

Board of Directors Meeting Minutes

27 February 2020 | Berlin, Germany

Members Present

Mark Robinson, Board Chair
Nathaniel Heller, Secretary/Treasurer
Maria Baron, Member
Mukelani Dimba, Member
Laura Gorrie, Member
Stefano Pizzicannella, Observer (Incoming member)
Aidan Eyakuze, Observer (Incoming member)
Sanjay Pradhan, CEO (*ex officio*)

Staff Present

Joe Powell, Deputy CEO
Kate Lasso, CFOO
Judith McCormack, Finance Director
Maia Koytcheva, Program Officer
Enrico Campos, Operations Associate

Guests

Robin Talbert, Consultant

1. Welcome new Board members and Opening Remarks

Mark Robinson, Board Chair, opened the meeting at 4:43 pm (Central European Standard Time) and provided a brief overview of the agenda. The two items for Board action during this meeting were: i) the approval of the OGP 2020 Budget; and ii) nominations for the election of Board Chair and Secretary/Treasurer.

Mark also introduced the two incoming members of the Board of Directors, Aidan Eyakuze (Executive Director, Twaweza East Africa) and Stefano Pizzicannella (Director for International Relations, Ministry of Public Administration, Government of Italy), whose terms will commence on 10 March 2020. Both Aidan and Stefano were attending this meeting as observers.

Sanjay Pradhan, OGP CEO also briefly took the opportunity on behalf of the Steering Committee, Board of Directors and OGP Support Unit, to thank Mark and Nathaniel for their service as founding members of the Board. The terms of Mark and Nathaniel both end on 9 March 2020.

2. Approval of Minutes from November 2019 Meeting

Mark then referred the Board members to the minutes from the November 2019 meetings that they received as part of the pre-meeting packet, asking if there were any corrections or changes that needed to be made to the minutes. There were none.

Decision Item: Mark then motioned to approve the minutes from the 5 November 2019 Board meeting which was seconded by Mukelani.

3. Action Items

a. OGP 2020 Budget

Mark invited Kate to give an overview of OGP's 2020 budget and budget narrative, and unaudited financial statement for 2019. These documents were sent to Board members as part of the pre-meeting packet.

The 2020 budget proposes an organizational budget of \$12.58 million in expenditures, with an anticipated income of \$12.57 million, and operational reserves of 3 months of expenses, consistent with the policy that OGPS has established. This budget and the accompanying one-year implementation plan were created to support the execution of a medium-term implementation plan (3YP) for 2020-2022, which has involved Steering Committee oversight. Kate emphasized that the current ability to be able to plan a budget and fundraising efforts over a two year horizon is a very good position for non-profit organizations to be in.

In 2020, OGP's planned expenditures (\$12.6 million) are projected to increase by 5.7% compared to OGP's 2019 approved budget of \$11.9 million. OGP's projected actual expenses for 2019 are \$10.9 million, (an expected underspend of about 9%). Compared to the 2019 budget, the budgeted expenditure increases in 2020 reflect additional investments primarily in two areas which are offset by cost reductions in two other areas:

1. Areas of Additional Investment

- a. Staff cost increase for: **(i) New capacity:** In 2020, OGPS is planning to hire six additional full-time staff (2 for the EU-sponsored Country Support work, 2 for the Local program, 1 for Thematic work and 1 for IRM), for a total staff count of 61, and **(ii) salary adjustments reflecting modest cost of living and performance-based adjustments.** Overall, staff costs (\$7.49 million) constitute 59.5% of OGP's overall budget, resulting in a prudent staff (fixed) to non-staff (variable) ratio.
- b. Grants & Awards increase to provide grants for work anticipated under the forthcoming EU grant.

2. Areas of Reduced Cost

- a. Professional Services decrease, both due to the IRM Refresh and because no Global Summit is planned for 2020.
- b. Travel & Meetings decrease because no Global Summit is planned for 2020.

Confirmed vs. Anticipated Income

As in past years, OGP's 2020 income is derived from three sources: government grants (41%), foundation grants (37%) and country contributions (22%). Of the anticipated \$12.57 million in 2020 income, a healthy \$9.71 million is confirmed (bilateral donor funds and foundation grants) and \$2.85 million is not yet confirmed, comprised of \$2.8 million in government contributions, projected as similar levels to what was received in prior years, and \$50,000 from USAID beginning in October 2020.

2020-2022 budget observations

Kate then moved on to provide her key observations of the three-year prospective budget that has been developed to accompany the three year implementation plan that was endorsed by the OGP Steering Committee.

- Though the medium-term planning process was just completed, OGP has identified funding gaps on the horizon, in 2021 and 2022, that must be filled if OGP is to accomplish its medium-term goals.



- This gap arises in large part because the grant from one of OGP's largest funders (UK DFID) ends in March 2021. A key fundraising priority is the renewal of DFID's support to OGP from 2021 onward.
- Without DFID, OGP will have a US\$2.75 million fundraising goal in 2021 and a US \$3.75 million fundraising goal in 2022. OGP is currently in discussions with several additional prospective donors and is currently planning to develop a medium-term fundraising strategy in 2020 to raise additional income from country contributions, bilateral agencies and private foundations in 2020 and beyond. This may include seeking funding with specific focus areas like the OGP Local strategy which is set to expand significantly. At the same time, OGP has built flexibility into its planning for 2021 and 2022, which means that a second option would be to reduce expenditures if warranted.
 - Some of the other pending grants for 2020 include: i) Chandler Foundation - \$600,000 grant for 2020-2022 to support thematic work on private sector engagement and anti-corruption; ii) Charles S. Mott Foundation - \$300,000 grant for 2020 - 2021 to support work on access to justice, with a particular regional focus on Africa; and iii) International Development Research Centre (IDRC) - \$400,000 grant for 2020-2022 to support OGP's Feminist Open Government initiative.

Kate then asked the Board if they had any questions or comments about the proposed 2020 organizational budget. The Board's primary concern was for additional clarification on OGP's contingency fundraising plan should the DFID grant not renew. The Board suggested that for the future, in order to better present fundraising contingency plans, the Support Unit should provide the Board with an overview of upcoming grants and awards and denote the likelihood of these grants/awards falling through (highlight level of variance from unlikely to very-likely). Aidan noted that the Government of Finland is supportive of Twaweza's work and expressed his willingness to connect the Support Unit with his contacts in the Finnish government.

Decision Item: Mark then asked for a motion to approve the OGP 2020 organizational budget which was approved by Laura and seconded by Mukelani.

Follow-up Item: The Support Unit and Aidan to discuss separately regarding potential connections between OGP and the Government of Finland.

Follow-up Item: In the future, the Support Unit will update the Board on upcoming grants and awards and will denote the likelihood of these grants or awards falling through.

b. Nomination/Election of Board Officers

Mark shifted the discussion to the nomination and selection of Board officers given that both the Chair and Secretary-Treasurer officer positions will be vacant on 9 March 2020 when both his and Nathaniel's terms on the OGP Board will expire. Once the nominations for the two officer positions have been received, and after 10 March 2020 when the new board members become active, the newly constituted Board can vote to elect its incoming Chair and Secretary-Treasurer, by email if unable to do so by a Board meeting - noting that votes by email will require 100% participation.



Mark then invited Kate to provide a brief overview on the nomination and election of Board officers. According to the Open Government Partnership Secretariat Bylaws, the Chair, the Secretary and the Treasurer, and other officers, if any are designated, shall serve terms of one (1) year, and shall be elected by the Board. The terms of office shall expire at the end of the one-year term and upon designation of the officer's successor. Officers, should they choose to do so, can serve additional one-year terms conditional upon their reelection by other members of the Board. In current practice, the roles of the Secretary and the Treasurer roles have been combined into a single officer role, the Secretary-Treasurer.

The roles and The roles and responsibilities of the Board Chair and Secretary-Treasurer are summarized below.

1. **Board Chair:** The Chair presides at all meetings of the Board of Directors and supervises the affairs of the Board, in accordance with the policies and directives approved by the Board of Directors.
2. **Secretary-Treasurer:** The Secretary-Treasurer is responsible for keeping an accurate record of the proceedings of all meetings of the Board of Directors, gives or causes to be given all notices in accordance with these Bylaws or as required by law, and in general, performs all duties customary to the office of Secretary. The Secretary-Treasurer also has custody of the corporate seal of the Open Government Partnership Secretariat (OGPS) and has the authority to affix the same to any instruments requiring it; and when so affixed, it may be attested to by his or her signature.¹

Kate then invited Mark and Nathaniel to give their perspectives on fulfilling the responsibilities of Board Chair and Secretary-General respectively.

- **Board Chair:** Mark noted that the Board Chair role is not an excessively time consuming role. The Board Chair receives strong support from OGP's Board staff liaison to plan agendas, meetings, and address other key organizational issues as they arise. Mark also noted that one of the main responsibilities of the Board Chair is to conduct the yearly performance review of the OGP CEO, in collaboration with the civil society co-chair of the OGP Steering Committee.
- **Secretary-Treasurer:** Nathaniel noted that in order to comply with requirements set for non-profit corporations in D.C., the Board must designate a Secretary. This officer is responsible for the minutes of Board meetings, and for attesting to Board actions, such as approval to open a new bank account. The Treasurer provides leadership for the Board's financial oversight responsibilities, including regular reviews of the expenses of the

¹ OGP does not have a corporate seal at this time.



OGP CEO. Nathaniel noted that this role is very manageable and is not excessively time consuming.

Mark then invited the other members of the Board, both current and incoming, if they had any questions regarding the Board officer roles and called for expressions of interest in serving in either of these two officer positions. The following nominations were received:

- *Aidan nominated Laura Gorrie for the position of Board Chair. This motion was seconded by Maria.*
- *Laura Gorrie expressed interest in the position of Secretary-Treasurer, stating that she feels that this position is a better fit for her skills set.*
- *Aidan nominated Mukelani Dimba for the position of Board Chair. This motion was seconded by Stefano.*

Follow-up Item: *The new Board will need to discuss and decide on who will take up positions for Board Chair and Secretary-Treasurer. As needed, Kate will follow-up on the formal decisional mechanism by which the Board will elect its new officers.*

4. Discussion Items

a. Organizational Risk Assessment

Mark invited Robin Talbert, Board consultant, to present her findings and recommendations from the risk assessment study that she conducted in 2019.

From her risk assessment study, Robin identified the following risks that emerged as the most pertinent to OGP.

- **Geopolitical Support:** The risk that support for the principles of open government, and the mission and goals of OGP in particular, will diminish globally and relatedly, that OGP's credibility with civil society will be lost.
- **Resource Development:** The risk that income will be insufficient to carry out the mission and goals. In particular, the risk of losing one or more large donors.
- **People Management:** The risk that talented staff will not be recruited or retained.
- **Strategies & Plans:** The risk of not having clearly identified and executed plans, goals and strategies that negatively impacts success, sustainability, or funding.
- **Operational Policies:** Risk of negative impact due to the absence of clear operational policies or the failure of consistent adoption/compliance.
- **Technology:** The risk that access to critical data is lost. The risk that confidential information is compromised.
- **Reputation Management:** The likelihood that OGP's reputation, credibility and brand will be negatively impacted by external or internal actions.
- **Travel:** The risk that individual health and safety is compromised.

Robin then moved to present an overview of the proposed risk register and monitoring plan and tools which details the risks, context and proposed actions to mitigate each risk. This risk register and monitoring tool will be reviewed by the OGPS Board of Directors on a bi-yearly basis.

The Board was then invited to discuss the proposed risk register and monitoring plan. The summary of the discussion is below:



- Laura expressed concern that the review process becomes an administrative exercise and suggested that the OGP Support Unit look for creative ways to implement a regularized review process. Evaluating the prioritization levels of each individual risk should dive deeper to indicate the tolerance level for increased risk. This concern and suggestion was supported by Mukelani.
- Sanjay asked for the Board's advice on specific travel policies to institute in response to global developments and travel implications associated with the coronavirus. The Board suggested a step up approval of travel to go beyond single stage managerial approval.

b. Bylaws Review - Not discussed

c. Staff Fraud (15 minutes)

Mark then invited Kate to provide the Board with an update on the recent staff fraud case.

During the last week in October, OGP's Finance Director had identified some expenses on a Tides credit card account that stood out as questionable. After preliminary investigations, it was clear that these were inappropriate, personal charges and the employee was dismissed. The employee worked in Operations, and was responsible for OGP's office supply and IT purchases, using the CFOO's credit cards. This led to a deeper review of charges on the CFOO's credit card, beginning in March 2019, when the employee was hired through early November 2019, when the employee was dismissed. OGP discovered that the employee had begun making small personal purchases using OGP credit cards in July and August, and then included personal purchases in a large IT procurement in September, in advance of OGP's October staff retreat. A detailed review of credit card charges revealed that US \$31,007.80 in fraudulent charges were made, between July and October 2019. This out of pocket loss has been reduced to US \$9,818.69, following OGP's report to American Express's fraud unit and their investigation and reversal of charges.

The steps that OGP has taken since the occurrence of the fraud are:

- Working with OGP's lawyer, OGP issued a demand for payment of US \$31,007.80 to the former employee on 27 November 2019, after our internal investigation had been completed. The former employee acknowledged, by email, that she had made these personal charges and owed this money back to OGP.
- OGP contacted the DC police to report this crime. The case has been assigned to the Financial Crimes Unit, and OGP has provided the detective assigned to the case with detailed information about the fraudulent activity. OGP is currently waiting for the detective to take further action.
- OGP contacted AMEX to report the fraudulent charges and, following their investigation, AMEX reversed charges of US \$21,189.11 because they were clearly fraudulent.
- OGP has purchased a crime insurance policy (US \$5,000 deductible).
- Going forward, OGP's procurement policies will proceed as follows:
 - Only the CFOO will use their individual credit card and only in rare exceptions, will give permission for someone else to use that card. The Operations Associate has an individual credit card that will be used for



- routine purchases (e.g. office supplies from Amazon) and recurring purchases (Singapore rent, Jive Office phone, Formstack-Salesforce and cloud storage).
 - IT purchases cannot be made by one person only. While the Operations Associate can order computers, etc., through EGuard (OGP's IT firm), the CFOO will be required to approve those purchases.
- OGP is considering what kinds of background checks are warranted for staff members with financial responsibilities. *NOTE: the employee involved in this case has no prior criminal record, so a background check may not have helped, despite clear indications that this is not the first time this person has engaged in fraud.*

Kate then opened the floor for any questions or comments from the Board. Maria inquired as to whether recommendations for background checks will be incorporated in the Global Staff Handbook. There has been no decision on this matter yet, however, it will likely be incorporated into OGP's procurement policies.

d. Progress towards revision of the Global Staff Handbook

Mark then moved to invite Kate to give an update on the progress made on the revisions process to OGP's Global Staff Handbook.

As a component of its capacity building work in 2019, the OGPS Board's workplan had included a review to approve OGP's personnel policies found in its Global Staff Handbook. An early discussion of the Handbook resulted in the Board's recommendation for OGP to expand its parental leave policy, which was accomplished, following a review of comparative information from peer organizations and best practices around parental leave, in the US and elsewhere.

In 2019, it became apparent that OGP's existing staff handbook is US-centric and does not reflect OGP's global nature. For that reason OGP has decided to rework its personnel policy framework, to better reflect OGP's global nature. This has involved a fair amount of time and effort to rework sections of the Handbook, followed by staff consultations, and then work to address staff comments. Given the intricacies and complexities of the revision process, the Global Staff Handbook will be ready for the Board to review later in 2020.

Follow-up Item: *Mukelani and Aidan have expressed interest in reading the draft . Kate to share the revised draft before bringing it back to the full Board for review and approval.*

5. Updates

Mark provided a brief update on the following:

- OGP Europe's initial funds transfer was sent in December 2019.
- Application materials for Investment Account have been submitted.
- OGP secured both Cyber and Crime insurance policies in December 2019.
- 2019 Audit Fieldwork is scheduled for April 20 - 23, 2020.

6. AOB



The OGP Secretariat provided the following clarifications in response to questions received from Board members:

- a. Liability of OGP Europe:** OGP Europe is a subsidiary of the Open Government Partnership Secretariat (OGPS) based in Brussels, Belgium and although it is not subject to U.S. public charity regulations, its founding documents state that OGP Europe must further the core mission of OGPS. Kate noted that in order to comply with Belgian laws, OGP Europe is required to have a Board of Directors which is composed of senior staff members of OGPS: Sanjay Pradhan (Chair), Joe Powell (Secretary) and Kate Lasso (Treasurer).
- b. OGP Bank Accounts:** Kate clarified that OGPS has the following accounts:
 - i. Core cash account with Bank of America;
 - ii. Per the terms of an agreement between OGPS and the World Bank Group, OGPS is in the process of opening an additional account with Bank of America to receive World Bank Group advanced funds for two staff positions to support the implementation of the Multi-Donor Trust Fund activities.
 - iii. OGPS is in the process of setting up an investment account which will hold OGP's cash reserves. This investment account is a non-interest bearing account with a conservative portfolio of investments to keep pace with inflation.
 - iv. OGP Europe has its own separate bank account that was authorized by its own Board of Directors.

7. Adjournment

With no other business at hand, Mark motioned that the meeting be adjourned. The meeting was closed at 6:54 PM (Central European Standard Time).

