



TERMS OF REFERENCE FOR THE EVALUATION OF THE ARC COUNCIL & COMMITTEES

1. AGRICULTURAL RESEARCH COUNCIL (ARC) BACKGROUND

The ARC was established in 1990 through the Agricultural Research Act 86 of 1990 (as amended by Act 27 of 2001) and is the principal agricultural research institution in South Africa. It is a schedule 3A public entity in terms of the Public Finance Management Act 1 of 1999, (as amended by Act 29 of 1999).

Its core mandate, as defined in the Act is to act as the principal agricultural research institution in South Africa so as to conduct research, drive research and development, drive technology development and the transfer (dissemination) of information in order to:

- Promote agriculture and related industries;
- Contribute to a better quality of life;
- Facilitate/ensure natural resource conservation; and
- Alleviate poverty.

The ARC's main functions, as provided for in the Act, are to:

- Undertake and promote research, technology development and technology transfer;
- Utilise the technological expertise in its possession and make it generally available;
- Publish information concerning its objectives and functions, and establish facilities for the collection and dissemination of information in connection with research and development;
- Publish the results of research;
- Establish and control facilities in the fields of research, technology development and technology transfer that the Council may determine from time to time;

- Cooperate with departments of state, institutions, persons and other authorities for the promotion and conduct of research, technology development and technology transfer;
- Promote the training of research workers by means of bursaries or grants-in-aid for research, technology development and technology transfer, and contribute financially;
- Undertake research, development and technology transfer programmes;
- Hire or let facilities; and
- Cooperate with persons and authorities in other countries conducting or promoting research, technology development and technology transfer in agriculture.

ARC Vision

"Excellence in research and innovation for sustainable agricultural systems and economic development"

ARC Mission

"The Agricultural Research Council is a premier science institution that conducts research, develop partnerships and human capital, to foster innovation for a sustainable agriculture sector"

2. PROJECT BACKGROUND

Principle 9 of the King IV™ Report on Corporate Governance, 2016 provides that the Board of Directors should ensure that the evaluation of its own performance and that of its Chair and its individual members, support continued improvement in its performance and effectiveness. King IV™ further promotes that the board should schedule a formal process that is externally facilitated using an approved methodology approved by the Board.

The overview of the evaluation results and remedial actions should also be disclosed.

The ARC ascribes to the above and as such it is of the view that the rigorous evaluation as requested is to allow Council to reflect on its roles and responsibilities, its culture, and its 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 and further identify any skills gaps and oversight shortcomings that might exist.

3. PURPOSE

The current ARC Council was appointed as from 01 July 2023 and is comprised of 11 non-executive directors, one executive director being the CEO and President of the ARC, and 4 independent members of its Audit and Risk Committee.

The following are the 5 Council Committees:

- a. Audit and Risk Committee (6 members)
- b. Social, Ethics, and Governance Committee (4 members)
- c. Human Resources and Remuneration Committee (4 members)
- d. Research, Development, and Evaluation Committee (4 members)
- e. Finance, Investment, ICT Governance and Infrastructure Committee (4 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, and all other plans, reviews, projects and new activities that aim at enhancing the performance of the organisation.
- 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 Chairpersons' role
- Committee Chairpersons' role

4.2.3

Council's Role in Governance

- Provide leadership in the governance of the following;
 - Governance of the organisation's strategy
 - Governance of ethics
- Monitoring of policies, systems, and strategy implementation
- Providing support and advisory role to management

4.2.4

Council's oversight 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
- Whistle-blower mechanism

4.2.5

Council's Role in Communicating with key stakeholders

- Monitoring of communication and engagement with stakeholders
- Enablement of and assistance to management to engage with stakeholders
- Ensure that a stakeholder register is developed and updated regularly

- Ensure that there is a procedure for internal and external communication and that the procedure is complied with

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:

No #	Key Deliverables	Standard for delivery
1	Finalise methodology and instruments of the evaluation to the satisfaction of the ARC (within 10 days of the date of appointment)	An Inception report which outlines a clear understanding of the requirement of the Corporate Governance Framework in relation to Board Performance Evaluations. The Plan should include a strategy for Council Members engagements and / interviews. Work plan in Gantt Chart format that include tasks, duration, and start and finish dates and resources.
2	Data Assessment Methodology & Tool (This should be submitted 20 days after the signing of the contract)	A report documenting the methodology used and the tool developed for Board Performance Evaluation which will include an electronic based system.
3	Report with findings and recommendations from consultations and interviews with selected members of	A Report detailing the findings from the assessment and consultation and /or interviews with a selection of members of Council and/ or other relevant key stakeholders.

	Council and any other key stakeholder.	
4	<p>Draft Report and all consultancy materials related to the Board Evaluation Tool:</p> <p>(Complete draft report for review of adherence to scope of work within 45 days of the date of appointment)</p>	<p>Report that fully outlines the Board Evaluation Tool inclusive of an electronic based system, with the performance indicators and scale being recommended and the Evaluation Process to be used.</p> <p>The tool should amongst others assess:</p> <ul style="list-style-type: none"> i. Leadership/strategic oversight : <ul style="list-style-type: none"> a. Ensuring effective internal control is in place b. Monitoring and evaluation of policies, strategies and business plans by the ARC ii. Board Effectiveness: How well has the Board performed against agreed performance objectives? iii. Board Members Effectiveness : <ul style="list-style-type: none"> a. Do Council members have a clear understanding of their respective roles and responsibilities? b. Are Council members prepared for meetings and do they contribute meaningfully to the discussions? c. Do Council members attend Board/Committee meetings and training as scheduled? d. Do Council members add value and insight to Committee assignments? iv. Strategic Direction of the organisation: <ul style="list-style-type: none"> a. Delegation of authority to management, b. Determination of the pace of current operations and future developments c. Formulation and revision of policies d. Identifying and managing of risks. v. Board Competencies: <ul style="list-style-type: none"> a. Does the Council and its Committees possess the right mix of knowledge, skills and experience to maximise performance in accordance with strategic/business plans vi. Corporate Governance Practices: <ul style="list-style-type: none"> a. How well the Council responds to problems or crises in keeping with the Code of Ethics and developments in the regulatory environment and market b. Ensuring that the Corporate Governance Framework is effectively implemented vii. Compliance with Statutory Requirements <ul style="list-style-type: none"> a. Ensuring that there is adherence to all statutory and other requirements

		<p>viii. Accountability to Shareholders/Stakeholders</p> <p>a. The extent to which the interest of shareholders and relevant stakeholders are understood and taken into account</p> <p>ix. Effectively manage communications with shareholders and stakeholders.</p>
	Final Report to Council (Final Report Submitted and signed-off within 60 days)	<p>i. 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.</p> <p>ii. A report containing the results of the Council's self-evaluation and individual director peer review on the performance of each other</p> <p>iii. 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.</p> <p>iv. A high-level overview of the appraisal should be presented to the Council.</p> <p>v. A Council Development Framework and Action Plan must be provided.</p>

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 90 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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