

OPEN CONTRACTING PARTNERSHIP

Governing Board Virtual Meeting

13 July 2022

Public Minutes

Objectives of the Meeting

- Approve OCP's budget refresh (for decision)
- Review and approve several Board governance items, including appointments, policies, etc (for discussion)
- Learn what Board members are working on in terms of procurement (for discussion)
- Review OCP's progress and challenges since the last meeting (for discussion)
- Plan the in-person meeting in DC in the Fall/Winter (for discussion)

Attendance

Governing Board

- Attending: Joseph Asunka, Jennifer Bradley, Alan Detheridge, Mukelani Dimba, Sally Guyer, Michael Owh, Max Nefyodov
- Sent apologies: Lea Raquel Gimenez Duarte

OCP

- Attending: Gavin Hayman, Kathrin Frauscher, Steve Chaplain, Cindy Cervantes (note-taking)
- Sent apologies: Lindsey Marchessault

Decisions

The Governing Board approved:

- [Apr 6, 2022 Board meeting minutes](#)
- [FY21 Financial audited statements](#)
- [FY22 YTD financial report](#) (Jan 1 through May 31)
- [FY22 Budget Refresh](#)
- Approval of second tranche of pay increases for team members from last governing board meeting
- Appointment of [Michael Owh](#) to Executive Committee as Deputy Chair
- Reappointment of [Sally Guyer](#) to the Governing Board and the Executive Committee
- Reappointment of [Alan Detheridge](#) to the Governing Board and to the Executive Committee
- Appointment of Kathrin Frauscher to serve as Board Secretary
- Resolution to extend the number of Directors in the Bylaws from seven to eleven

Actions

The following actions came out of the Board meeting:

- Codify OCP's due diligence policy for new funders to ensure that new funders align with OCP's mission, values and compliance objectives. OCP will bring this policy to the Board at the next Board meeting in November.
- Develop an internal cybersecurity policy for OCP, secure cybersecurity insurance and then deliver a team training on cybersecurity. OCP will do this by the next Board meeting in November.
- Improve the risk register to better reflect its visual representation, cybersecurity strategy/protections, risk evaluation policy and process and how to manage fundraising risks. This will be reviewed by the Board at the next meeting in November.

- Update the Employee Handbook by the next Board meeting to reflect changes in timekeeping, expense reimbursements and other minor process improvements.
- Execute the second half of the fee increases that the Board approved in the last meeting.
- Deliver an annual training on COI, confidentiality, etc. by the end of the calendar year.
- In line with the agreed approach on COI, ensure that going forward that the annual audit reviews COI statements and Board minutes/counsel reviews and add OCP board conflict of interest disclaimer to the website by the next Board meeting in November.
- Review whistleblower policy process, team training and whistleblower anonymity (website form) by the next Board meeting.
- Create and send updated appointment letters to Mukelani, Michael, Sally, Alan and Kathrin in line with their new role or reappointment by September 2022.
- Organize the next in-person Governing Board Meeting on November 10 & 11, 2022.
- Update Board and funder manuals with approved Board appointments, reappointments, Conflict of interest (COI) and whistleblower training and resolution by end of calendar year.

Summary of Discussions and Decisions

Conflict of Interest Declarations

The Board agreed to an updated COI approach. In line with best practice, OCP Governing Board members declare at the beginning of a Governing Board meeting whether they have any potential conflict of interests with regards to any decisions or agenda items in the meeting. Sally, Mukelani, Alan, Max and Joseph declared they had no conflict of interest with the July 13th meeting agenda or decisions. Michael also declared he had no conflict of interest with regard to the agenda, but declared that if in the future the Microsoft Corporation were to be discussed at a meeting, he would recuse himself from any discussions or decisions.

Finance and Operations

FY21 Audit

OCP conducted its first [audit](#) as an independent organization. The Board had given the Executive Committee (EC) the mandate to review and accept the audit on their behalf. Before the meeting, the EC had therefore already approved the FY21 financial statements and the management letter.

The audit concluded that OCP was in good standing. The auditors found no material weaknesses or deficiencies.

Based on the audit OCP will begin preparing the IRS 990 form for FY21 and share with the Board in mid-October. The Board emphasized that the audit results were reassuring.

FY22 YTD (Jan 1 through May 31)

OCP presented a summary of FY22 YTD covering the period January 1, 2022 to May 31, 2022. OCP's FY22 approved budget is \$5.5m. OCP received \$1.0m (56%) of \$1.9m planned in budgeted income so far. The organization spent \$2.2m of budgeted \$5.5m (40%). Spending is on track for the fiscal year.

Restricted spending is 63% of the budget and the organization has been successful in using restricted funds to cover activities that would have been planned from unrestricted funding. However, OCP is cautious about unrestricted spending given its importance and flexibility: currently, OCP has spent 20% of its unrestricted budget and the organization intends to further revise spending down here.

The OCP team shared secured revenue updates and that they had clear visibility on closing the funding gap for FY22. The Board estimate did include potential support from the UK Foreign, Commonwealth and Development Office (FCDO) that had not yet been signed (update: FCDO stopped signing new general agreements and OCP has not yet received the funding).

The Board agreed that OCP's spending and fundraising looked on track and approved the FY22 YTD Financial report.

FY22 Budget Refresh

OCP presented details on the FY22 Budget Refresh and discussed new revenue streams.

In its new budget the organization anticipates a 45% increase in planned income from the original planned \$4.1m to \$6.0m. OCP secured restricted revenue from Microsoft Corporation, Caribou Digital (Mastercard Impact Fund), Inter-American Development Bank, and the Asian Development Bank, among others. OCP emphasized that plans for fundraising activities for FY23 and FY24 would continue for the remainder of the year. OCP's expected revenue for FY22 is \$7.1m which includes secured, highly likely, and prospective revenue. Secured revenue is \$6.0m. Of the \$6.0m, 71% is from restricted and 29% from unrestricted funding sources. OCP anticipates raising \$2.7m for FY23 and about \$4.9m for FY24.

The original budget for activities was \$5.5m. OCP is proposing a 0.4% increase to \$5.7m. The increase was driven by new secured restricted revenue with plans to slightly increase spending under Implementation, Research, Learning and on the team. Overall, the OCP team said they were confident they could execute on the slightly increased budget.

The Board affirmed spending was on track and the Board approved the OCP budget refresh.

The Board also agreed to discuss the organization's planned to assess reserve levels at the next meeting to ensure they reflect the overall change in expenses and grant renewals.

Pay Review Approval

OCP sought approval for the second tranche of the February 2022 team pay review as the organization achieved its objective of being fully funded for the year. In the pay review, OCP authorized a 50% adjustment in March and agreed to award the other 50% once the organization was fully funded. OCP management plans to review the inflation adjustment percentage in FY23, but is taking a modest approach based on fundraising expectations (it was 2% for this year). The Board approved the remaining 50% pay award.

Board Governance

The Board reviewed and approved several governance items.

Executive Committee

The Board's current Vice Chair, Mukelani Dimba, stepped down from his role because of his full-time position as acting Information Commissioner for South Africa. Mukelani will stay on the OCP Board and continue to serve as a director.

Michael Owh offered to serve as OCP's Vice Chair and join its Executive Committee to replace Mukelani. The Board appointed Michael Owh as the new Vice Chair and member of the Executive Committee.

Reappointments

Sally and Alan's terms were set to expire given the new Board's rolling term arrangements. They agreed to extend their terms for another three years and the Board unanimously approved this arrangement.

Board Secretary

OCP bylaws call for a secretary and OCP's Deputy Director, Kathrin Frauscher, offered to serve in capacity. The Board proposed and approved this arrangement.

Expansion of the number of directors in the bylaws

OCP's current bylaws allow for up to 7 board members. OCP requested an increase in the number to 11 to allow for future growth. A resolution was drafted by OCP's Legal Council which was then proposed and agreed by the Board.

Managing the personal and political

OCP recognizes that Board members are often in leadership positions in government and in politics and therefore asked for a discussion on a comprehensive and best-in-class approach to managing any potential conflict of interest in personal and political relationships. OCP and the Board agreed to introduce several measures to further improve OCP's conflict of interest approaches. They include proactively flagging any conflicts at the start of the meeting, recording them in the minutes and having auditors/counsel review those disclosures alongside the accompanying Board minutes. OCP will also continue to

sign and collect statements of conflict of interest on an annual basis from all Board and team members. OCP is running a refreshed training offer for its team.

Whistleblower policy

OCP will review its whistleblower policy in the coming months and if the policy needs improvement they will address it at the next board meeting. OCP requested suggestions and guidance from the Board on how to best ensure whistleblowers remain anonymous. The Board offered to work with OCP management in developing a solution and offered best practices. The OCP team is reviewing these and will offer a further improved approach for approval at the next Board meeting.

Review of OCP Risk Register

The Board and the OCP team reviewed the latest OCP risk register and it was approved by the Board. In addition, the Board suggested some further improvements in its content to log changes and updates as a result of any mitigation. The OCP team agreed to adapt the register and to present this improved approach back to the Board at the next meeting. OCP will also update its policy about how often it will be reviewed.

Proposed EU Subsidiary

The team has commissioned research into the best options to establish an EU subsidiary and will have a proposal to the Board in the coming months.

Board Updates

OCP invited Board members to give updates on what they are currently working on with regard to open contracting, procurement, and opportunities for OCP for fundraising/partnerships. The Board shared their updates on their work and regions and how those endeavors could add value to OCP's mission including events for OCPs participation and connections to further champion the organization's mission and partnerships.

OCP Progress Update

OCP gave a comprehensive overview of its progress and work in key countries and programs.

Highlights include:

2022 targets

The OCP team still anticipated delivering on all their organization targets and KPIs for the year albeit with some course corrections. OCP uses a traffic light system to track the status of organizational targets: green means the target is on track and will likely be met/reached, amber represents a target that is being carefully tracked/watched because it has minor delay and red indicates the organization may likely miss the target because of a significant delay.

Green: on target

- 1) Impact. OCP is on target for impact so far, with one - out of their target of three - impact stories already published. They have a strong publishing pipeline with four other prospective impact stories under review and two more impact stories for 2023.
- 2) Global norms: The organization had a target of two global norms this year. They are now ahead on their global norms score across the organizational strategy, and on track for overall strategic targets.
- 3) Robust mandates: OCP is keen to see strong legal and institutional underpinning for open contracting interventions and they are on target with two out of four robust mandates already achieved and two more that they are watching.

Amber: watching carefully

- 4) Progress Stories: OCP has one progress story published from a target of six and has two more in the pipeline that they plan to publish soon. Overall, progress stories will need careful watching and a push from the team to achieve.
- 5) Data quality improvements. OCP saw a surge in the number of publishers and data users over the last year and they are tracking how many of these publishers further improve the accuracy, the completeness and the timeliness of data. They have a target of 16 for this year and so far have tracked seven improvements.
- 6) Improving capability of partners: OCP measures partners' perception on whether the organization is improving their capability. Early scores from

co-working with partners so far this year show an increase to an average of 8 from 7.6 previously.

Red: likely to miss

- 7) The team had anticipated that they would miss this target before the sudden success with a strong statement on the power of procurement agreed at the Summit of the Americas and with the G20 Smart Cities Model Policy.

The Board agreed with OCP's assessment and were pleased to see the progress given a challenging geopolitical backdrop. The meeting also discussed OCP's efforts in the Ukraine reconstruction which everyone agreed was a very important priority, especially as Ukraine has been such a key reform example for OCP. Core to OCP's approach has been to support the Ukrainian open government ecosystem and to bring partners together around a compelling vision for an open, accountable and digitized reconstruction process. That is now coming together as the [Rise](#) Coalition and has seen very positive engagement from the Ministry of Infrastructure particularly as the lead government agency. The OCP team also highlighted the amazing support from Rise from the BHP Foundation.

The Board discussed the reconstruction methodology and how to gain credibility with local Ukrainian communities and how to best seize on the opportunity to build back better including sustainably, especially given the urgent humanitarian and social needs. The Board agreed that this should be a priority engagement for OCP even if it means that OCP will do less in the wider ECA region.

OCP provided other programmatic updates, for example on the progression of work in the EU, Lift, and a new guide on open sustainable procurement.

Lastly, the OCP team updated on their first in person team retreat since the pandemic began. There was a strong emphasis on reconnecting, trust building and refining service offers to partners. OCP also brought on a new team member based in Ukraine to lead their medicines transparency work and advertised for two data hires.

The Board appreciated the team's great and hard work and asked the management team to extend its congratulations to all team members. The Board also welcomed

OCP's shift in focus to sustainability and economic development. They thought it was a good approach for OCP to support the development of more procurement tools.

In-Person Meeting

The next in-person meeting will be held in Washington, DC on November 10 & 11.

Minutes submitted and approved by:  87B258455E434AB...