

SPRINGERBAAI ECO ESTATE



CONFLICT OF INTEREST POLICY AND PROCEDURES

	TRUSTEE NAME	DATE	APPROVED	DATE
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SPRINGERBAAI HOME OWNERS' ASSOCIATION (HOA)

CONFLICT OF INTEREST POLICY AND PROCEDURES

1 Aim and Purpose

1.1 The purpose of this policy is to establish a standard of conduct to ensure that:

- Employees in the employment of the HOA,
- Trustees
- Committee members and
- Contractors and/or service providers:

act in the best interests of the HOA and the owners, and in pursuing this goal, declare their interests and potential conflicts of interest.

1.2 These procedures are intended to enhance public confidence in the integrity of the HOA, its personnel and Trustees.

1.3 The HOA benefits from the expertise of individuals with a multiplicity of other interests; however, those interests must not conflict with the interests of the HOA nor impair the public support and respect necessary for the operation of the HOA.

1.4 In addition to the foregoing, Employees and contractors in all their endeavours are to remain cognisant of the fundamental principles of the HOA of good governance, fairness, neutrality and impartiality.

1.5 The HOA recognises the importance of protecting the HOA while preserving the rights of Employees and Trustees to participate as private citizens.

1.6 The purpose is also to describe and define what interests are considered relevant and when the interests should be declared by the affected parties.

1.7 Additionally, the purpose is to describe what Management should do about declared interests.

2 Scope

2.1 This policy applies to all Trustees, Employees and contractors of the HOA.

3 Definitions

3.1 Conflict of Interest

3.1.1 A situation where an affected individual, or the organization/entity he/she represents has a direct or indirect competing interest with the HOA's activities. This competing interest may result in:

- the individual being in a position to unfairly benefit from the situation at the expense of the HOA through privileges or
- the HOA not being able to achieve a result in the best interest of the HOA.

3.1.2 Conflict of interest for the HOA also includes conduct which is not in keeping with the fundamental principles of good governance, fairness, neutrality and impartiality.

3.1.3 As the Employer-employee relationship is founded on trust and commitment to strive for mutual benefits, it is expected that the Employee's time/labour/skill and attention will be devoted to the business of the HOA as specified by the employment contract.

3.2 Affected Individuals

3.2.1 All Trustees and Employees of the HOA

3.3 Interests of Affected Persons

3.3.1 Interests that should be declared by the affected persons are:

- Businesses/entities that the person owns, has an interest in, or is a beneficiary of a Trust, excluding listed shares
- Businesses/entities that a close family member of the person owns or has an interest in or is a beneficiary of a Trust, excluding listed shares.

3.4 Close Family

3.4.1 Close family is regarded as family in the first degree which includes parents, siblings, children of the person and his/her spouse.

4 Responsibilities

4.1 Responsibilities of Employees (including Management) and Contractors

4.1.1 Employees and/or contractors must ensure that their private affairs or financial interests are never in conflict with their work duties, responsibilities and obligations, or result in a public perception that a conflict exists, that could impair their ability to act in the interest of the HOA.

4.1.2 They should refrain from actions that:

- will compromise or undermine the trust that the public and/or owners place in the HOA.
- will result in the un-authorized use of the HOA's property, equipment, materials and services.

4.1.3 Participation of the Employee in other businesses, organisations or activities that compromise the employment relationship or disadvantage the HOA will be considered a conflict of interest.

This includes:

- Having a vested interest in an external business which may provide materials or services to the HOA
- Making use of a position with the HOA to solicit services or materials for personal gain
- Pursuing personal gain over the well being or needs of the HOA.
- Channeling business to suppliers or contractors unfairly without providing sufficient opportunity to other suppliers and service providers, whilst not following the procurement procedures and policies.

4.1.4 Trustees and Management may only commit to and engage contractors and suppliers in line with the Procurement policies and procedures.

4.2 Responsibilities of Trustees

4.2.1 Trustees shall disclose to the Manager of the HOA, prior to engaging in any activities that may benefit his/her interests as defined above and could be seen as a conflict of interest.

Interests such as, but not limited to:

- Having a vested interest in an external business that may provide materials or services to the HOA.
- Making use of the position of Trustees to solicit services or materials for personal gain
- Utilising HOA equipment, services or materials for an external business.
- Pursuing personal gain over the well-being or needs of Springerbaai home owners and/or Employees.

4.2.2 Trustees shall confirm in writing that they have received and read this policy and procedure at the first meeting of the Trustees that they attend following their election.

5 Detailed Procedures

- 5.1 Before assuming their official duties, Employees shall sign a document certifying that they have read and agree to abide by the requirements of this policy and procedures. The interests of Trustees and Employees must be declared and recorded in an Interest Register. Refer to **Appendix A – Conflict of Interest Agreement for Trustees and Employees**. The Interest Register will be updated every year by the Estate Manager. Employees and Trustees have a responsibility to review their interests and obligations annually.
- 5.2 The Estate Manager and/or Trustees shall be responsible for identifying potential conflict of interest activities through the comparison of the interests declared in the Interest Register with the work being quoted for.
- 5.3 Employees must consult with the Estate Manager prior to engaging in any activities that may be seen as a conflict of interest. Where an Employee persists in activities that may disadvantage the HOA, the Chairperson and Financial Trustee are to be informed.
- 5.4 Employees who fail to honour the provisions of this policy will be considered to be in breach of the employment contract with the HOA and may be subject to disciplinary action which can result in termination of employment.
- 5.5 Before or upon commencing any work or services, the Estate Manager must ensure that contractors sign a document certifying that they have read and agree to abide by the requirements of this policy and procedures. Refer to **Appendix B – Conflict of Interest Agreement for Contractors**. They should also commit to not provide any goods or services to Management and/or Trustees at below market value.
- 5.6 Goods and gifts or services received by Management and Trustees from Suppliers or Contractors above R200 in value should be declared and entered in a **Gifts Register**. The Estate Manager shall maintain the Gifts Register and present the register to the Trustees for scrutiny at every Trustee meeting
- 5.7 Contractors should declare if any Trustee or Employee has a direct or indirect interest in his/her business or is related in the first degree to the contractor.

6 Non-Compliance with this Policy and Procedures

- 6.1 Non-compliance with this policy and procedures by a Trustee shall lead to a hearing by 2 other Trustees and could constitute cause for removal from the Board of Trustees.
- 6.2 Contractors/Suppliers that do not comply could be blacklisted from doing business with the HOA and be requested to make good any damages.
- 6.3 Employees that do not comply with this policy and procedures will be subjected to a Disciplinary Process.



Appendix A

**CONFLICT OF INTEREST AGREEMENT
(Trustee and Employee)**

I, _____(full name), in my capacity as Trustee/
Employee (scratch out that which is not applicable) declare that I or my immediate family have the
following interest/business and/or render the following services to the Springerbaai HOA and/or
individual home owners.

1. _____

2. _____

3. _____

I confirm that I have read and understand the Conflict of Interest policy.

Signed _____

Date _____



Appendix B

**CONFLICT OF INTEREST AGREEMENT
(Contractor/Service Provider)**

I, _____ (full name), in my capacity as Director/Owner
of _____ (full name of company) declare that the
Trustees/Employees of the Springerbaai HOA listed below are related to an employee of the company
or have an interest in the company:

1. _____

2. _____

3. _____

I confirm that I have read and understand the Conflict of Interest policy.

Signed _____

Date _____