3 Practitioners should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.
- 1.4 Practitioners should comply with the Code of Conduct for the Public Service as contained in Chapter 2 of the Public Service Regulations, 2001 especially items C4.5 to C4.12 and C5.3 to C5.4 thereof.

2 Conflict of interest

- 2.1 SCM practitioners, to the extent required by their position, should declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.
- 2.2 They should not place themselves under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties.
- 2.3 Practitioners should not take improper advantage of their previous office after leaving their official position.

3 Accountability

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers / authorities or their delegates have the authority to commit the government to any transaction for the procurement of goods and/or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

4 Openness

- 4.1 Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5 Confidentiality


- 5.1 Any information that is the property of the government or its suppliers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.
- 5.2 Matters of confidential nature in the possession of supply chain practitioners should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions should also apply after separation from service.

6 Bid Evaluation / Adjudication Teams

- 6.1 Bid evaluation / adjudication teams should regulate supply chain management on behalf of the institution in an honest, fair, impartial, transparent, cost-effective and accountable manner in accordance with the accounting officer's / authority's directives/delegated powers.
- 6.2 The evaluation / adjudication team may be authorized to deal with all supply chain management matters and finalize bids/price quotations in accordance with the directives/delegated powers of the accounting officer / authority.
- 6.3 Bid evaluation / adjudication teams should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 6.4 All members of bid adjudication teams should be cleared at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 6.5 No person should-
 - 6.5.1 interfere with the supply chain management system on an institution; or
 - 6.5.2 amend or tamper with any bid after its submission.

7 Combative Practices

- 7.1 Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
 - (i). Suggestions to fictitious lower quotations;
 - (ii). Reference to non-existent competition;
 - (iii). Exploiting errors in bids;
 - (iv). Soliciting bids from bidders whose names appear on the list of restricted bidders/suppliers/persons.


JAN BREYTENBACH
CHIEF DIRECTOR: NORMS AND STANDARDS
5 DECEMBER 2003