

SCENARIO 1

OVE1

TOPIC: CONFLICTS OF INTEREST (Trustees)

It is Monday morning 8am and the chairperson is about to call a trustee meeting to order. Mr Dlamini is a member-elected trustee on the ABC Pension Fund. He has joined the rest of the board of trustees at the meeting table and proceeds to open his meeting pack. First on the agenda is a discussion on the tender evaluation for the fund's member communication material.

The first applicant is Mr Dlamini's brother-in-law's company. Mr Dlamini is shocked and feeling rather uncomfortable with the realization. He recalls briefly discussing with his brother-in-law at a braai/ barbeque over the weekend at his sister's house that he is not looking forward to a very busy day on Monday because of the bid evaluation process. As he nervously flips through the meeting pack he contemplates whether to do the following:

- A: keep quiet as his brother-in-law does not have the same surname as he does; or
- B: openly declare his conflict of interest and allow the chairman to decide what to do about it;
- C: openly declare his conflict of interest and excuses himself from the proceedings until this item on the agenda has been concluded.

Please make your selection now and note the possible outcome of your decision

Outcome A:

1. Mr Dlamini was very lucky – he was not caught out – this time around – but he could not stop the nagging feeling that this issue could come back to “bite him” one day. He does not sleep so soundly at night like he used to and has grown a few extra grey hairs; OR
2. Mr Bromwell notices Mr Dlamini's nervousness and asks him whether there is a problem whereby Mr Dlamini caves in and confesses that he has a conflict of interest (See Outcome B); OR
3. Mrs Ndlovu, who happens to know Mr Dlamini's sister from church gatherings mentions that Mr Dlamini's brother is in the marketing and communications business and that the company logo looks the same as the company that sponsored the last church event. Mr Dlamini is confronted with the question whether it is his brother-in-law's company who submitted the tender.

Outcome B:

1. Mr Dlamini declares his conflict of interest but leaves it to the Chairman of the board his old time friend and godfather to his eldest son to decide his fate unbeknown to the remaining board of trustees. The chairman rules on the issue in the following manner:

Confidential

- a. Asks Mr Dlamini to excuse himself from the proceedings due to personal reasons (Mr Dlamini is driving a new sportscar parked downstairs so he decides against him purely based on personal reasons “green-eyed monster”);
- b. Informs him that he can stay hoping he will return the favour for him someday when he is in need of a lucky break
- c. Asks him to excuse himself because the code of conduct of the fund requires him to do so

Outcome C:

1. Mr Dlamini quotes paragraph 2 of the fund’s code of conduct and by doing so depersonalizes the issue and excuses himself from the meeting. Before leaving he requests the fund secretary to recall him as soon as this item on the agenda is concluded subject to the Chairman’s permission; OR
2. Mr Dlamini excuses himself from the meeting and once outside calls his brother-in-law; OR
3. Mr Dlamini leaves the room without saying a word leaving everyone baffled. The meeting proceeds without him.

IT CONSULTANTS TO INSERT VOICE-OVERS AND PICTURES TO EACH OF THE ABOVE-MENTIONED OUTCOMES AND LESSONS