

**SOUTH AFRICAN MEDICAL
RESEARCH COUNCIL**



**CODE OF BUSINESS CONDUCT
FRAMEWORK POLICY**

Document review and approval

Revision history

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1. REGULATORY FRAMEWORK

The following legislation (including regulations and National Treasury Circulars and Guidelines), policy and leading practice have reference -

- 1.1. The Constitution of the Republic of South Africa is mandated in, inter alia section 7(2) to respect, promote and fulfill the rights of South African people as defined in the Bill of Rights.
- 1.2. The South African Medical Research Council Act, Act 58 of 1991 that states, inter alia, under section 17: Research on and experimentation with humans, animals and human and animal material, that the Board may determine ethical directives and enforce the directives as it may deem necessary.
- 1.3. The Public Finance Management Act, Act 1 of 1999 (PFMA) dedicates, inter alia, chapter 10 of the Act to disciplinary and criminal proceedings for financial misconduct and other chapters depict the need to disclose actions taken in these circumstances.
- 1.4. King III – The Report and Code of Governance for South Africa, 2009.
- 1.5. The National Health Act, Act 61 of 2003, chapter 9: National Health Research and Information – stipulates the need for a National Health Research Ethics Council (section 72) and health research ethics committees section 73).
- 1.6. The Charter of the Public and Private Health Sectors of the Republic of South Africa.
- 1.7. The National Treasury Regulations: PFMA and the Code of Conduct for Supply Chain Management (SCM) Practitioners define the need for ethical behaviour in SCM.

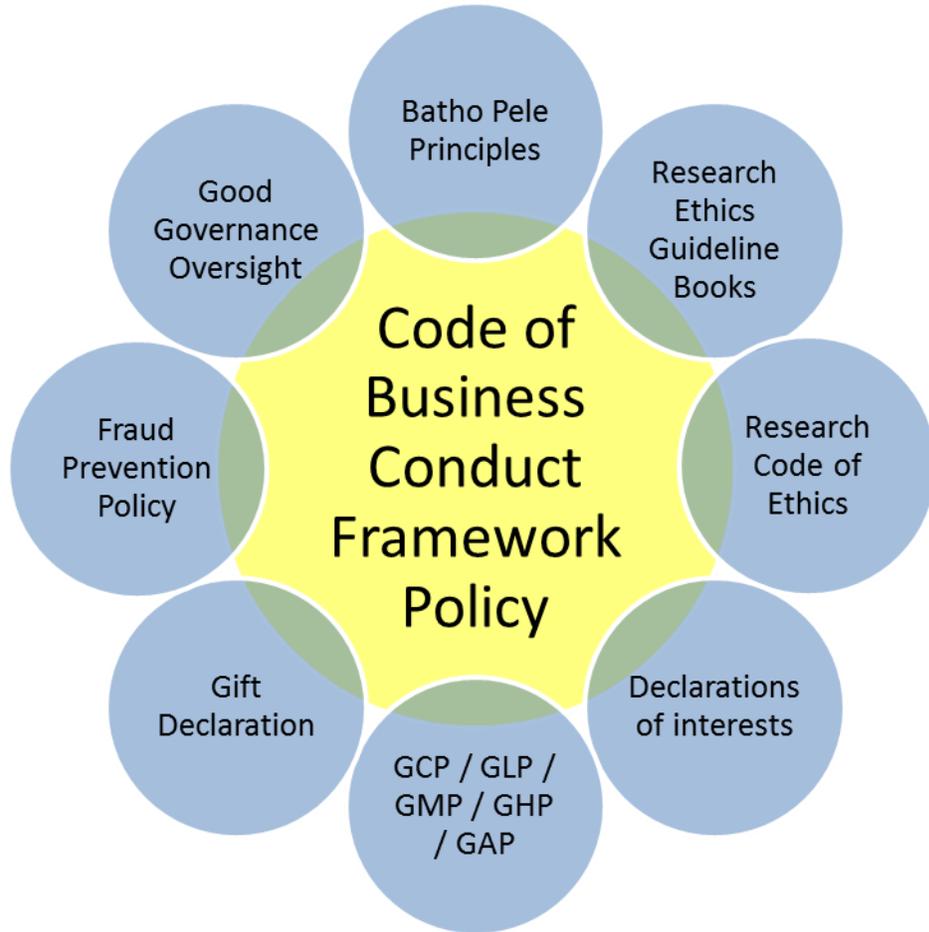
2. PURPOSE

To define the parameters of the spirit of ethical conduct of the MRC business and research as well staff personal ethos in terms of fairness, transparency, justice and standards that will contribute to uphold the integrity, credibility and reputation of the MRC and its stakeholders.

3. POLICY

- 3.1. The Code of Business Conduct Framework Policy is intended to prevent unethical behaviour and encourage ethical behaviour. This balance of business conduct is directed at MRC's internal stakeholders (managers and employees) and external stakeholders will be advised accordingly of MRC practices to maintain and protect the MRC image and reputation.

3.2. The Code of Business Conduct Framework Policy model:



3.3. The MRC values play an integral part in the Code of Business Conduct Framework Policy, i.e.

- 3.3.1. Excellence and innovation - high quality, original, scientific integrity, peer review
- 3.3.2. Relevance - high impact, needs-driven
- 3.3.3. Accountability - responsibility, teamwork, leadership, participation
- 3.3.4. Respect and communication - dignity, honesty, fairness, integrity, transparency, freedom to challenge
- 3.3.5. Capacity development - reward, recognition, talent management and transformation

- 3.3.6. The Code of Business Conduct Framework Policy, supporting ethical “pillar” documents, and the MRC values define the following behaviour expectations that would be required of the MRC employees:
- 3.3.7. *Dealing with people* - respecting the individual, as mutual understanding is built on respect for the individual's rights, dignity, aspirations and interests. The MRC is committed to honouring its commitment to provide a work environment that is free from discrimination based on race, colour, religion, nationality, gender, disability, marital status or any other unlawful factor.
- 3.3.8. Equal opportunities - to be made available for all our employees without unlawful discrimination. This includes recruitment, working conditions, training, compensation, benefits and promotion.
- 3.3.9. Open and honest communication - The MRC commits to keeping communication channels open. Communication is encouraged through the line of command to and from the highest level possible within the MRC.
- 3.3.10. Communications with one another, stakeholders and customers - always be professional and courteous.
- 3.3.11. Privacy of personal information - the MRC places a high premium on the privacy of the individual. The MRC is committed to keeping personal information regarding our employees truly confidential.
- 3.3.12. Conflicts of interest - an employee's duty is to act in the exclusive interests of the MRC and not for personal gain. A conflict of interest arises when the employee's personal activities and relationships interfere, or appear to interfere, with the employee's ability to act in the best interest of the MRC. Therefore an employee may not:
- 3.3.12.1. have a direct or indirect interest (financial or otherwise) in a supplier, customer, and distributor or in any organisation that could cause conflict of interest.

*As per the National Treasury Practice Note No. 7 of 2009/2010
SCM – Declaration of Interest: Amendment and augmentation of Standard Bidding Document (SBD4)*

- “16A8.4 *If a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must –*
- (a) *disclose that interest; and*
- (b) *withdraw from participating in any manner whatsoever in the process relating to that contract.*
- 16A8.5 *An official in the supply chain management unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the accounting officer or accounting authority, in writing.*
- 16A9.2 *The accounting officer or accounting authority –*
- (a) *may disregard the bid of any bidder if that bidder, or any of its directors –*

- (i) *have abused the institution's supply chain management system*
 - (ii) *have committed fraud or any other improper conduct in relation to such system; or*
 - (iii) *have failed to perform on any previous contract; and must inform the relevant treasury of any action taken in terms of paragraph (a)."*
- (b)

3.3.12.2. disclose non-public information about the MRC or any other business partner for own benefit or anyone outside the MRC.

3.3.12.3. perform outside work (a second job) outside the scope of activities in the MRC, on the MRC Premises or in MRC time, without the MRC's permission (this includes directorships on boards, etc).

3.3.13. In terms of the Minister of Health's correspondence "Payment of Honorarium of public officials serving as members on the Statutory Health Professional Councils and the Boards of Health Public Entities" dated 28 March 2016, an employee may not receive remuneration serving as a member whether elected or appointed to the Board / Council for board activities whether inside or outside normal working hours. Should the employee wish to be compensated, approval from the Executive Authority must be sort.

Any direct cost such as travel, accommodation and meals, should be recovered from the state or state controlled institution of which the employee serves as a Board/Council member. Employees serving on the Boards/Councils are not required to take leave to attend to their duties related to the Board/Council.

3.3.14. Environmental conservation – the MRC is committed to preserving and protecting the environment.

3.3.15. Threats and violence in the workplace – the MRC is deeply concerned with the safety of its employees. Physical and emotional abuse including sexual harassment or any perceived threat of violence shall be dealt with severely in accordance with the MRC Disciplinary Policy and Procedure. Any employee who witnesses or overhears prohibited conduct or has concerns regarding his/her safety or the safety of a colleague, customer or supplier should immediately report these concerns to a manager who in turn will contact the person in charge.

3.3.16. Substance abuse – the MRC is committed to a drug-free workplace. The misuse of alcohol, drugs and related substances while on the business premises or while conducting business, is prohibited.

- 3.3.17. Safeguarding our assets - the MRC is committed to -
- 3.3.17.1. Making proper and efficient use of MRC funds and property.
 - 3.3.17.2. Conducting business as if using one's own money and other resources.
 - 3.3.17.3. Reporting of suspected loss, damage, misuse, theft, embezzlement or destruction of funds or property.
- 3.3.18. Proprietary Information / Intellectual Property - will not be disclosed to outsiders, except as required by law, because doing so could disadvantage the MRC. The Legal Department should be consulted for assistance in this regard.
- 3.3.19. Record Management - including research, financial, legal, human resource administration data management and other essential documentation.
- 3.3.20. Contact with or statements to the media - handling this relationship in a professional manner is essential. The President of the MRC is responsible for handling media matters and he/she may delegate these duties from time to time, as he/she deems appropriate.
- 3.3.21. Business Relations with Funders / Collaborators / Partners - the MRC recognizes that integrity and delivery satisfaction go hand in hand. Each employee will be expected to apply sound judgment in deciding which would be the most ethical means of dealing with any given situation involving funders, collaborators, partners, competitors, suppliers, the public, fellow employees and MRC matters in general. The following guidelines for ethical conduct must be observed at all times:
- 3.3.21.1. Honesty, integrity and open communication are fundamental to ethical behaviour.
 - 3.3.21.2. Credibility is essential for sound, lasting relationships and misrepresentations of our research and service outcomes must be avoided at all times.
- 3.3.22. Selection of suppliers - The MRC strives to build healthy working relationships with suppliers. They are partners in helping the MRC to achieve the highest standards of quality. Our choice of suppliers is based on price, quality, delivery capability and reputation for service and integrity and B-BBEE. Selection of suppliers will be done by applying fair, legally sound, equitable and consistent procurement processes.
- 3.3.23. Business courtesies / gifts, invitations and favours - are to be declared in accordance with the MRC Gift Standard Operating Procedure (SOP).

- 3.3.24. Community engagement - the MRC encourages its employees to participate in community engagements. Employees should ensure however, that no conflict of interest is incurred or confidentiality violated.
- 3.3.25. Involvement in political activities - the overriding principle should always be that the interest of the MRC, as a national research institute, is not unfairly/unduly prejudiced by political activities.
- 3.4. The enablers of the components of the Code of Business Conduct Framework Policy are essential to the holistic behaviour requirements of a MRC Employee. An explanation / summary of each enabler is provided below:

- 3.4.1. *The Batho Pele Principles* - Through the Batho Pele principles of 1997, government aimed to instill a culture of accountability and caring by public servants.
- 3.4.2. *Research Ethic Guideline Books* – The MRC currently has five Books, the first book addresses general principles of medical ethics and the remaining four address various research processes. These books can be found on the intranet.
- 3.4.3. *Research Code of Ethics* – The policy of the MRC requires that all research sponsored by the Council must be of the highest ethical standards and no research will be sponsored without ethics clearance from a Research Ethics Committee recognised by the Council and which operates in accordance with MRC ethics guidelines. Where applicable, regulatory approval is also required
- 3.4.4. *Declarations of interest* – *all staff with potential business conflicts, financial and private interests must be declared in line with the on-line declaration requirements. This will be completed via their annual declaration, meeting declarations, SCM declarations (as per the PFMA, Act 1 of 1999) and stakeholder declarations.*

All outside work, financial and private interest, and any other business activities must be declared when completing the MRC Annual On-line Declaration of Interest. Where these relate to dealings with any state entity full declaration must be provided as required in the On-line Declaration of interest.

- 3.4.5. *Good Clinical Practices (GCP), Good Laboratory Practices (GLP), Good Agricultural Practices (GAP), Good Harvesting Practices (GHP) and Good Manufacturing Practices (GMP)* – *These are recognized standards that define professional conduct for MRC research t. Formal and regular accreditation is necessary.*

- 3.4.6. *Gift Declaration – The SOP defines types of gifts, the ceiling value of a gift and the process to be followed for the declaration of a gift. The SOP prohibits the acceptance of gifts from current or prospective suppliers, vendors or any other person or entity within which the employee has a relationship that may impact their work.*
- 3.4.7. *Fraud Prevention Policy – The purpose of the fraud prevention policy is to create a climate for the prevention and detection of irregularities, control breakdown and criminal activity and to outline key roles and responsibilities for controls, fraud identification, investigation and reporting.*
- 3.4.8. *Good Governance Oversight – Oversight of the ethical climate of the MRC is essential and these follow three lines of defence, namely:*
- 3.4.8.1. First line of defence i.e. Management of research and business processes
 - 3.4.8.2. Second line of defence i.e. Management and Board–Sub Committees e.g. Executive Management Committee (EMC) and Audit, Risk and IT Committee (ARIC).
 - 3.4.8.3. Third line of defence i.e. Accounting Authority (MRC Board) & Executive Authority (National Department of Health) and National Treasury.

4. SCOPE

This policy is applicable to all employees of MRC.

5. DISCIPLINARY ACTION

It is the responsibility of all employees to ensure that he/she complies with the provisions of this policy. In an event where an employee breaches the provisions of the policy, any employee breach of this policy will be addressed in terms of the Disciplinary and Grievance Policy.

6. DEFINITIONS APPLICABLE TO THE POLICY

- 6.1. Accounting Authority (AA)
In terms of the MRC, the AA is the Board.
- 6.2. Executive Authority (EA)
The EA is the Minister of Health
- 6.3. Management
For the purposes of this policy the term ‘management’ relates to the Executive Management Committee, Unit Directors, Executive Managers, National Managers, Division Managers, Specialist and Senior Scientists.

- 6.4. Ethics
'Ethics' and 'morality' refer to the concept of "do no harm".
- 6.5. Good Governance Oversight
The lines of defence that ensure that an ethical culture is upheld, encompassing supervision and management, fraud risk management, disciplinary actions, combined assurance and integrated reporting.

7. RELATED POLICIES, GUIDELINES AND STANDARDS

The following documents, as indicated in the Code of Business Conduct Framework Policy Model , have reference:

- 7.1. The MRC SCM Policy;
- 7.2. The Gift Declaration standard operating procedure of the MRC;
- 7.3. Disciplinary and Grievance Policy
- 7.4. MRC Research Ethics Guideline Books
 - 7.4.1. Book 1: General Principles
 - 7.4.2. Book 2: Reproductive Biology and Genetic Research
 - 7.4.3. Book 3: Use of Animals in Research and Training
 - 7.4.4. Book 4: Use of Biohazards and Radiation
 - 7.4.5. Book 5: HIV Prevention Vaccine Research
- 7.5. Standards
 - 7.5.1. Good Clinical Practices (SA-GCP)
 - 7.5.2. Good Laboratory Practices (GLP)
 - 7.5.3. Good Agricultural Practices (GAP)
 - 7.5.4. Good Harvesting Practices (GHP)
 - 7.5.5. Good Manufacturing Practices (GMP)
 - 7.5.6. Good Bio-safety Practices
- 7.6. Collaborative Research Policy; and
- 7.7. Fraud Prevention Policy.

8. POLICY AUTHORITY

The Executive Management Committee (EMC) is responsible for the maintenance and review of this policy. Board approval is required.

Category:	Level 1
Risk:	Strategic
Effective Date:	June 2016
Review Date:	June 2017
Policy Owner:	President
Policy Manager / Cognisant Person:	Management of the MRC
Board Approval:	May 2016

Confirmation of Approval



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Prof Glenda Gray
President

02 June 2016

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Date