



## **TERMS OF REFERENCE FOR THE EVALUATION OF THE ARC COUNCIL**

### **1. PURPOSE**

The purpose of the request is to seek approval from council to procure a service provider to conduct evaluation of the performance of the ARC Council/Board and its Committees based on accepted good corporate governance principles and practices.

### **2. BACKGROUND**

Principle 9 of the King IV Report indicates that “The governing body should ensure that the evaluation of its performance and that of its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness”. ARC ascribes to this principle and Council has decided to bi-annually evaluate its performance.

The rigorous evaluation requested is to allow Council to reflect on its roles and responsibilities, its culture and relationship with management with regard to the achievement of its mandate. The evaluation will assist Council to identify if there is a direct correlation between its performance and the performance of the organisation on which it provides oversight.

### **3. PURPOSE**

ARC Council was appointed in May 2020 and is currently comprised of 12 non-executive directors, one executive director being the CEO and President of the ARC and 5 independent members of its Audit and Risk Committee.

**The following are the 5 Council Committees:**

- a. Audit and Risk Committee (7 members)
- b. Social, Ethics and Governance Committee (5 members)
- c. Human Resources and Remuneration Committee (6 members)
- d. Research, Development and Evaluation Committee (5 members)
- e. Finance, Investment, ICT Governance and Infrastructure Committee (6 members)

**4. SCOPE OF WORK**

**4.1 Ensure that the evaluation benefits the Council as follows:**

- 4.1.1 **Council:** Overall assessment of performance and identification of its development areas
- 4.1.2 **Committees:** Allow ARC Council to evaluate the Committees' contribution and effectiveness in fulfilling its mandate.
- 4.1.3 **Individual Members:** Provide insights into the competency and engagement levels of each member, Chairpersons, Company Secretary, the Chief Executive Officer and the Chief Financial Officer.

**4.2 The scope of work must cover the following focus areas:**

**4.2.1 Council and Committees Structure**

- Council and Committee Composition
- Competencies of members
- Council and Committees Charters
- Frequency of meetings
- Processes

**4.2.2 Council's Dynamics and Functioning**

- Oversight in regard to the implementation of the annual performance plan,
- Interactions and communication with CEO and senior executives,
- Management Council and Committees' agendas, resolutions and action plans

- Quality participation in Council and Committee meetings
- Council Chairperson's role
- Committee Chairperson's role

#### **4.2.3 Council's Role in Governance**

- Provide leadership in strategy governance
- Monitoring of policies, systems and strategy implementation
- Providing support and advisory role to management

#### **4.2.4 Council's Role in Financial Reporting Process, Internal Controls and Risk Management**

- Adherence to financial policies and regulations
- Integrity and robustness of financial and other controls
- Risk management
- Fraud management
- Whistleblower mechanism

## **5 COMPULSORY REQUIREMENTS**

**Prospective service providers should submit the following compulsory information for this evaluation:**

- Tax Compliance Status
- Central Supplier Database (CSD Report)
- Standard Bidding Documents (SBD forms)
- Proof of registration with relevant registration bodies where applicable

**Failure to comply with any of the supporting documentation listed above will result in your bid being disqualified.**

## **6 DELIVERABLES**

The service provider will provide the following deliverables:

- 6.1** A report containing the results of the Board appraisal should be provided. The report should highlight the areas of good and satisfactory performance and those that require improvement. The report must include an action plan to improve performance for those areas identified as requiring improvement.
- 6.2** A report containing the results of the Council's self-evaluation and individual directors peer review on the performance of each other.
- 6.3** A report containing the results of the skills gap analysis should be provided and must include a recommendation on the development plan that should be undertaken by each Council member.
- 6.4** A high-level overview of the appraisal should be presented to the Council.
- 6.5** A Council Development Framework and Action Plan must be provided.

## **METHODOLOGY**

- 6.6** Finalize methodology and instruments of the evaluation to the satisfaction of the ARC within 10 days of the date of appointment.
- 6.7** Complete draft report for review of adherence to scope of work within 45 days of the date of appointment.
- 6.8** Final Report Submitted and signed-off within 60 days.

## **7 QUOTE**

The service provider shall provide a detailed quote which includes but is not limited to activities mentioned in item 4.2 above.

## **8 DURATION**

ARC aims to have the deliverables finalised within 60 days from the signing of the service level agreement.

## 9 RELEVANT EXPERIENCE OF THE SERVICE PROVIDER

*Record of accomplishment of the lead person shall have the following:*

- Experience in conducting Council/Board/Accounting Authority annual assessments,
  - Evidence that the service provider has conducted a similar exercise previously;
  - A brief profile of the team to be assigned to the project showing areas of proven and extensive experience in research design, data collection and analysis and report writing.
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