

 The Children's Aid Society of Hamilton	<b>SECTION:</b> Procurement  <b>SUBJECT:</b> Code of Ethics and Conflict of Interest	<b>POLICY APPROVED</b> <b>BY:</b> Board of Directors  <b>DATE:</b> November 25, 2011 <b>REVIEWED:</b> April 1, 2016 <b>SUPERCEDES:</b>
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## 1. Policy Purpose

The Board of Directors has approved a Governing Policy for Purchasing Goods and Services which establishes Ethical Code of Conduct and Conflict of Interest objectives for procurement activities. The purpose of this managing policy is to:

- i. provide further direction for staff to facilitate compliance with the Governing Policy
- ii. to adopt specifically, the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics

## 2. Stewardship

This policy is developed and administered by the Finance & Property Committee of the Board.

## 3. Definitions

In this policy, word and expressions have the following meanings:

1. "Board" means the Board of Directors of the Children's Aid Society of Hamilton.
2. "Society" means the Children's Aid Society of Hamilton.
3. "Director F&A" means the Director Finance & Administration of the Children's Aid Society of Hamilton.
4. "E.D." means the Executive Director of the Children's Aid Society of Hamilton
5. "Procuring" is the process of purchasing, renting, leasing or otherwise acquiring any goods or services.
6. "Supply Chain Activities" means all activities that are directly or indirectly related to organizational procurement including planning, sourcing, acquiring and payment.

## 4. Scope

The provisions of this policy apply to any person in the Society who has been granted authority for procurement activities by either or both of, *Delegated Authorities for Obligations and Payments* and/or *Delegated Authorities for Procurement* including the following:

1. Board Members and appointees,
2. employees and volunteers
3. consultants and contractors engaged by the Society

## 5. Policy

**Ethical Code of Conduct** – The Society will operate with a high degree of integrity to do what is honest, fair and trustworthy in procurement decisions. All provincial and federal laws will be complied with. Suppliers will be treated with respect and be dealt with in a fair and unbiased manner. All quotation, pricing and confidential information will be treated with respect. Gift or favours of material value will not be accepted by Society personnel or be tolerated in our supplier community.

**Conflict of Interest** – It is required that the Society's procurement is conducted free of any conflict of interest. This means that it is required that staff make purchasing decisions solely in the best interest of the Society and will avoid any conflict of interest in such decisions. Further, this requires that all service providers and suppliers to the Society will be required to identify any conflicts of interest at the time of tender and throughout the course of providing service and goods to the Society.

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## **Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics**

**Goal:** To ensure an ethical, professional and accountable BPS supply chain.

### **I. Personal Integrity and Professionalism**

Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

### **II. Accountability and Transparency**

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

### **III. Compliance and Continuous Improvement**

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

## **6. Reference**

The Society's *Code of Ethics* identifies and establishes the principles of conduct that govern the actions of individuals within the Society. This policy is intended to supplement those guidelines already in place with procurement specific standards.

## **7. Practice**

1. Staff must not have a pecuniary interest, either directly or indirectly, in any contract with suppliers to the Society.
2. Staff who have been delegated the authority to purchase and/or commit funds shall:
  - Not use their authority for personal gain and shall seek to conduct themselves with high regard for business ethics and the protection of the reputation of the Society
  - Be free of interests or relationships which are actually or potentially unfriendly or detrimental to the best interests of the Society
  - Not purchase any goods or services from an employee or close relative of an employee without the prior consent of the Director F&A.
3. Staff who are involved in purchasing are expected to adhere to the following:

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- Open and honest dealings with everyone who is involved in the purchasing process – this includes all businesses and people with which the Society contracts or from which it purchases goods and/or services, as well as members of Society staff.
  - Fair and impartial award recommendation for all contracts – this means that staff are not to extend preferential treatment to any supplier. Preferential treatment is not good business practice since it limits fair and open competition for all vendors and is therefore a detriment to obtaining the best possible value for each dollar.
  - An irreproachable standard of personal integrity on the part of purchasers and others in the purchasing process – Absolutely no gifts or favours can be accepted by purchasers and others in the purchasing process. Also the purchasers and others cannot publicly endorse any one supplier in order to give that supplier an advantage over others.
  - Cooperate with other public agencies when buying – The use of cooperative purchasing should be pursued to obtain the greatest advantage for the Society.
4. The purchaser must determine if there is any conflict of interest by a potential or current provider of goods/services. This will be captured through obtaining from a current or potential vendor, their assertion and certification as to their freedom from conflict. Every request for proposal, contract, and establishment of supplier relationship with the Society will seek information with respect to conflicts from the supplier and will specify that the Society has the right to determine if there is a conflict of interest and the action that will be taken in the event there is a conflict.
5. It is expected that only vendors will be selected that meet the minimum criteria as follows:
- Have not violated the trust and resources of the Society in past dealings
  - Are known to be a fair, equitable and trustworthy organization
  - Have the capability to provide the goods or services as and when needed by the Society
  - Have satisfactory references from other companies to which the vendor delivers
  - Are not unduly reliant on the Society for its financial health.

## 8. Effect on Prior Policies

The effective date of this policy is referenced above. Any prior policies regarding purchasing and other matters dealt with in this policy are hereby superseded. This policy shall have no effect on purchases made or contracts executed prior to the date this Policy is approved.

## 9. Other Reference

For additional direction, staff are to refer to other affiliated policies including but not limited to:

- Governing Policy for Purchasing Goods and Services
- Governing and Managing Policies for Delegated Authorities for Obligations and Payments
- Managing Policy for Delegated Authorities for Procurement