Annexure A

THE PROVINCIAL SCM FORUM

TERMS OF REFERENCE

1. BACKGROUND

The Provincial Treasury Supply Chain Management (SCM)/ Asset Management (AM) forum is a subset of the Provincial Chief Financial Officer (CFO) forum that was created as a medium for all SCM practitioners to inform financial management and decision making from an SCM perspective.

The establishment of the SCM / AM forum speaks to the need for a mechanism to provide greater co-ordination between policy development and financial management from an SCM / AM perspective for all SCM/ AM practitioners within the Province.

The aim of the forum is to guide and discuss on issues such as managing transformation within SCM, developing coherent policy and setting norms and standards for service delivery and to enhance interdepartmental SCM/AM relations and the exchange of information, while taking a long-term perspective on spending and policy from an SCM perspective.

However, the SCM/ AM forum does allow for sufficient opportunity from a strategic SCM perspective for SCM managers/heads to inform SCM provincial policy and procedure, build provincial capacity based on actual/real experiences in the field, and particularly to deal with SCM issues on an urgent basis within the provincial sphere given the number of pressurizing SCM issues that have increasingly emerged from the National Treasury and stringent external audit approach.

A need has therefore arisen to establish and to facilitate the involvement of SCM experts / departmental SCM heads, for the purpose of securing a better grip on desired standards in SCM as a sub-set of financial management, and improving financial governance within the provincial sphere, combining theory with practical challenges and experience and at the same time ensuring, standardization, uniformity and practicality.

2. PURPOSE

To facilitate uniformity and best practice within in SCM and financial governance in order to promote and maximise service delivery through the efficient and effective use of resources and dynamic interaction from all departments, and to promote the development of a more rigorous provincial position thereby enabling a more effective and holistic SCM financial governance within the Province.

3. OBJECTIVES

3.1 Ensuring that the core activities, functions and deliberations of the SCM/AM forum are in congruence with the objectives of the forum and ultimately the CFO Forum and Provincial Top Management.

3.2 Working across departments in the sharing of SCM policies, experiences and strategies towards the vision of becoming the premier authority in the facilitation of provincial SCM improvement and reform.

3.3 To inculcate a culture of excellence, continuous learning and efficiencies and to address capacity (expertise) shortfalls and setting benchmarks in the development of prudent financial governance requirements within provincial supply chains and asset management functions, through policies and honing financial governance skill and efficiencies.

3.4 To promote sound financial governance and accountability.

4. OBJECTIVES TO BE ACHIEVED THROUGH:

4.1 Sharing of knowledge; expertise and skill as a platform to inform SCM/ AM policy in the Province.

4.2 Sharing of experiences, lessons learnt and to test operational effectiveness, practical implementation ability and the impact on departmental resources and service delivery before key decisions are made from an SCM/ AM perspective.

4.3 Building institutional capacity and skills by establishing formal and informal communication channels and support networks;

4.4 Identification of common problems/ risks and possible steps in an attempt to mitigate these risks and to establish a standardised uniform approach for SCM/ AM in the Province.

4.5 Developing best practice models for SCM/ AM;

4.6 Reflecting on desirable SCM/ AM policy outcomes;

4.7 Brainstorming on ideas to improve financial governance and remedial action needed;

4.8 Formulating a provincial position on SCM/ AM improvement and reform;

4.9 Developing a platform for SCM discussions to be taken up at a higher level at the Provincial Treasury and to political counterparts; and

4.10 In general, secure synergy between theoretical conformances of SCM prescribed requirements and practical implement abilities.

5. SCOPE OF WORK

5.1 Dealing with all matters and issues arising out of financial governance from an SCM/ AM perspective that is brought before the Group.

5.2 Topics to be covered will amongst others, consist of the following:

5.2.1 SCM Norms and Standards (Standardised best practice models);

5.2.2 Confusing SCM Issues and lack of uniformity in SCM policy and procedures;

5.2.3 Conflicting Laws/ Acts/ Circulars/ Practice Notes;

5.2.4 Impractical and Un-implementable SCM prescribed requirements;

5.2.5 Streamlining, aligning and synergising SCM prescripts, policy and procedure and systems for the Province;

5.2.6 Testing Potential Impact of new legislation, policy and prescripts on departments;

5.2.7 Reviewing, and providing input/ solutions to SCM Systems and Technology Constraints;

5.2.8 Reviewing SCM Capacity, Structures & Resources required for continuous SCM improvement and change;

5.2.9 Reviewing and addressing SCM risks, control gaps, brainstorming and recommending practical solutions;

5.2.10 Creating a culture of accountability, transparency and ethical fair dealing within SCM; and

5.2.11 Input into SCM Training needs and skills gaps from a provincial perspective

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6. REPORTING

6.1 Minutes of the policy forum shall be circulated to all representatives of the forum. The adopted minutes and resolutions of the previous policy form meeting will be tabled at the SCM Focus Group meeting.

7. MEMBERSHIP

7.1 Each provincial institution must nominate one representative to form part of the Policy Forum. The representatives should preferably be those whose core functions relate to SCM policy and control environment. Should the departmental policy representative not be able to attend the forum meeting, it's the responsibility of the representative to appoint a seconded official from the SCM Unit to ensure that the specific department is appropriately represented at the forum meeting.

8. THE ROLE OF THE CHAIRPERSON AND OTHER OFFICE BEARERS

8.1 The Chairperson and Deputy Chairperson of the forum will be a representative from Provincial Treasury: Provincial Government Supply Chain Management. This role may be shared at the discretion of the Provincial Treasury with departmental SCM Heads.

8.1.1 The Chairperson

The power of the Chairperson will be to:

- Preserve and maintain order and to decide on any points of order submitted.
- Eject person/s obstructing the business of the forum.
- Adjourn the forum if it is so disorderly as to prevent the business of the Forum from taking place.

The main duties of the Chairperson before the forum will be to:

- Ensure that the forum has been properly convened and constituted.
- Draw up the agenda with the help of the secretary.
- Prepare and be fully informed on all matters to be discussed.

The main duties of the Chairperson during the forum will be to:

- Call the forum to order and declare it formally open.
- Deal with items on the agenda in the order set.
- Read the apologies of those who could not attend the meeting
- Confirm the minutes of the previous forum and sign them.
- Maintain order and see that the forum is conducted in the proper manner.
- Clarify and restate points which may not be clear to all members.
- Summarise and draw conclusions from discussions.
- Enact the role of facilitator, rather than participant, in debates.
- Identify any action to be taken and delegate responsibilities.
- Adjourn or close the forum.

The main duties of the Chairperson after the forum will be to:

- ensure that minutes of the forum meeting is produced by the secretary and circulated to each member after the date of the forum meeting.
- follow up on decisions and recommendations taken at the forum and make sure they are carried out.

8.1.2 **Deputy Chairperson**

- Provide assistance to the Chairperson as required;
- Chair meetings when the chairperson is not available;
- Fulfil the responsibilities of the Chairperson should the Chairperson be unavailable.

8.1.3 **Secretariat**

The secretariat function will be performed by the Provincial Government: Supply Chain Management directorate.

The duties of the secretariat before the forum will be to:

- Draw up the agenda in conjunction with the Chairperson.
- Ensure that all necessary documents requiring discussion or comment are attached to the agenda.
- Send out the notice of the Forum meetings and agendas no later than five working days prior to the forum, to all members.
- Prepare all documents and correspondence to be dealt with at the forum, in the order on which the items appear on the agenda.
- Circulate documents among members
- Arrange the venue and material required.

The duties of the secretariat during the forum will be to:

- Ensure that all members signed the attendance register.
- Collect copies of all correspondence for later filing.
- Make notes on all proceedings.
- Record all motions, proposers, seconders and resolutions.
- Record the number of votes.
- Record the names of those responsible for further action and the due dates.

The duties of the secretariat after the forum will be to:

- Prepare the minutes;
- Send a copy of the minutes to the Chairperson to be checked; and
- Attend to all correspondence.

8.1.4 **The Forum Members**

- Members may invite relevant departmental staff limited to one individual to attend meetings, but invitees will not participate in decision-making or voting.
- Presentations to be facilitated by member/s should be submitted to the Secretariat within seven days prior to the forum.
- Members must submit agenda items to the secretariat within seven working days prior to the scheduled forum.
- When submitting an agenda item, issues should reflect the objectives of the forum and be accompanied by a discussion document. The following should also be taken into account:
  - Generic/Transversal issues
  - Materiality of Ad hoc issues
  - Feedback from various persons
- Minutes shall be checked by the Chairperson and accepted by the committee members as a true and accurate record at the commencement of the next meeting.

9. FOCUS GROUPS

- Focus groups as sub-sets of the SCM forum will be appointed and tasked to deal with specific issues raised by the forum in terms of the SCM strategy as it relates to policy, SCM technology, demand management and capacitation and development.
- For ease of reference the SCM strategy is represented by a four-pronged approach that focuses on: SCM Governance, SCM Capacitation and training; strategic procurement and SCM technology:
- Sub focus groups will have members as assigned by the respective departments' SCM Head.

SCM STRATEGY

1. Standardised policy & procedures
2. Business process reviews – M&E
3. Operational functionality
4. Transactional credibility (delegations)
5. Compliance to policies and prescripts
6. Risk sensitive
7. Responsibility & accountability management
8. Contract management
9. Positive audit outcomes

GOVERNANCE (Policy and control)

CAPACITATION & DEVELOPMENT (Organisational structure, capacity, skill)

1. Dedicated structure
2. Institutional memory for policies, best practices
3. Training (bespoke and integrated)
4. C&D strategy
5. Business process optimization
6. Client support (Helpdesk, etc.)
7. Supplier development

SCM TECHNOLOGY (Reporting & data integrity)

1. Reporting
2. Enterprise content management
3. Information management
4. Integrated financial and non-financial systems
5. Reliable data that supports operational planning and strategic decisions and surveillance

STRATEGIC PROCUREMENT

1. Procurement planning
2. Procurement strategies / commodity strategies
3. Effective utlisation of resources
4. Value for money
5. Economies of scale (transversal contracts)
6. Market intelligence and technical expertise
7. Service delivery
8. Future improvements

Key Enablers

| Capacity Building | Knowledge Management | Information Management | Partnerships |

10. MEETING ATTENDANCE

The forum may:

- May invite particular non-members to attend meetings in connection with specific agenda items.
- Limit attendance at particular meetings or parts of meetings or agenda items to forum members only.
- Any forum member who is unable to attend the meetings should send an apology via their CFO's office.

11   QUORUM

A quorum of members for the forum shall be 50% plus 1.

12   ADMINISTRATION

The Chairperson will be responsible for administering forums with the assistance from the other forum members where appropriate.

13   FREQUENCY OF MEETINGS

The forum will aim to meet on a quarterly basis; however, Ad hoc meetings can take place when required. The agenda for each meeting will be determined by the Chairperson in consultation with the forum members.

14   PROCEDURAL FORMALITIES

Special note should be taken of the following:

- the Terms of Reference (TOR) will be reviewed on an annual basis from the date of approval. The TOR may be altered to meet the current needs of all forum members, by agreement of the majority of the members.