



Addendum 32

**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 objectively, 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.