

Board of Directors Meeting Minutes
July 15, 2019
By teleconference

Members Present:

Mark Robinson, Board Chair
Nathaniel Heller, Secretary/Treasurer
Laura Gorrie, Member
Mukelani Dimba, Member
Director
Maria Baron, Member

Staff Present:

Sanjay Pradhan, CEO
Joe Powell, Deputy CEO
Kate Lasso, CFOO
Judith McCormack, Finance

Guests:

OGP Robin Talbot, Consultant

1. Welcome and Opening Remarks

Mark Robinson, Board Chair, opened the meeting at 9:35 am and provided a brief overview of the agenda. This is a financially-oriented meeting, with three action items on the agenda. The first is to review OGP's financial and accounting policies, the second is to review OGP's 990 tax returns to the US Internal Review Service and the third is to discuss opening additional bank or investment accounts.

2. Approval of Minutes from February and May 2019 meetings

Mark then referred the Board members to the minutes from both the February 2019 and May 2019 Board meetings that they received in their packet, asking if there were any corrections or changes to the minutes. We did not include a review of the February meeting minutes at the May meeting in Ottawa because we were keeping the business portion of that meeting very short, to allow more time for work with Robin Talbot. There were none.

Nathaniel motioned to approve the minutes from the February and May 2019 Board meetings, which was seconded by Mukelani, with all in favor. The motion passed with all in favor.

3. Action Items

a. Review OGP's Financial and Accounting Policies (10 mins)

Mark then asked the Board members to turn their attention to OGP's Financial and Accounting Policies that were included in the meeting materials. Except for a few clarifying changes that have been made, these are the same policies that were previously approved. That approval, however, occurred prior to the change in the bylaws that provides for a range of 3 to 6 Board members and our legal counsel has indicated that the policies should be re-approved following the bylaws change. Mark then invited Kate to provide a brief overview of the Financial and Accounting Policies.

The policies, which establish OGPS' internal controls framework, were developed by OGP staff, keeping U.S. government guidelines in mind. It was reviewed two different times by an outside accountant in late 2017 and was shared with Gelman Rosenberg and Freedman

in conjunction with the 2018 audit. In this regard, we consider these policies to provide a strong internal controls framework.

At the same time, this document should be considered as a living document that is updated from time to time. The first version was approved by the Board in November 2017, and updates were approved in March 2018. This current version also has a few updates, which are seen as track changes. We have also removed an appendix which outlines procurement procedures, to better focus the document on OGP's policy framework, while giving us flexibility to modify our day-to-day procedures that flow from the policies as is needed.

One area in which the Board has expressed interest relates to OGP's current Reserves Policy, which is found in the cash management section of the policies and provides a 3-month cashflow cushion for OGP. Through reading about reserves policies and consulting with partner organizations, having a three-month cushion seems appropriate for OGP, given our size and our cashflow requirements. Operations has begun working on a broader reserves policy that can help us with medium-term planning, and Kate has already consulted with a couple board members about that work in progress. Our next step is to hold internal discussions about reserves with the Senior Leadership Team before bringing this revised language to the Board for its consideration. As we work on a medium-term framework for our program implementation, in the context of the OSF challenge grant, we will come back to discuss a reserves policy update with the Board of Directors.

After Kate's presentation, Mark asked if there were any further questions about the Financial and Accounting Policies. There were none.

Nathaniel motioned that the Board approve the Accounting and Financial Policies as presented and Mark seconded. The motion passed with all in favor.

b. Review of 990 tax return

The Board then turned its attention to OGP's 990 tax return for 2018 and Mark invited Judith McCormack, OGP's Finance Director to provide us with an overview.

The subsequent discussion confirmed that the public support test is intended to confirm that the organization receives funding from diverse sources rather than a few concentrated sources. The consensus was that it would be good practice for OGP to publicly disclose its funding sources when the 990 is submitted to websites such as Guidestar.

After the discussion, Maria moved to approve the 2018 990 tax returns and Mukelani seconded the motion. The motion passed with all in favor.

c. Authorization to open new accounts

Mark then invited Kate to discuss the request for Board authorization to open an investment account and a bank account in British pounds.

Pursuant to OGP's Financial Policies, we would like to open an investment so that we can earn a modest return on our financial reserves. The Board of Directors would receive reports on investment activities on a quarterly basis. OGP can explore opening an account at Merrill (we can look at market-linked investments), which owns Bank of America. Other possible investment companies are Vanguard and Fidelity.

OGP is also interested in trying to open a British pounds bank account, to receive DFID funds specifically related to the evaluation project. OGP's subcontractor for the evaluation is Oxford Policy Management, a British firm, so it seems to make sense to keep the funds in British pounds to avoid conversion risks. Since this is a very contained project – one donor and one subrecipient – it seems like an opportunity to experiment with keeping the funds in pounds. The Board expressed support of this proposition. Kate can report back on our experience and learnings at the next Board meeting.

Laura motioned to authorize OGP to open both an investment account and a British pound account and Mark seconded the motion. The motion passed with all in favor.

4. Additional Board member candidates

Following the May 2019 Board meeting, Robin Talbot drafted a Board responsibilities and recruitment document describing the process followed for appointing Board members. This document can be shared with prospective Board members and should also be shared with the Steering Committee. At Mark's invitation, Robin summarized the draft document and asked for comments.

During the discussion it was confirmed that the Board sees value in prioritizing having Board members come from the Steering Committee, so that the two bodies are inter-linked. As background information, prior to approving OGP's spin-off, the Steering Committee had expressed the importance of having strong links between both the Steering Committee and the Board of Directors. A proviso was added to the MOU outlining the relationship between the Steering Committee and the Board that the Board members must come from the Steering Committee, to ensure that there was mutual understanding between both bodies and to strengthen strategic input and fiscal oversight roles. This idea of ensuring that Board members come from the ranks of the Steering Committee was broadly accepted. While the Board of Directors holds fiduciary responsibility for OGP, the Steering Committee is seen as the ultimate source of authority, strategy and direction for the organization, which is important to preserve.

With regard to the budget, for example, there are three levels in the budgeting process:

- 1) aggregate fiscal envelope –estimated income and proposed expenditures
- 2) program allocations - given the agreed level of spending,
- 3) the cost effectiveness of spending, reported to the Board ex post.

In the sequence of the budgeting process, OGP will discuss the fiscal envelope with the Board, and then present the implementation plan to Steering Committee and then subsequently report the cost effectiveness to the Board.

It was noted that the bylaws do not specifically state that Board members are drawn from the Steering Committee. Consensus was that it would be helpful to more clearly describe the agreed upon appointment process in the bylaws, to preserve this historical memory. Kate will discuss changing this with OGP's legal advisor. Reviewing the bylaws is scheduled for discussion at the February 2019 Board meeting.

Discussion then turned to ways of further strengthening communication between the Board of Directors and the Steering Committee. In the past few years there have been a couple of instances where Board members have attended and spoken at Steering Committee events.

A designated Board member can also present updates at Steering Committee meetings, which has been done a couple of times. There may be a reason to hold a joint Board-Steering Committee meeting. The Board also should provide the Steering Committee with minutes from its meeting.

It was agreed that it will be important to have identified candidates for the Board by the next meeting. Kate will work with Joe and Sanjay to set out a process for recruiting new Board members. Kate will circulate once potential candidates are identified.

5. Organizational Risk discussion

At the May 2019 meeting the Board indicated its interest in reviewing OGP's organizational risk assessment framework. In the materials for today's meeting Kate has provided a risk register that was prepared for DFID, which is a good start. Mark then inquired whether any Board members would be able to work with Kate to develop a more comprehensive risk assessment framework. Both Laura and Mukelani offered to work with Kate to develop a more comprehensive risk assessment framework for OGP. Report on progress will be made at the next Board meeting.

6. Identify date and location for upcoming Board meetings

It was agreed that it would be useful to schedule a Board meeting by teleconference in a few months. The timeframe identified for scheduling the meeting is between October 28th and November 8th. Kate will circulate a poll asking Board members about their availability.

While the Board was keen to hold a day-long in-person meeting in December, at which the 2020 budget would be reviewed, the Steering Committee meeting to approve the 2020 implementation plan will take place in February 2020 (to accommodate the elections in Argentina as present OGP Co-Chair), which has an implication for the budget timeline. For this reason, OGP will ask the Board for a pro-rata extension of the 2019 budget until after the Feb Steering Committee meeting.

It was agreed that the day-long Board meeting, which will include the review of the 2020 budget, will take place in coordination with February 2020 Steering Committee meeting.

7. 2019 Budget vs. Actuals

Judith then provided an overview of the May 2019 budget vs. actuals report. There were no questions following that overview.

8. Adjournment

With no other business at hand, Mark motioned that the meeting be adjourned and Nathaniel seconded the motion, with all in favor. The meeting was adjourned at 11:24 am.