Supply Chain Management

CRAM TOOL

USER GUIDE

SUPPLY CHAIN MANAGEMENT COMPLIANCE RISK ASSESSMENT AND MONITORING TOOL

"Strengthening & Enhancing your SCM Compliance Risk Environment"

PREPARED BY:
Office of the Chief Procurement Officer
DIRECTORATE: GOVERNANCE, MONITORING & COMPLIANCE
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Content Page

SCM CRAM ("The tool")	SCM	OCPO	GMC	FMCMM
Supply Chain Management Compliance Risk Assessment and Monitoring Tool.	Supply Chain Management	Office of the Chief Procurement Officer	Governance, Monitoring and Compliance	Financial management capabilities maturity model

Introduction

Background on the project

Background

In 2023, the ***Governance, Monitoring and Compliance (GMC)*** directorate under the Office of the Chief Procurement Officer (OCPO) initiated on a research project to improve and solidify Supply Chain Management (SCM) compliance risk assessments and monitoring across the various spheres of government. The primary objective of this project is to conduct effective research aimed at assisting accounting officers and authorities in improving service delivery by enhancing compliance with SCM prescripts. This research is crucial for achieving government's goals through the improvement of processes, procedures, and adherence to legislative and regulatory requirements within the public sector. The secondary objectives include providing a content-relevant, quality-assured, and approved Compliance Risk Assessment. This will serve as the basis for the development and implementation of a Compliance Monitoring Plan across all spheres of government. Additionally, this project seeks to address the compliance deficiencies identified by the Auditor-General in the General Reports on procurement audit outcomes and in the audit reports of state organs. The outcome will be relevant to state institutions and will help in strengthening governance and accountability within public sector SCM processes.

Following a situational analysis and interviews a SCM Compliance Risk Assessment and Monitoring (SCM CRAM) tool was developed to assist departments, municipalities, and public entities to:

- Evaluating their current SCM compliance risk environment maturity levels and risks.
- Identifying areas for improvement,
- Developing improvement plans, and
- Monitoring the implementation of these plans

The SCM CRAM tool integrates SCM legislation, compliance, and risk management principles, enabling a proactive approach to enhance the overall SCM risk and compliance environment within public sector organisations.

Purpose of this document

The purpose of this document is to provide step-by-step guidance on how to use the SCM CRAM Tool, along with background information on its development and the next phase of this project.

SCM Compliance Risk Management

An overarching SCM Compliance Risk Management Framework integrates three distinct and established frameworks or best practices, as illustrated below. Thus, the SCM CRAM Tool has incorporated all the following key areas to ensure that a comprehensive assessment tool was developed.

SCM Legislative landscape & SCM framework/ guide

- Legislation, regulations, circulars, etc.
- Elements of SCM
- Key processes

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Risk management framework

- Environment
- Risk identification
- Risk Assessment
- Risk response
- Communication/ Reporting
- Monitoring

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Compliance framework

- Environment & functionality
- Policy
- Roles & responsibilities (capacity requirements)
- Combined assurance
- Identification of universe
- Compliance plan
- Compliance risk assessment
- Compliance monitoring plan

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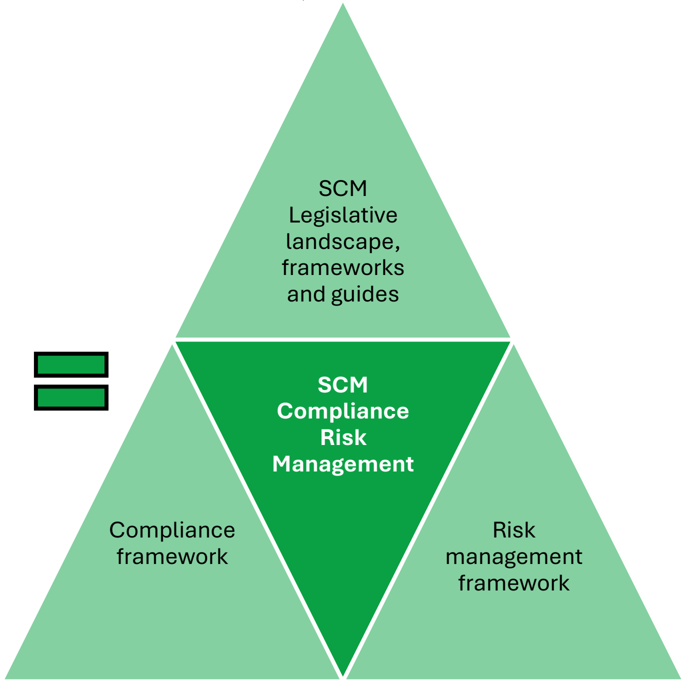
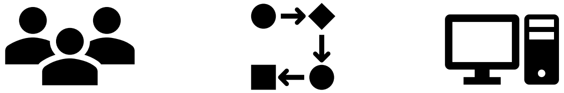


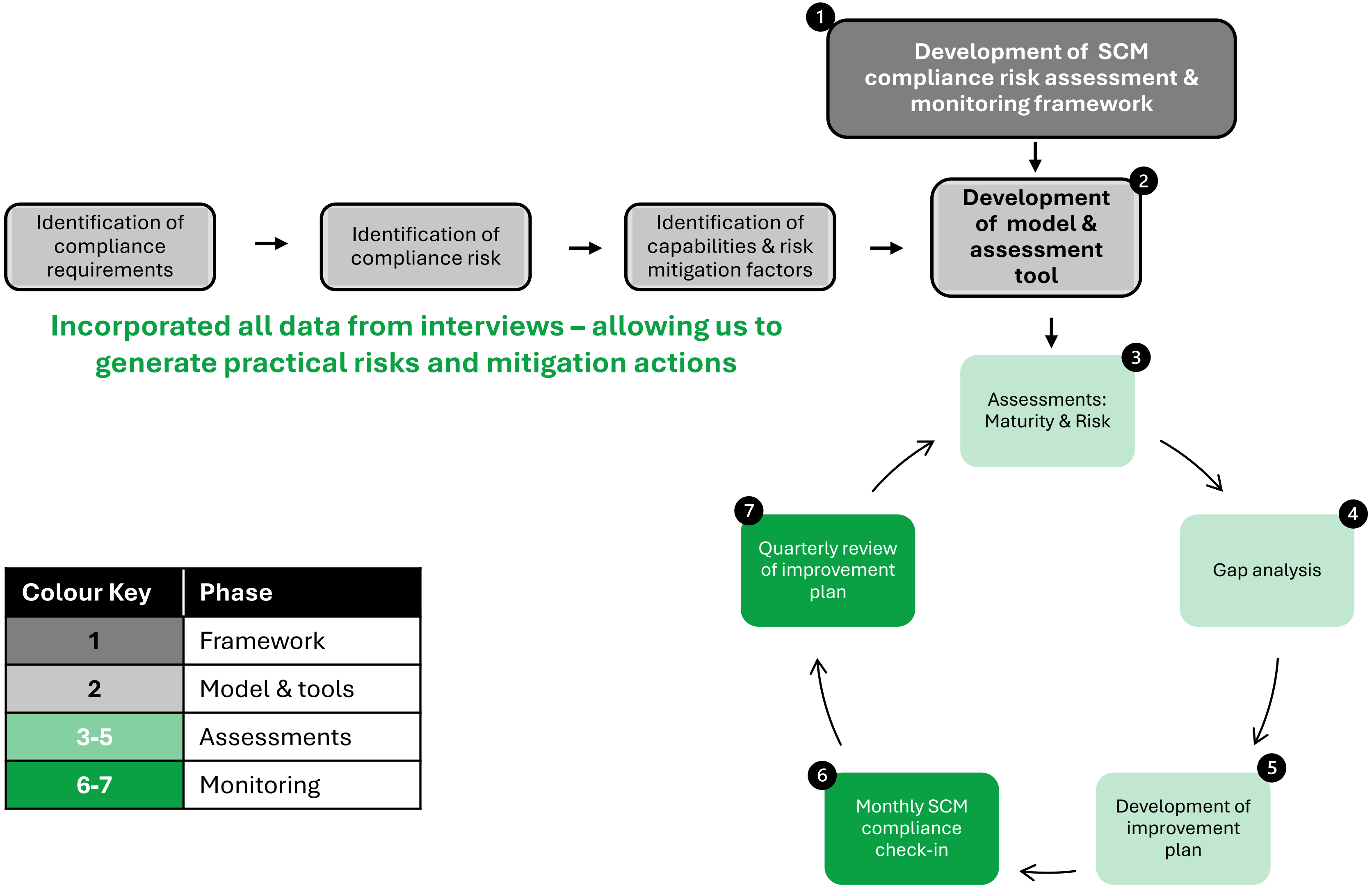
In addition to the above frameworks, the existing Financial Management Capabilities Maturity Model (FMCMM) was specifically utilised to define the various levels of maturity and identify key characteristics at each level. To further zone in and easily identify which area or enabler of the entity was lacking or excelling in SCM Compliance Risk Management, the People, Processes, and Technology (PPT) framework was also incorporated into both the framework and the tool.



Methodology

How was the SCM CRAM Tool developed?

Overview



Colour Key	Phase
1	Framework
2	Model & tools
3-5	Assessments
6-7	Monitoring

This diagram outlines the sequential and cyclical process used in developing the SCM CRAM tool, aimed at helping entities assess and monitor their SCM compliance risk environment. The process starts with creating a framework or guide that provides an understanding of SCM Compliance Risk Management, forming the baseline for the development of the tool. When developing the tool, an understanding of the compliance universe was unpacked and data from interviews to address specific risks and practical mitigation actions.

During the implementation phase (i.e. the utilisation of the tool) the entity first begins by assessing their current maturity level in SCM Compliance Risk, followed by a risk and gap analysis. The results guide the development of an improvement plan to enhance SCM compliance, with continuous monitoring to ensure progress.

Refer to the Orientation section on how to utilise the tool.

Development of the SCM CRAM Tool

When developing the tool, the initial step involved analysing the legislative and compliance framework relevant to SCM in the public sector. From this, key areas and elements were identified, and key enablers were defined at different maturity levels.

<table>
<tr><th colspan="2">Areas/ Components of SCM</th><th>Identification of compliance requirements /best practice</th><th>Identification of compliance risk</th><th>Internal controls are in place & risk mitigation factors</th><th>Identification of capabilities</th><th>Identification of risk associated factors</th></tr>
<tr><td>A</td><td>SCM Compliance risk environment & management (Institutional capacity)</td><td rowspan="6">• Constitution
• Legislation
• Regulations
• Circulars
• Instructions
• Frameworks
• Guidelines</td><td rowspan="6">• Identification of potential risks that can unfold</td><td rowspan="6">• What are the challenges
• What internal controls are in place (ie. Their best practices)</td><td rowspan="6">Level 1 – Level 6
• People
• Processes
• Technology</td><td rowspan="6">Each risk is given a ranking (impact & likelihood)
• Linked to Level 1 – Level 6
• Level 1 – High risk ratings
• Level 6 – Low risk ratings</td></tr>
<tr><td>B</td><td>Demand management</td></tr>
<tr><td>C</td><td>Acquisition management</td></tr>
<tr><td>D</td><td>Contract management</td></tr>
<tr><td>E</td><td>Performance management</td></tr>
<tr><td>F</td><td>Other</td></tr>
</table>

Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Starting up	Developmental impact	Controlling the environment	Information integration	Management of resources	Optimisation

Financial management capabilities maturity model levels (FMCMM)

Maturity levels

Using the existing FMCMM maturity level descriptions and key characteristics, these were adapted to align with assessing the SCM compliance risk environment and management and is shown below.

Level	Level name	Description - FMCMM	Key
Level 1	**Starting up**	A public sector entity not yet established financial management policies, practices, or control frameworks	• Lack of documented procurement policies and procedures. • Unclear roles and responsibilities for procurement activities. • Absence of vendor selection criteria or competitive bidding processes. • Increased risk of fraud, waste, and abuse due to lack of controls over procurement and supplier relationships.
Level 2	**Developmental impact**	A public sector entity with basic financial management practices in place, but lacking standardisation and consistency.	• Procurement procedures exist but may not be fully documented or consistently applied. • Risk of non-competitive practices and supplier favouritism. • Limited controls over supplier selection and contract management.
Level 3	**Controlling the environment**	A public sector entity with a focus on ensuring adequate resources, asset safeguarding, reliable data, and controlled operations (compliant)	• Standardised and documented procurement procedures consistently enforced. • Clear roles and responsibilities for procurement activities. • Established vendor selection criteria and competitive bidding processes. • Reduced risk of fraud, waste, and abuse in procurement.
Level 4	**Information integration**	A public sector entity with integrated financial and non-financial systems for efficient and economical resource management.	• Standardised and consistently enforced procurement procedures with a focus on cost-effectiveness. • Strong vendor management practices to mitigate risks. • Procurement information integrated with financial systems for better decision-making.
Level 5	**Management of resources**	A public sector entity that uses financial and operational information to optimise resource utilisation and achieve cost-effective results.	• Strategic procurement practices focused on cost optimization and value for money. • Supplier performance metrics integrated with financial data for informed sourcing decisions. • Dynamic risk management adapting to changing conditions and opportunities. • Cost-benefit analysis incorporated into decision-making processes.
Level 6	**Optimisation**	A public sector entity that leverages internal and external information for strategic improvement and value creation.	• Strategic sourcing practices leverage market intelligence and supplier innovation. • Supply chain optimization for cost reduction, efficiency, and agility. • Proactive risk management anticipating future challenges and opportunities. • Risk mitigation strategies aligned with strategic objectives and continuous improvement

Focus areas and elements

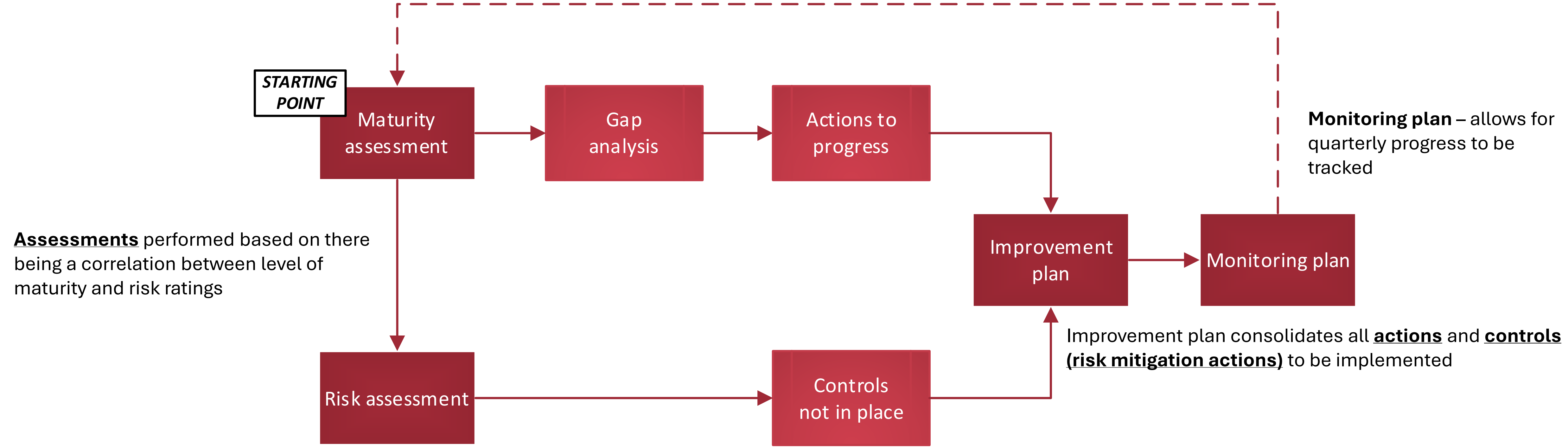
In line with the SCM compliance universe, the following key areas and elements are assessed. Each element comprises a series of questions, each designed to evaluate a specific enabler (i.e., People, Processes, Technology).

Area ref	Area	Element	People	Process	Technology	Grand Total
A	**SCM Compliance Risk Environnent & Management**	Assurance Providers and Audits	3	6	1	10
		Compliance Risk Management	2	10	1	13
		Institutionalisation and Capacity	4	2	4	10
		Oversight and Governance	3	4	2	9
B	**Demand Management**	Annual Procurement Plan	1	4	1	6
		Procurement Strategy and Needs Analysis	1	6	1	8
C	**Acquisition Management**	Bid Committees	1	1	2	4
		Preferential Procurement	1	3	2	6
		Procurement Processes	1	5	3	9
D	**Contract Management**	Contract Administration and Expenditure Management	1	3	3	7
		Supplier Relationship and Performance Management	1	3	1	5
E	**Performance Management**	Consequence Management and Dispute Resolution	1	8	3	12
		Enhancement of SCM Processes and Systems	1	5	1	7
		SCM, Bid Documentation Management and Reporting	1	8	4	13
F	**Other**	Asset Management	1	2	2	5
		Disposal Management	1	3	1	5
		Logistics Management	1	1	1	3
Grand Total			**25**	**74**	**33**	**132**

Implementation of SCM CRAM Tool

The diagram illustrates the annual implementation cycle of the SCM CRAM tool, beginning with two assessments: **Maturity Assessment:** *Evaluates an entity's SCM compliance capabilities against a predefined maturity model*. **Risk Assessment:** *Identifies risks based on the entity's maturity level, with lower maturity often linked to higher risks*.

Following these assessments, a **Gap Analysis** highlights discrepancies between current and desired capabilities, outlining actions to reach the next maturity level. As part of the risk assessment, an analysis is performed that identifies **controls needed to mitigate risks**. Unimplemented controls and actions are added to a consolidated **Improvement Plan**, which details key deadlines and responsibilities. The Improvement Plan is **monitored quarterly**, and the cycle recommences annually, ensuring continuous improvement of the entity's SCM Compliance Risk environment.



Orientation

How to navigate the SCM CRAM Tool?

General overview

The SCM CRAM Tool includes several tabs that need to be completed step by step. As you complete the assessments and analyses, all inputs will feed into the subsequent assessments, and the results will be displayed in the relevant tab. Below is an overview of the key steps and tabs to follow when using the Tool:

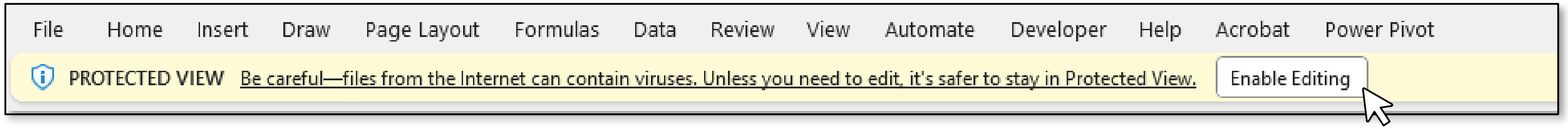
Step:		Name of tab	Brief overview of the step:
Step 1	**Cover page**	Cover page	Contains information about the organisation and specifies the time period of the assessment.
Step 2	**Content Page ("Home page")**	Content page	This tab provides links to all the various tabs, facilitating easy navigation
Step 3	**SCM Compliance Risk Maturity Assessment**	1. Maturity - Assessment	This assessment evaluates the current level of maturity of the organisation by having the user answer a series of questions and identify the most appropriate responses.
Step 4	**SCM Compliance Risk Maturity Assessment – Results**	1. Maturity - Dashboard	The results of the maturity assessment are displayed in this tab.
Step 5	**SCM Compliance Risk Assessment & Analysis**	2. Risk - Assessment	This assessment provides a risk rating for each question and suggests mitigation actions to address these risks. An analysis is performed to identify which mitigations are not in place. The default risk rating is determined by the level of maturity.
Step 6	**SCM Compliance Risk Assessments & Analysis - Results**	2. Risk - Dashboard	The results of the risk assessment are displayed in this tab.
Step 7	**Gap Analysis**	3. Analysis - Gap	An analysis is performed to determine which actions need to be implemented to progress to the desired level of maturity.
Step 8	**Improvement & Monitoring Plan**	4. Improve. & Monitor plan	All mitigation actions from the risk assessment and the actions from the gap analysis are consolidated in this tab, providing a comprehensive list of actions to be implemented.
Step 9	**Updating of Improvement & Monitoring Plan – Status**	4. Improve. & Monitor plan	The progress of the various actions needs to be updated quarterly to reflect the status of implementation.
Step 10	**Improvement & Monitoring Plan Dashboard**	5. Monitoring - Dashboard	This tab provides graphs and tables that can be filtered to summarise the progress of the implementation plan.

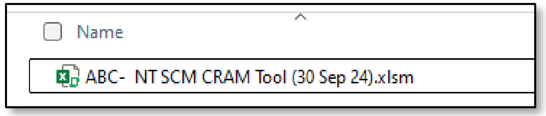
Throughout the document various colours are used for "cells", this is to indicate the following:

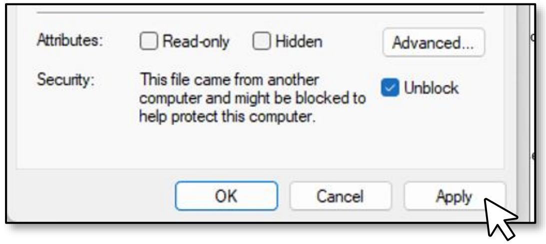
KEY:		
	Selection cells	Indicates cells where selections should be made from a drop-down list.
	No selection	Indicates cells that where no selections or input is needed.
	Input/ comment cells	Indicates cells meant for input or comments.

Enabling editing and macros

Below provides a guide on how to solve common issues that may occur:

<table>
<tr><th colspan="2">Common issues</th><th>Solution</th></tr>
<tr><td>1</td><td>Entity name not appearing on cover page OR Columns unable to expand, therefore only completing Section A of assessments and analyses.</td><td>When opening the file, ensure that “Enable Editing” is selected. This allows for the enablement of certain functionalities within the document.

</td></tr>
<tr><td>2</td><td>The update button does not work (macro not working) OR
Security risk notification appears</td><td>This warning may appear after you enable editing. To resolve it, follow the steps outlined below:

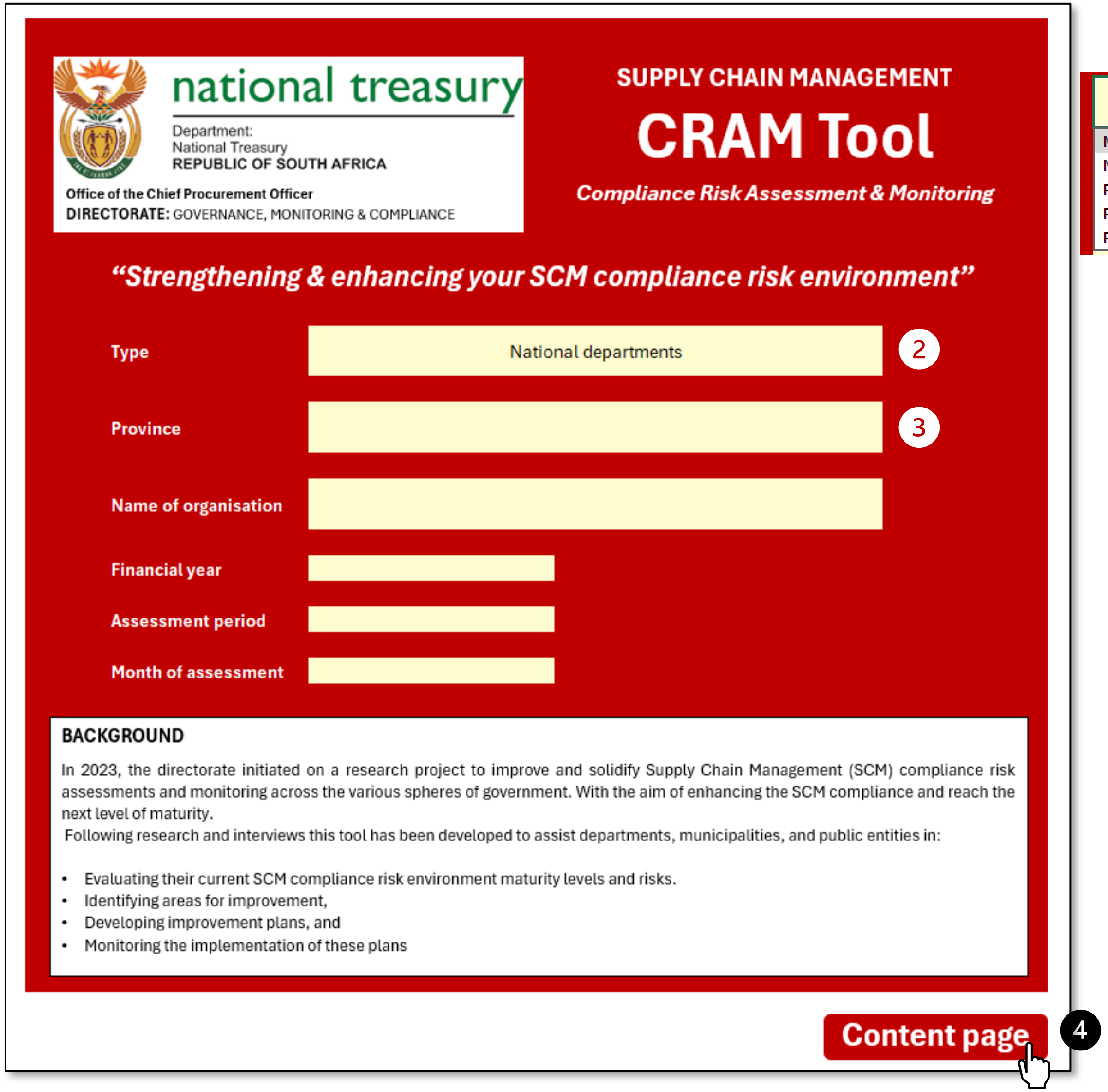

1. In the folder where the document is saved, right click on the file to reveal various options, select the “Properties” option.


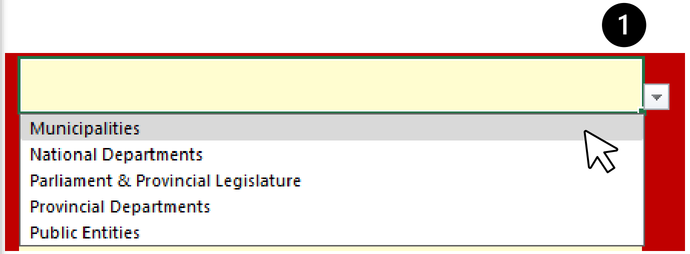
2. On the Properties window, under “General” tab, ensure that at the bottom, where it speaks about “Security”, the “Unlock” block is selected and then click on “Apply” and then “OK” for it to close the window.


3. You may need to close and re-open the file to enable the changes.</td></tr>
</table>

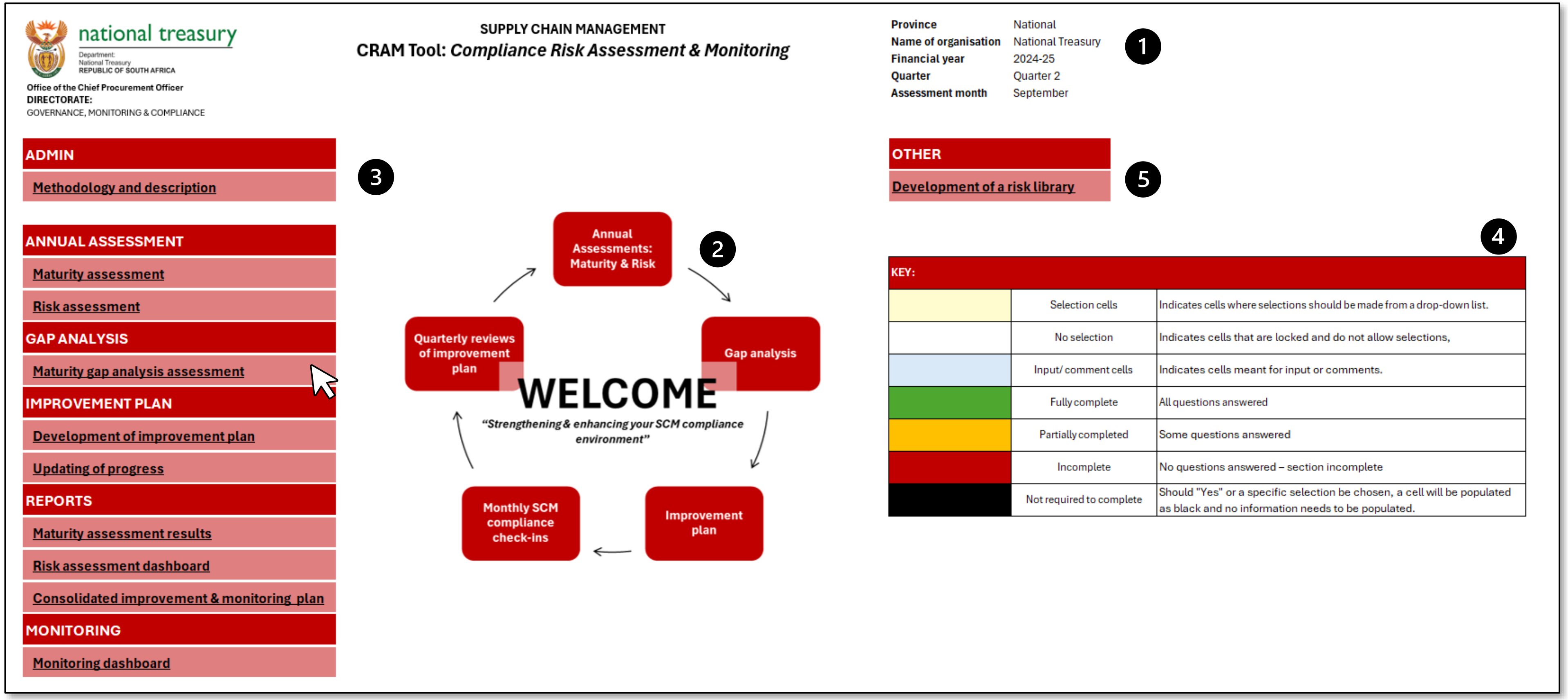
Cover page

Ref.	Instruction/comment
Selection cells	Select the appropriate option from drop-down list
1	Click on the cell to reveal the drop-down list arrow, which displays the available options for selection.
2	The selections must be completed in order, as this process determines the applicable *"Names of Organisations"* based on the previous selections.
3	For national departments and national public entities, the province selection must be "National".
4	Once all selections have been made, click on *"Content page"* to start utilising the tool.



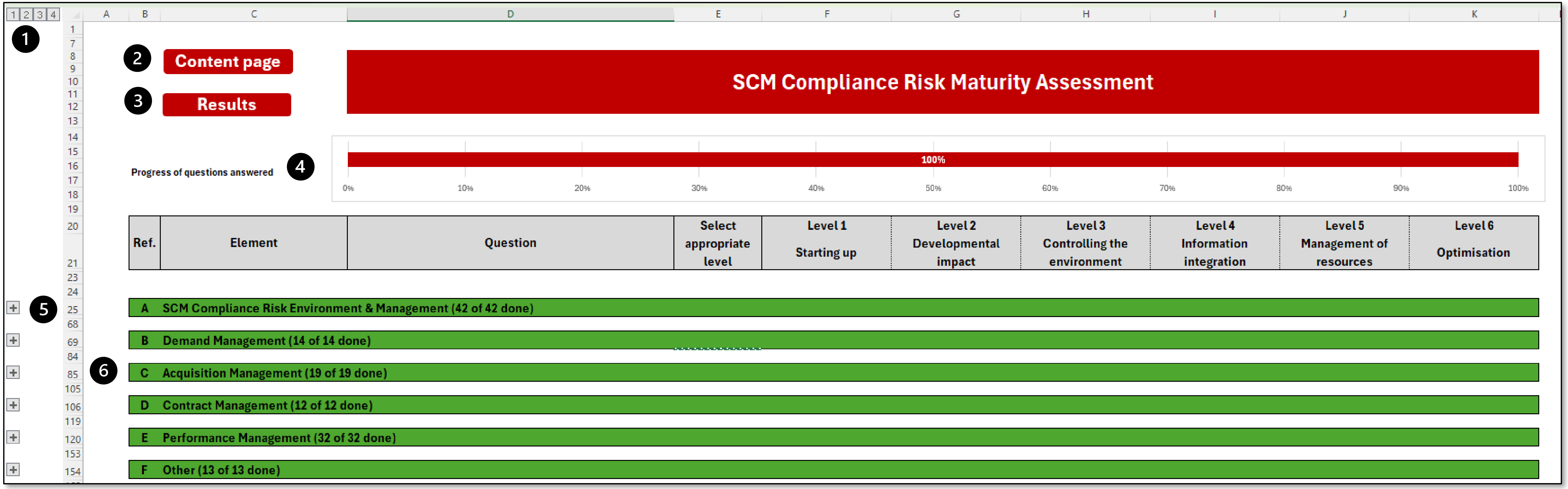


Content Page “Home Page”



Ref.	1	2	3	4	5	6
Instructions/ comment	Information is populated from cover page.	This tab provides users with information on the steps to follow, including descriptions of the various maturity levels, risk likelihood, and impact ratings.	When you click on any of the **underlined** parts of the tool, it will take you directly to the relevant tab.	Please note the following key is used throughout the document, as the shading of a cell has specific meaning.	This link takes you to the tab where additional risks and mitigation actions can be suggested.	All tabs have a link that can be clicked to return to this content page.

SCM Compliance Risk Maturity Assessment



Ref.	1	2	3	4	5	6
Instructions/ comment	Allows you to expand and collapse all rows	Takes you back to the "Home" page	Takes you to the Dashboard that shows the results of the assessment.	Shows the progress of questions asked, must be at **100%** to continue.	Allows you to expand and collapse the rows under a specific area	These are the areas that the tool is divided into. All sections should be ***Green*** indicating all questions have been answered.

SCM Compliance Risk Maturity Assessment

Ref.	Element	Question	Select appropriate level	Level 1 Starting up	Level 2 Developmental impact	Level 3 Controlling the environment	Level 4 Information integration	Level 5 Management of resources	Level 6 Optimisation
A	**SCM Compliance Risk Environment & Management (1 of 42 done)**								
A1	Oversight and Governance	Has the organisation institutionalised a culture of compliance with SCM policies and procedures?	Level 3	No emphasis on compliance culture; staff are unaware of SCM policies and procedures, leading to frequent non-compliance.	Initial steps towards promoting a compliance culture; some awareness exists, but adherence is inconsistent.	Compliance culture is established; staff are generally aware and follow SCM policies and procedures.	Well-integrated compliance culture; staff consistently adhere to SCM policies, with mechanisms in place for monitoring and accountability.	Advanced compliance culture, with ongoing efforts to align practices with strategic objectives and continuous improvement.	Exemplary compliance culture, with staff taking a proactive role in upholding and enhancing SCM policies and procedures.
A2	Oversight and Governance	Are measures in place to protect the procurement process from external pressures and influences?	Level 1 Level 2 Level 3 Level 4 Level 5 Level 6	No measures in place; procurement is vulnerable to external pressures, leading to biased or compromised decisions.	Some measures are introduced, but they are not fully effective in shielding procurement from external influences.	Effective measures are in place; procurement processes are generally protected, but occasional external influence may still occur.	Robust measures ensure that procurement is consistently insulated from external pressures, with clear guidelines and enforcement.	Strategic protection measures are aligned with broader organisational goals, ensuring integrity and transparency in procurement.	Continuous monitoring and enhancement of protection measures, ensuring that procurement remains fully autonomous and free from external influences.
					Initial steps towards	An updated and approved	Fraud prevention is	Fraud prevention strategies	Best-in-class fraud

Ref.	Instructions/ comment
1	Once a user clicks on the "+" various rows will be expanded and will show a list of questions
2	A unique identifier for each question, used to throughout the tool.
3	This is the specific element that is being assessed.
4	A specific question is asked that relates to the element that assesses the current state or practice within the organisation, aimed at evaluating the SCM compliance risk management level of maturity.
5	Descriptions of the different maturity levels ranging from Level 1 (Starting up) to Level 6 (Optimisation) is provided. Each level provides a detailed explanation of what is expected or observed at that stage of maturity, allowing users to gauge where their organisation currently stands.
6	A dropdown list is provided, where users can choose the maturity level that best represents their organisation's current state in relation to the question being asked.
7	Once a selection has been made the specific cell will be highlighted. Note that the progress bar must be 100% to move on to the results.
8	Should all questions not be answered, a prompt will appear indicating that the assessment is not complete.

8

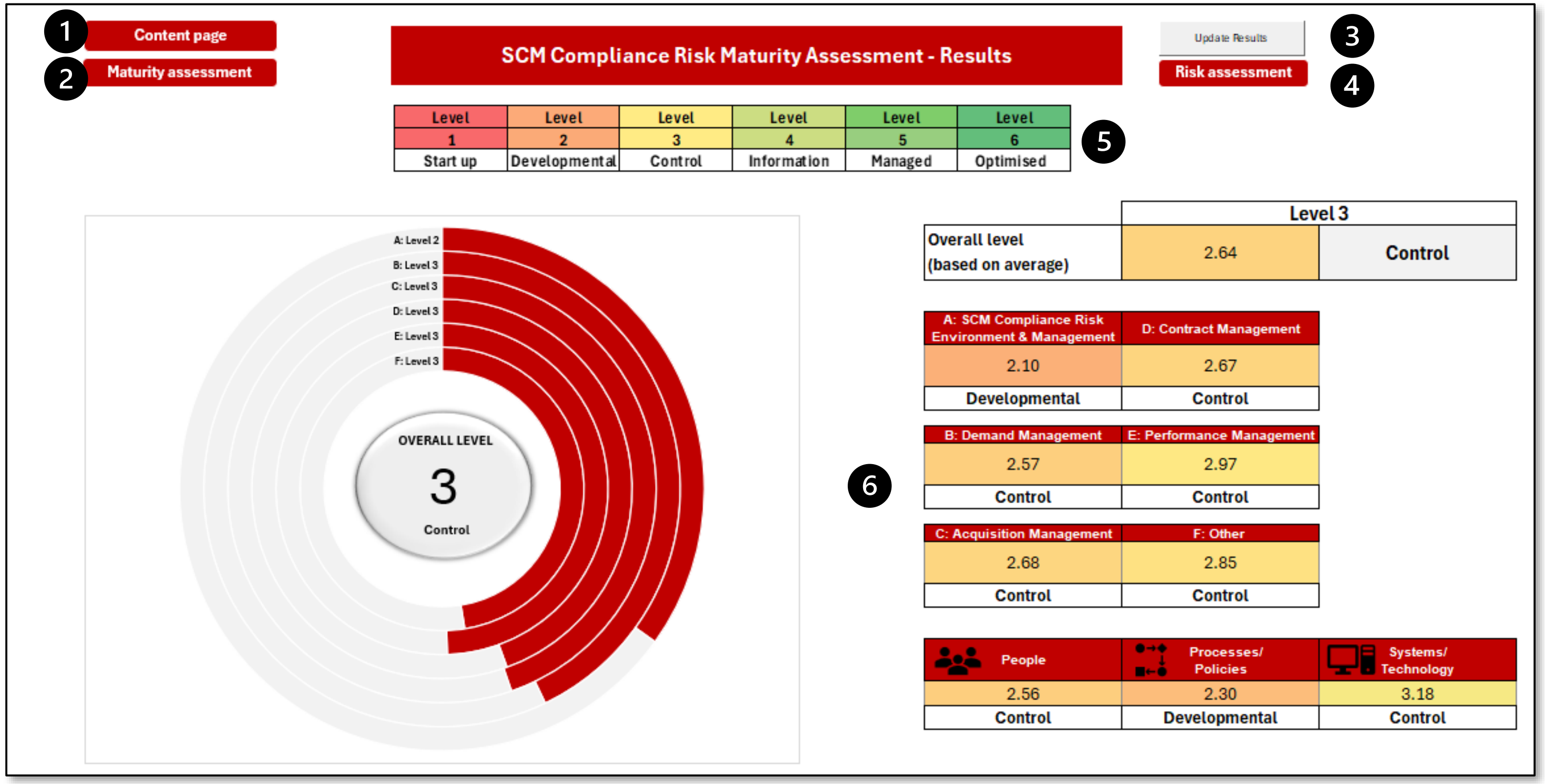
Assessment Incomplete

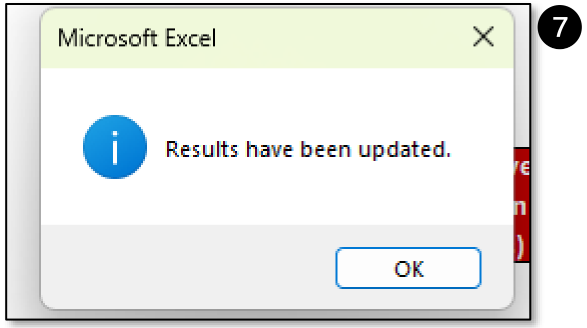
Not all questions have been answered. Please ensure all questions are complete before progressing to next assessments/results.

OK

SCM Compliance Risk Maturity Assessment – Results

To access the maturity assessment results, click on **"Results"** after completing the SCM Compliance Risk Maturity Assessment or it can be accessed from the Content page.





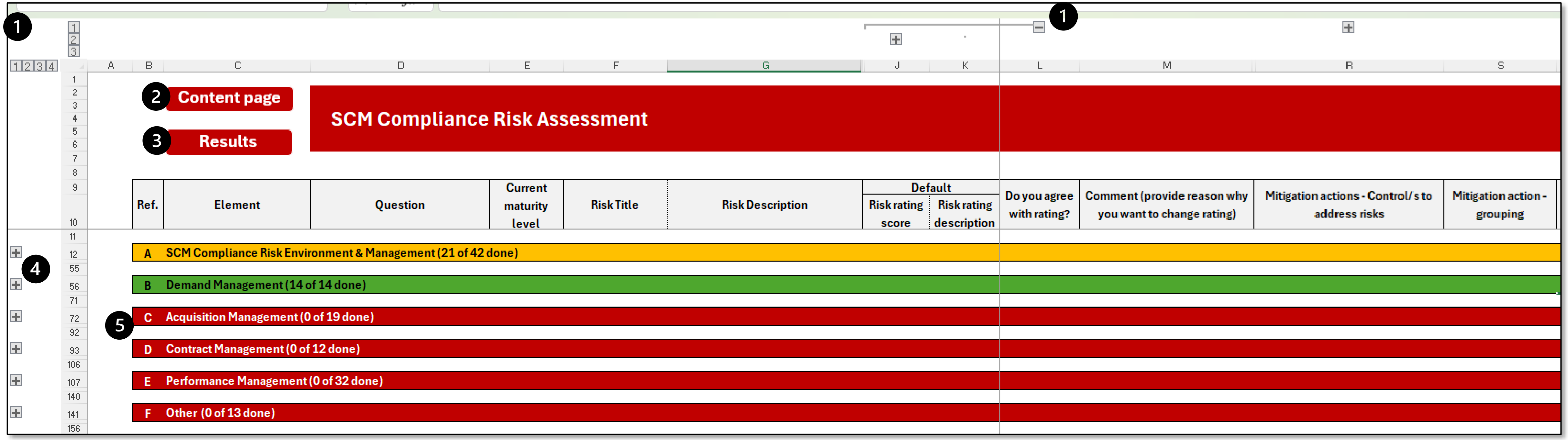
Ref.	1	2	3	4	5	6	7
Instructions/ comment	Takes you back to the "Home" page	Takes you to back to the Maturity Assessment tab.	Allows you to update the results, if any changes are made.	Takes you to the Risk assessment tab.	Provides the user with a guide on the colour scale used for each of the maturity levels.	Summarises the level of maturity for each of the 6 areas and an overall rating for each enabler.	When you click on Update Results the following notification will appear, confirming that the results have been updated.

SCM Compliance Risk Maturity Assessment – Results

As you scroll down on the results tab, a summary of the results is provided, broken down by element and enabler. The number represents the average level of maturity based on the assessment performed.

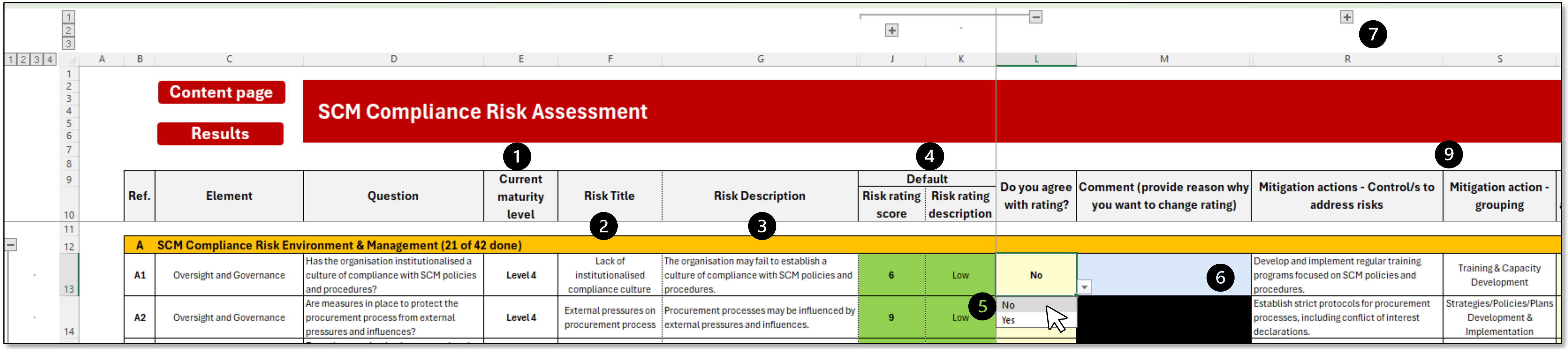
Area Ref	Area	Element	People	Process	Technology	Overall Average
A	SCM Compliance Risk Environment & Management	Oversight and Governance	2.00	3.25	3.00	2.78
		Assurance Providers and Audits	1.00	1.17	1.00	1.10
		Compliance Risk Management	2.50	1.40	4.00	1.77
		Institutionalisation and Capacity	3.00	3.00	2.75	2.90
	SCM Compliance Risk Environment & Management Overall Average		**2.17**	**1.82**	**2.75**	**2.10**
B	Demand Management	Annual Procurement Plan	4.00	2.00	4.00	2.67
		Procurement Strategy and Needs Analysis	4.00	2.17	3.00	2.50
	Demand Management Overall Average		**4.00**	**2.10**	**3.50**	**2.57**
C	Acquisition Management	Bid Committees	1.00	1.00	2.50	1.75
		Preferential Procurement	4.00	3.67	2.50	3.33
		Procurement Processes	4.00	2.40	2.67	2.67
	Acquisition Management Overall Average		**3.00**	**2.67**	**2.57**	**2.68**
D	Contract Management	Contract Administration and Expenditure Management	2.00	2.33	3.00	2.57
		Supplier Relationship and Performance Management	1.00	3.00	4.00	2.80
	Contract Management Overall Average		**1.50**	**2.67**	**3.25**	**2.67**
E	Performance Management	Consequence Management and Dispute Resolution	4.00	2.50	3.67	2.92
		Enhancement of SCM Processes and Systems	4.00	2.40	4.00	2.86
		SCM, Bid Documentation Management and Reporting	4.00	2.63	3.75	3.08
	Performance Management Overall Average		**4.00**	**2.52**	**3.75**	**2.97**
F	Other	Asset Management	2.00	2.50	3.50	2.80
		Disposal Management	1.00	3.00	4.00	2.80
		Logistics Management	3.00	2.00	4.00	3.00
	Other Overall Average		**2.00**	**2.67**	**3.75**	**2.85**
Overall Average			**2.56**	**2.30**	**3.18**	**2.57**

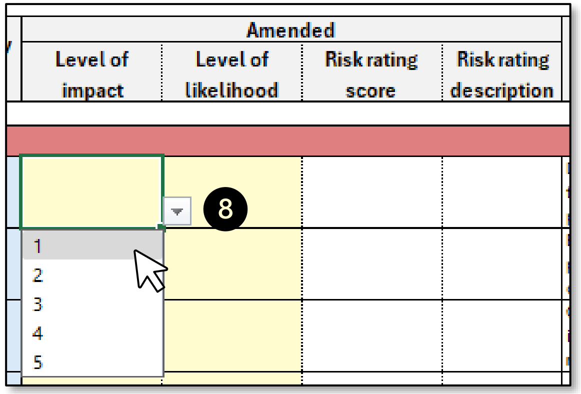
SCM Compliance Risk Assessment & Analysis



Ref.	1	2	3	4	5
Instructions/ comment	Allows you to expand and collapse rows and columns.	Takes you back to the “Home” page	Takes you to the Dashboard that shows the results of the assessment.	Allows you to expand and collapse the rows under a specific area	These are all the areas that the tool is divided into.

SCM Compliance Risk Assessment & Analysis

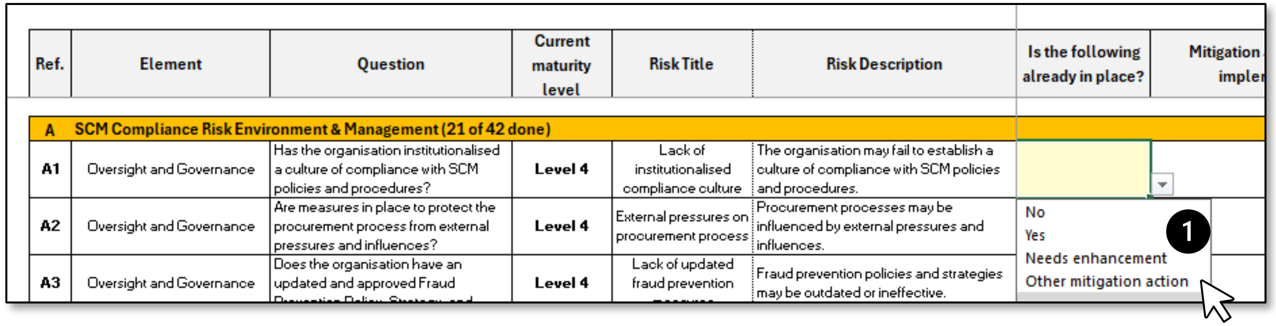




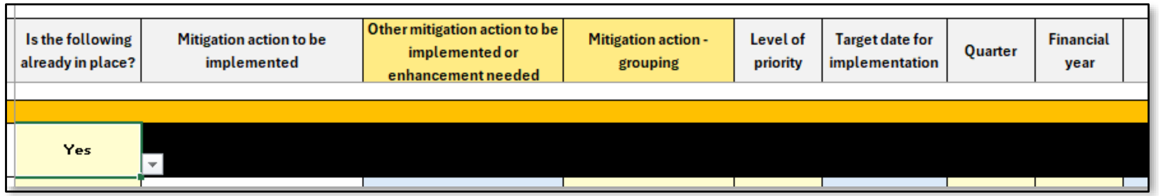
Ref.	Instructions/ comment
1	The current level of maturity for the specific questions pulls directly from the maturity assessment that was performed.
2	Each risk has a title are a brief description of the risk.
3	This provides a description of the risk and the possible impact.
4	A default level of impact and likelihood rating is provided based on the level of maturity, allowing for a risk rating score and description to be provided.
5	The user can click on the drop-down list to indicate whether they agree or disagree with the rating. If ***"No"*** is answered, a comment is required. If ***"Yes",*** then the comment section is blacked out
6	Should the user not agree with the rating, they can provide a reason for this in the applicable cell.
7	To amend the risk rating the user can click on the "+" to expand the applicable columns.
8	The user can click on the drop-down list to select the appropriate level of impact and likelihood that is applicable to the organisation.
9	A recommended mitigation action to address the risk is provided, along with the broad grouping that the action falls under.

SCM Compliance Risk Assessment & Analysis

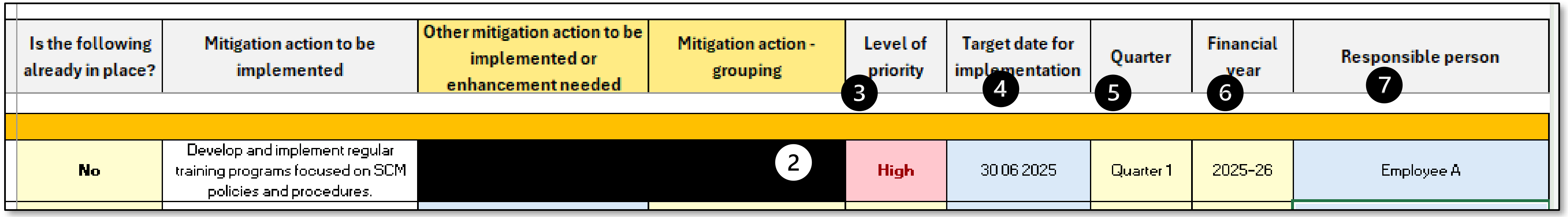
As you scroll to the right, after *"Mitigation action – grouping" column,* the following columns are also present and is used to identify what mitigation actions need to be implemented. This information is consolidated and included in the improvement and monitoring tab.



Ref.	Element	Question	Current maturity level	Risk Title	Risk Description	Is the following already in place?	Mitigation imple…
A	SCM Compliance Risk Environment & Management (21 of 42 done)						
A1	Oversight and Governance	Has the organisation institutionalised a culture of compliance with SCM policies and procedures?	Level 4	Lack of institutionalised compliance culture	The organisation may fail to establish a culture of compliance with SCM policies and procedures.		
A2	Oversight and Governance	Are measures in place to protect the procurement process from external pressures and influences?	Level 4	External pressures on procurement process	Procurement processes may be influenced by external pressures and influences.	No Yes Needs enhancement Other mitigation action	
A3	Oversight and Governance	Does the organisation have an updated and approved Fraud Prevention Policy, Strategy, and…	Level 4	Lack of updated fraud prevention measures	Fraud prevention policies and strategies may be outdated or ineffective.		



Is the following already in place?	Mitigation action to be implemented	Other mitigation action to be implemented or enhancement needed	Mitigation action - grouping	Level of priority	Target date for implementation	Quarter	Financial year
Yes							



Is the following already in place?	Mitigation action to be implemented	Other mitigation action to be implemented or enhancement needed	Mitigation action - grouping	Level of priority	Target date for implementation	Quarter	Financial year	Responsible person
No	Develop and implement regular training programs focused on SCM policies and procedures.			High	30 06 2025	Quarter 1	2025-26	Employee A

Ref.	1	2	3	4	5	6	7
Instructions/ comment	Select whether the recommended mitigation action is or isn't already in place. Or if it needs enhancement or an alternative action is required.	Should the response be "No", the action will be automatically added. Should the response be "Yes" no further information needs to be completed.	Select the priority level for this action.	Input the target date that this action will be implemented by.	Select the applicable quarter that this action will be implemented by.	Select the applicable financial year that this action will be implemented by.	Input who the responsible person will be.

SCM Compliance Risk Assessment & Analysis – Results

To access the risk assessment results, click on **"Results"** after completing the SCM Compliance Risk Assessment or it can be accessed from the Content page.

1 Content page

2 Risk assessment

SCM Compliance Risk Assessment - Results

3 Update Results

4 Gap analysis

5

Overall risk rating	5	4	3	2	1
	Very High	High	Medium	Low	Very Low
	Above 20	16-20	11-15	6-10	0-5

7

Area Ref	Area	Element	People	Process	Technology	Overall Average
A	SCM Compliance Risk Environment & Management	Assurance Providers and Audits	15	14	12	14
		Compliance Risk Management	12	15	9	14
		Institutionalisation and Capacity	6	6	16	10
		Oversight and Governance	13	8	12	10
	SCM Compliance Risk Environment & Management Overall Average		**11**	**13**	**14**	**12**
B	Demand Management	Annual Procurement Plan	6	11	6	9
		Procurement Strategy and Needs Analysis	6	11	6	10
	Demand Management Overall Average		**6**	**11**	**6**	**10**
C	Acquisition Management	Bid Committees	20	16	9	14
		Preferential Procurement	9	6	9	8
		Procurement Processes	9	13	11	12
	Acquisition Management Overall Average		**13**	**11**	**10**	**11**
D	Contract Management	Contract Administration and Expenditure Management	16	16	13	15
		Supplier Relationship and Performance Management	12	11	9	11
	Contract Management Overall Average		**14**	**14**	**12**	**13**
E	Performance Management	Consequence Management and Dispute Resolution	9	11	5	9
		Enhancement of SCM Processes and Systems	6	10	9	10
		SCM, Bid Documentation Management and Reporting	6	12	7	10
	Performance Management Overall Average		**7**	**11**	**7**	**10**
F	Other	Asset Management	9	9	6	8
		Disposal Management	12	8	4	8
		Logistics Management	6	12	6	8
	Other Overall Average		**9**	**9**	**6**	**8**
Overall Average			**10**	**12**	**10**	**11**

	Medium
Overall level (based on average)	11

6

A: SCM Compliance Risk Environment & Management	D: Contract Management
12	13
Medium	Medium

B: Demand Management	E: Performance Management
10	10
Low	Low

C: Acquisition Management	F: Other
11	8
Medium	Low

People	Processes/ Policies	Systems/ Technology
10	12	10
Low	Medium	Low

8

Microsoft Excel

Results have been updated.

OK

Ref.	Instructions/ comment
1	Takes you back to the "Home" page
2	Takes you to back to the Risk Assessment tab.
3	Allows you to update the results, if any changes are made
4	Takes you to the Gap analysis tab.
5	Provides the user with a guide on the colour scale used for each of the risk categories.
6	Summarises the risk ratings and categories for each of the 6 areas and each enabler
7	A summary of the results are provided, broken down by element and enabler. The number represents the average risk rating based on the assessment performed.
8	When you click on Update Results the following notification will appear, confirming that the results have been updated

SCM Compliance Risk Assessment & Analysis – Results

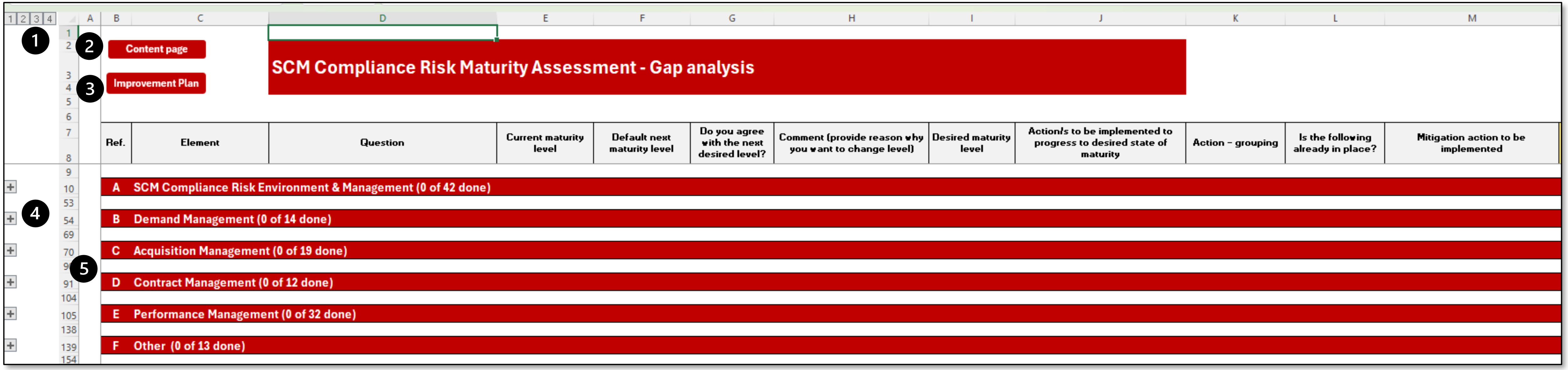
Included on the risk assessment results page is a list of the entity's top risks based on the risk rating.

Top risks

Risk description	Element	Enabler	Risk rating
Some measures are introduced, but they are not fully effective in shielding procurement from external influences.	Oversight and Governance	People	20
Initial steps towards compliance and addressing skills gaps, but progress is slow and inconsistent.	Institutionalisation and Capacity	People	16
Initial feedback processes are introduced, but they are not consistently applied, resulting in missed opportunities for improvement.	Assurance Providers and Audits	Process	16
Initial controls are introduced, but enforcement is inconsistent, resulting in occasional non-compliance.	Compliance Risk Management	Process	16
Initial steps towards holding delegated officials accountable, but monitoring and enforcement are weak.	Oversight and Governance	Process	16
Initial efforts to address audit findings, but implementation of improvements is slow and inconsistent.	Assurance Providers and Audits	Process	16
Initial internal controls are introduced, but enforcement is inconsistent, resulting in occasional non-compliance.	Compliance Risk Management	Process	16
Initial efforts to coordinate these functions are introduced, but they are not consistently applied, resulting in occasional gaps.	Asset Management	Process	16
Initial steps towards establishing an SCM compliance management unit, but effectiveness is limited.	Compliance Risk Management	People	16
Initial efforts to develop an asset management strategy and detailed plans are introduced, but they are not consistently applied, resulting in occasional gaps.	Asset Management	Process	16
Initial training and development programmes are introduced, but coverage is limited and inconsistent.	Institutionalisation and Capacity	People	16
Initial efforts to submit reports, but the process is not consistently applied, resulting in occasional non-compliance.	Supplier Relationship and Performance Management	Process	16
Initial categorisation is introduced, but it is not consistently applied, resulting in occasional unmanaged risks.	Compliance Risk Management	Process	16
Initial efforts to train and empower personnel, but the process is not consistently applied, resulting in occasional gaps.	Supplier Relationship and Performance Management	People	16

Gap Analysis

The gap analysis is performed to determine which actions need to be implemented to progress to the desired level of maturity.



Ref.	1	2	3	4	5
Instructions/ comment	Allows you to expand and collapse rows.	Takes you back to the “Home” page	Takes you to the Dashboard that shows the results of the assessment.	Allows you to expand and collapse the rows under a specific area	These are all the areas that the tool is divided into.

Gap Analysis

Ref.	Element	Question	Current maturity level (1)	Default next maturity level (2)	Do you agree with the next desired level? (3)	Comment (provide reason why you want to change level) (4)	Desired maturity level (5)	Action/s to be implemented to progress to desired state of maturity	Action – grouping (6)
A	**SCM Compliance Risk Environment & Management (1 of 42 done)**								
A1	Oversight and Governance	Has the organisation institutionalised a culture of compliance with SCM policies and procedures?	**Level 3**	**Level 4**	**No**		**Level 5**	Schedule and conduct advanced training sessions focused on optimising SCM processes.	Training & Capacity Development
A2	Oversight and Governance	Are measures in place to protect the procurement process from external pressures and influences?	**Level 4**	**Level 5**	**Yes**			Organise a leadership briefing on the importance of ongoing protection in procurement.	Communication & Stakeholders
A3	Oversight and Governance	Does the organisation have an updated and approved Fraud Prevention Policy, Strategy, and implementation	**Level 4**	**Level 5**					
A4	Oversight and Governance	Does the Accounting Officer hold delegated officials accountable for designing, implementing, monitoring, and integrating risk management into the SCM day-to-	**Level 4**	**Level 5**					

Level 1
Level 2
Level 3
Level 4
Level 5
Level 6

Ref.	Instructions/ comment
1	The current level of maturity for the specific questions pulls directly from the maturity assessment that was performed.
2	By default, the next level up of maturity is indicated.
3	The user can click on the drop-down list to indicate whether they agree or disagree with the next level of maturity that they want to progress to.
4	Should the user want to progress to a higher level, a comment needs to be made to justify why.
5	If the default level of maturity is not selected (ie. “Yes”) then the user can click on the drop-down list to select a higher level of maturity.
6	A recommended action to progress to the next level of maturity is provided, along with the broad grouping that the action falls under.

Gap Analysis

As you scroll to the right, after *"Action – grouping" column,* the following columns are also present and is used to identify what actions need to be implemented to progress to the next level of maturity. This information is consolidated and included in the improvement and monitoring tab.

Action/s to be implemented to progress to desired state of maturity	Action - grouping	Is the following already in place?	Mitigation action to be implemented	Other mitigation action to be implemented or enhancement needed specify	Mitigation action - grouping	Level of priority	Target date for implementation	Quarter	Financial year	Responsible person
		1	2			3	4	5	6	7
Schedule and conduct advanced training sessions focused on optimising SCM processes.	Training & Capacity Development	Yes								
Organise a leadership briefing on the importance of ongoing protection in procurement.	Communication & Stakeholders	No	Organise a leadership briefing on the importance of ongoing protection in procurement.			Medium	30 06 2025	Quarter 1	2025-26	Employee C
Conduct periodic assessments to ensure the fraud prevention strategy is effectiveness and continuous improvement.	Assessments/Reviews	Other mitigation action		Conduct training on compliance risk management/ fraud prevention amongst SCM officials	Training & Capacity Development	High	30 06 2025	Quarter 1	2025-26	Employee D

No
Yes
Needs enhancement
Other mitigation action

Ref.	1	2	3	4	5	6	7
Instructions/ comment	Select whether the recommended mitigation action is or isn't already in place. Or if it needs enhancement or an alternative action is required.	Should the response be "No", the action will be automatically added. Should the response be "Yes" no further information needs to be completed.	Select the priority level for this action.	Input the target date that this action will be implemented by.	Select the applicable quarter that this action will be implemented by.	Select the applicable financial year that this action will be implemented by.	Input who the responsible person will be.

Consolidated Improvement & Monitoring Plan

1

2 Content page

3 Monitoring dashboard

Improvement plan and monitoring plan

Update 4

Q1

7 Monitoring

8

5

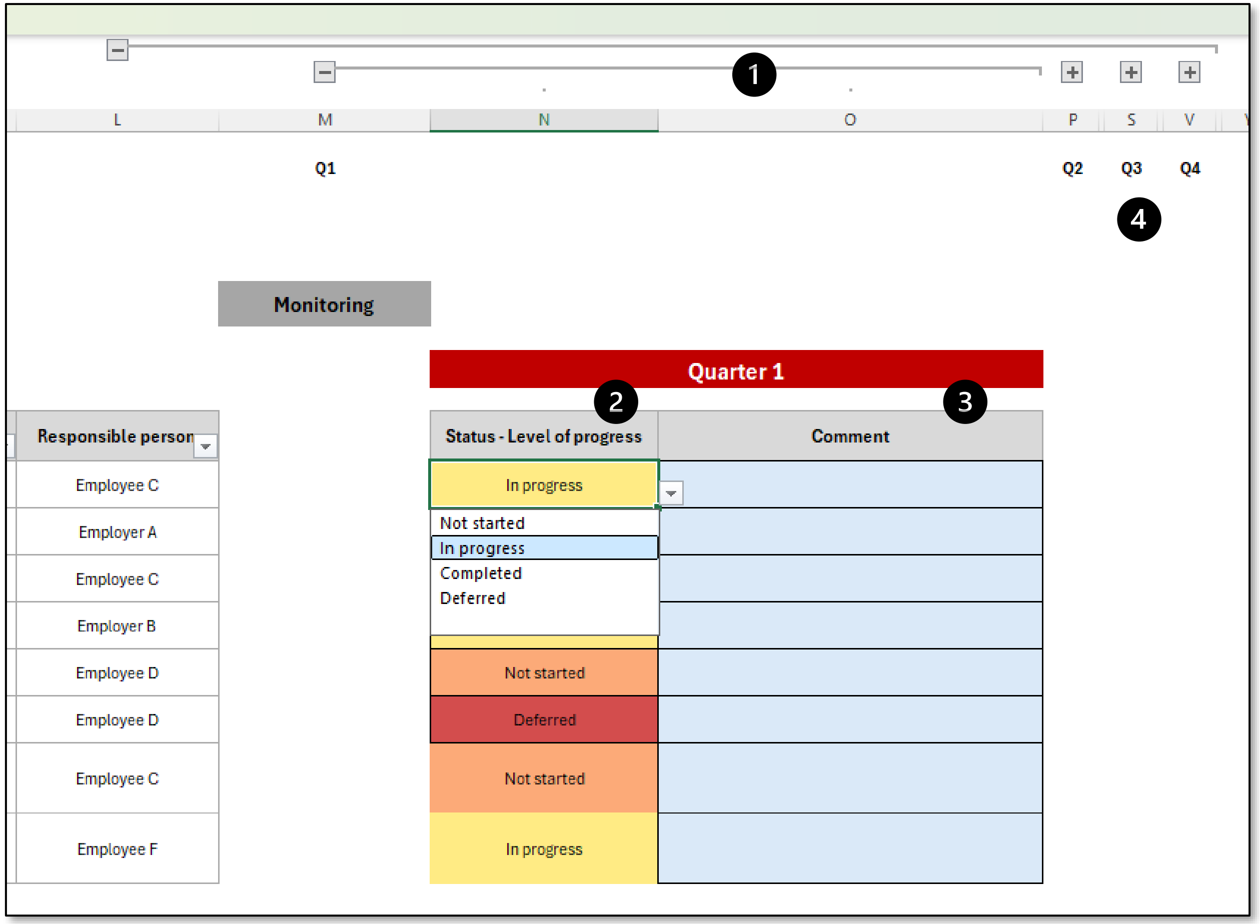
Ref. ID	Source	Area	Element	Mitigation action - grouping	Action to be implemented	Level of priori	Target date for implementatic	Quarter	Financial ye	Responsible person
A1	Gap analysis - actions	SCM Compliance Risk Environment & Management	Oversight and Governance	Governance & Oversight	Distribute and obtain signatures for the code of conduct and declaration of interest from all SCM staff.	High	31 05 2025	Quarter 1	2025/26	Employee C
A1	Risk assessment - mitigation actions	SCM Compliance Risk Environment & Management	Oversight and Governance	Training & Capacity Development	Develop and implement regular training programs focused on SCM policies and procedures.	Medium	30 09 2025	Quarter 2	2025/26	Employer A
A3	Gap analysis - actions	SCM Compliance Risk Environment & Management	Oversight and Governance	Assessments/Reviews	Conduct periodic assessments to ensure the fraud prevention strategy is effectiveness and continuous improvement.	Low	31 05 2025	Quarter 1	2025/26	Employee C
A3	Risk assessment - mitigation actions	SCM Compliance Risk Environment & Management	Oversight and Governance	Assessments/Reviews	Conduct fraud risk assessments to identify and mitigate potential fraud risks.	Medium	30 09 2025	Quarter 2	2025/26	Employer B
A4	Gap analysis - actions	SCM Compliance Risk Environment & Management	Oversight and Governance	Communication & Stakeholders	Implement a feedback loop to improve risk management practices.	High	30 11 2024	Quarter 3	2024/25	Employee D
B43	Gap analysis - actions	Demand Management	Procurement Strategy and Needs Analysis	Governance & Oversight	Ensure the procurement plan is approved by the accounting officer and submitted to National Treasury.	High	31 03 2025	Quarter 4	2024/25	Employee D
C57	Gap analysis - actions	Acquisition Management	Bid Committees	Training & Capacity Development	Define and document the terms of reference for Bid Committees, including roles, responsibilities, and adherence to the Codes of Conduct.	High	31 03 2025	Quarter 4	2024/25	Employee C
D80	Gap analysis - actions	Contract Management	Contract Administration and Expenditure Management	Technology/System Updates or Implementation	Monitor the invoice processing timeline to ensure compliance with the 30-day payment requirement.	Low	31 12 2024	Quarter 3	2024/25	Employee F

6

Ref.	1	2	3	4	5	6	7	8
Instructions/ comment	Allows you to expand and collapse columns	Takes you back to the “Home” page	Takes you to the Dashboard that shows a summary of actions.	Allows you to update the results, if any changes are made.	Provides a consolidated list of all the actions to be implemented.	This indicates which assessment or analysis the action is derived from.	This section is where the user, will update the progress of the action.	Allows you to expand and collapse the monitoring section/quarters.

Updating Progress on Monitoring Plan

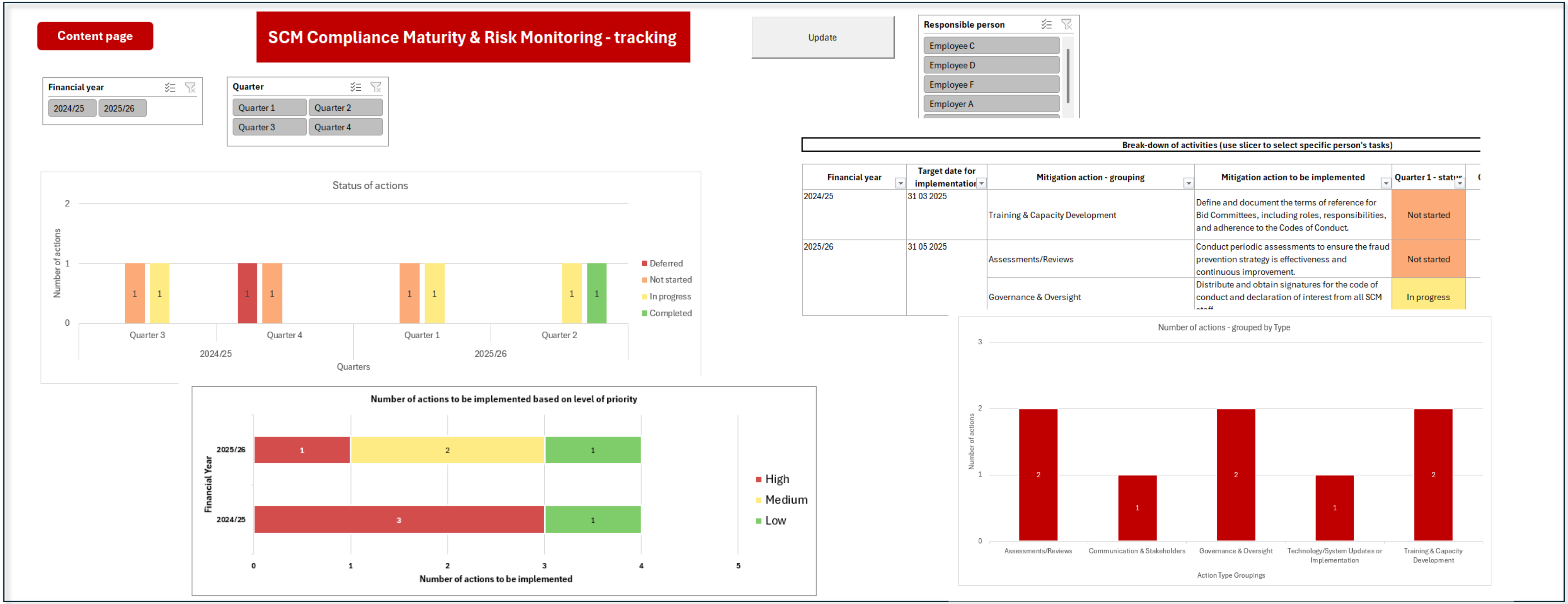
As you scroll to the right on the Improvement and Monitoring Plan, following the “*Responsible person*” column, additional columns are present. These columns are used to update the progress on the implementation of the various actions outlined in the improvement plan.



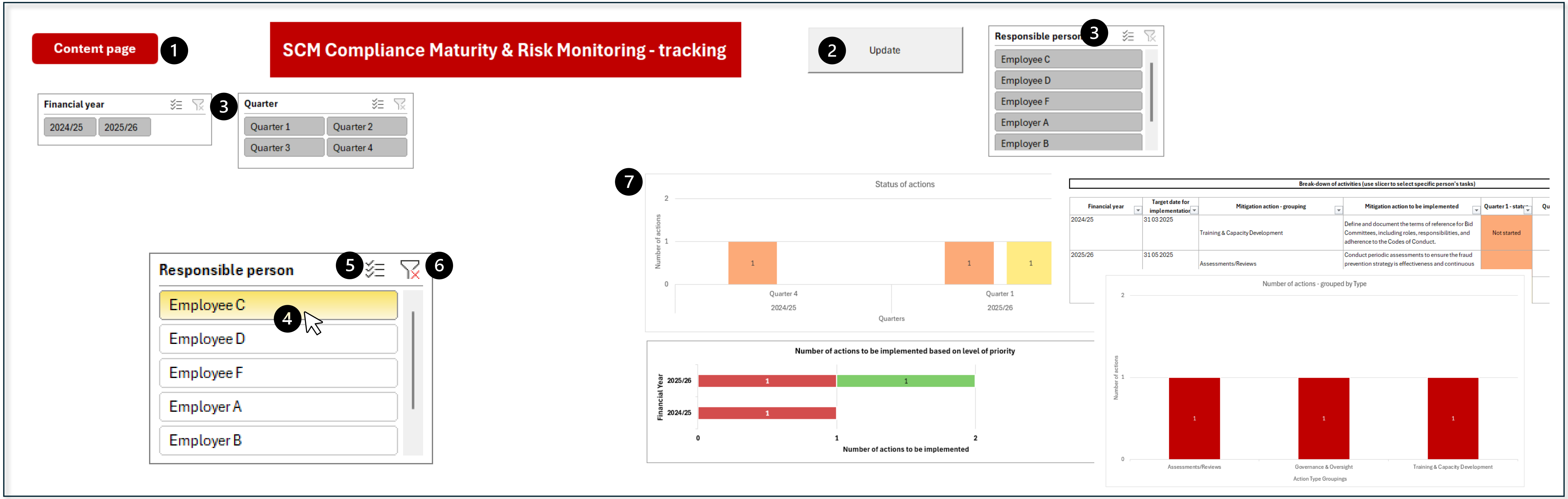
Ref.	Instructions/ comment
1	Allows the user to expand and collapse the various columns (ie. Quarters)
2	Select the level of progress for the quarter.
3	The user should provide a brief comment on the overall status.
4	The same information needs to be completed each quarter.

Improvement & Monitoring Plan Dashboard

To access this Dashboard, click on "Monitoring Dashboard" after completing the progress on the Improvement & Monitoring plan, or access it from the Content page. Below are screenshots of the various graphs and tables included. They provide a summary of actions by quarter, number of actions per priority level, and by action type grouping. Various slicers are also included, allowing the user to filter the data for more focused analysis.



Improvement & Monitoring Plan Dashboard



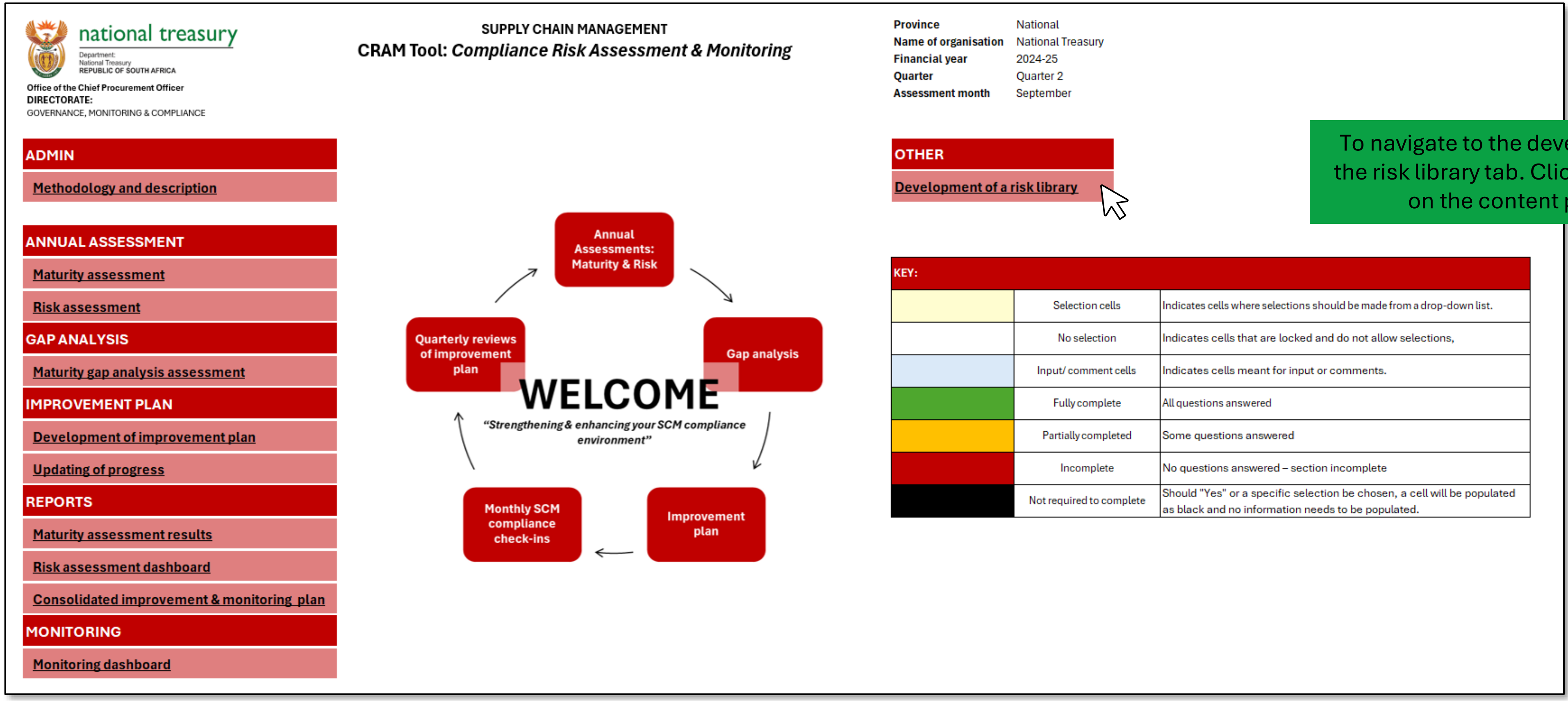
Ref.	1	2	3	4	5	6	7
Instructions/ comment	Takes you back to the “Home” page	Allows you to update the results, if any changes are made.	The following are “slicers” and allow the user to filer either by financial year, quarter or responsible person.	Click on the slicer and choose the desired option to filter the dashboard.	If more than one option needs to be selected, click this icon first and then choose multiple options.	Click this icon to remove the filter and display all results.	Shows results based on the selected filter. All dashboards and tables are updated accordingly.

Risk Library

Add additional risks and mitigation actions

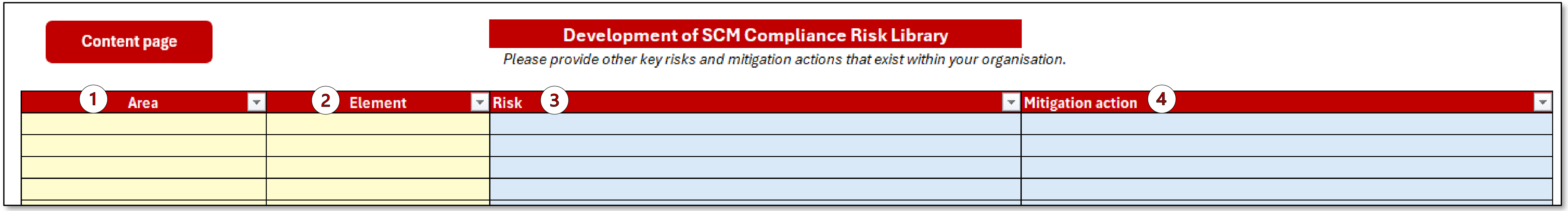
Development of risk library

As part of this project, the GMC unit aims to create a comprehensive list of key risks and corresponding mitigation strategies related to SCM compliance risk management. Therefore, included in this tool, is a tab that will allow organisations to input specific risks they face and the actions they take to address them. This list will be updated regularly to ensure it remains relevant and effective in managing evolving SCM compliance risks.

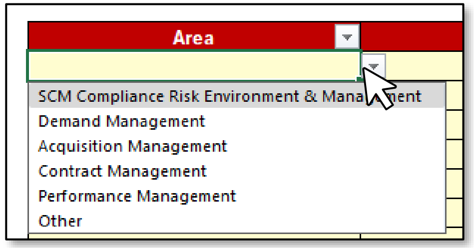


To navigate to the development of the risk library tab. Click on the link on the content page.

Development of risk library



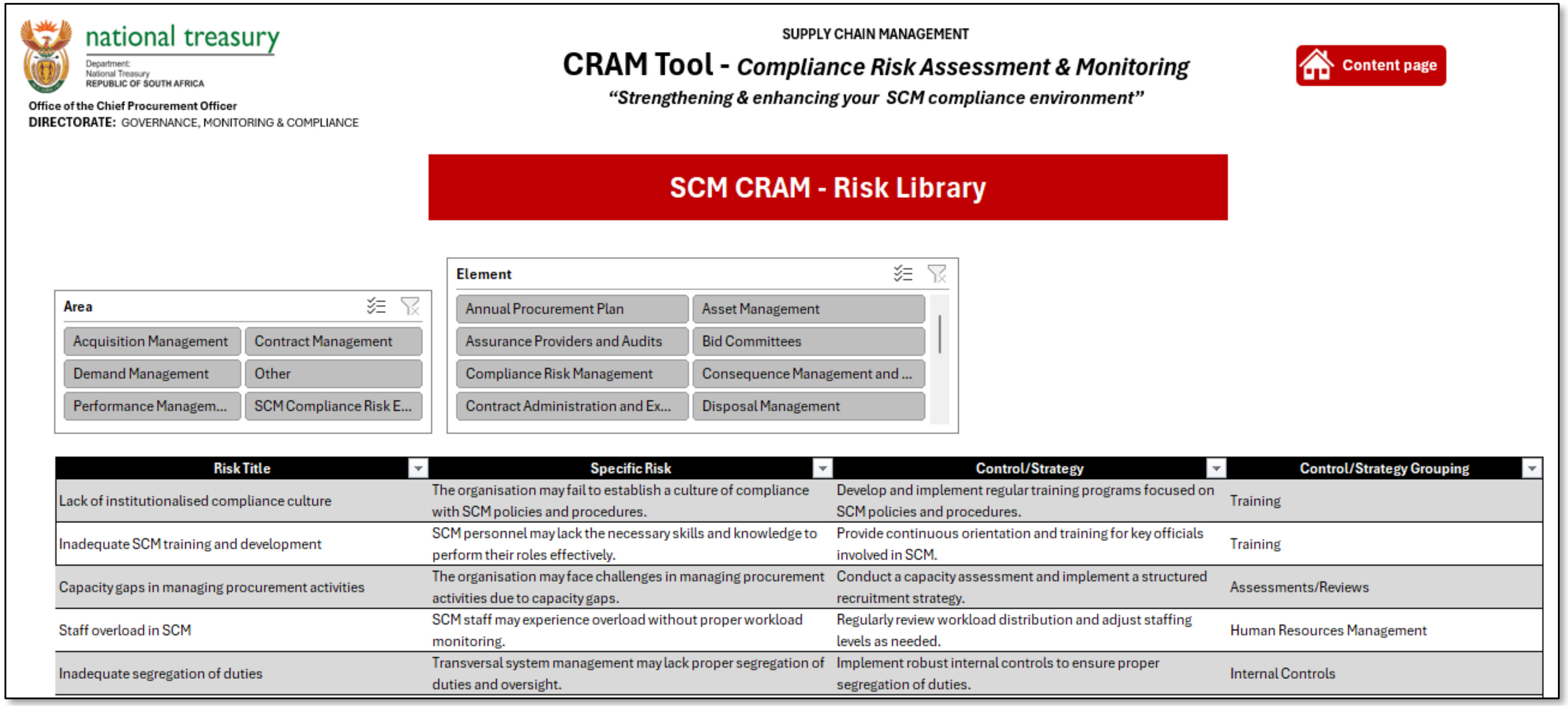
Ref.	1 (Not compulsory)*	2 (Not compulsory)*	3	4
Instructions/ comment	Select the appropriate cell with the drop-down arrow, then click on the arrow to choose the SCM area that the risk relates to.	Once the relevant area has been selected, click on the cell with the drop-down arrow to choose the appropriate element (sub-area) of SCM that the risk relates to. *Refer to page 8 for the list of elements*	Input risks that your organisation faces with regards to SCM Compliance. Adding one risk per row.	In addition to the risk, provide the mitigation action that is implemented or recommended to address the specific risk.



*Please note that while selecting and providing the area and element is appreciated, it is not compulsory, as the project team will categorise this if necessary.

Assessing the risk library

The risk library will be made available online for download. It will be updated on regular basis based on risks and mitigation actions the recommended


national treasury
Department: National Treasury REPUBLIC OF SOUTH AFRICA
Office of the Chief Procurement Officer
DIRECTORATE: GOVERNANCE, MONITORING & COMPLIANCE

SUPPLY CHAIN MANAGEMENT

CRAM Tool - *Compliance Risk Assessment & Monitoring*

"Strengthening & enhancing your SCM compliance environment"

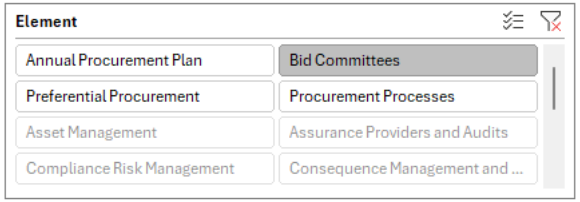
Content page

SCM CRAM - Risk Library

Area: Acquisition Management, Contract Management, Demand Management, Other, Performance Managem..., SCM Compliance Risk E...

Element: Annual Procurement Plan, Asset Management, Assurance Providers and Audits, Bid Committees, Compliance Risk Management, Consequence Management and ..., Contract Administration and Ex..., Disposal Management

Risk Title	Specific Risk	Control/Strategy	Control/Strategy Grouping
Lack of institutionalised compliance culture	The organisation may fail to establish a culture of compliance with SCM policies and procedures.	Develop and implement regular training programs focused on SCM policies and procedures.	Training
Inadequate SCM training and development	SCM personnel may lack the necessary skills and knowledge to perform their roles effectively.	Provide continuous orientation and training for key officials involved in SCM.	Training
Capacity gaps in managing procurement activities	The organisation may face challenges in managing procurement activities due to capacity gaps.	Conduct a capacity assessment and implement a structured recruitment strategy.	Assessments/Reviews
Staff overload in SCM	SCM staff may experience overload without proper workload monitoring.	Regularly review workload distribution and adjust staffing levels as needed.	Human Resources Management
Inadequate segregation of duties	Transversal system management may lack proper segregation of duties and oversight.	Implement robust internal controls to ensure proper segregation of duties.	Internal Controls



Implementation

Key role-players

Below are the key role-players that are involved in the implementation of the SCM CRAM Tool and their responsibilities:

Role-player	Role or function
National Treasury: GMC unit	Custodian of the SCM CRAM tool; responsible for managing the process and reporting on SCM CRAM findings
Provincial Treasuries	Provide oversight, support, and coordination of SCM CRAM implementation within provincial departments and entities.
Accounting Officer / Authority (AA)	Establish and recommend a task team or focus group to complete the SCM CRAM tool; ensure a proactive SCM compliance risk management culture across the entity.
Task teams/ focus groups	Complete the SCM CRAM tool and ensure adherence to SCM prescripts and mitigation measures.
Assurance providers (Internal Audit/Risk Management Unit)	Provide independent assurance on the accuracy and completeness of the SCM CRAM tool and monitor the implementation of recommended actions.

Focus group selection

The focus group responsible for the completion of the SCM CRAM tool should possess both legislative, theoretical and practical understanding of the organisation's Supply Chain Management (SCM) risk management, internal controls, policies, processes, and systems, specifically in relation to:

- Demand, acquisition, contract, performance, asset, logistics and disposal management
- Tools and systems
- Risk management and internal controls
- Internal and external assurance providers' reports
- Budget processes (including procurement planning, needs assessments, etc

Compliance timelines

Utilisation of the SCM CRAM tool will not be compulsory until such directives are issued by the National Treasury. Therefore, the SCM CRAM Tool will be implemented on a phased approach, and institutions are advised to start utilising the tool from quarter 2 of the financial year 2025/2026 to ensure that their institutions are ready for implementation.

Below are the key compliance due dates:

Key activities	PFMA cycle		MFMA cycle	
	Period	Due date	Period	Due date
Annual assessments: Completion of maturity, risk assessment and gap analysis *It is recommended that public sector organisations begin their annual assessments two months before the start of the new financial year. This will ensure they have an implementation plan available from the beginning of the financial year.*	01 February	31 March	01 May	30 June
Quarterly submissions: The updating of the implementation plan progress				
Quarter 1	1 Apr – 30 Jun	31 July	1 Jul – 30 Sep	31 October
Quarter 2	1 Jul – 30 Sep	31 October	1 Oct – 31 Dec	31 January
Quarter 3	1 Oct – 31 Dec	31 January	1 Jan – 31 Mar	30 April
Quarter 4	1 Jan – 31 Mar	30 April	1 Apr – 30 Jun	31 July

Contact

Enquiries pertaining to the SCM CRAM tool should be directed to: SCM: GMC unit

Email: SCMGMC1@treasury.gov.za