

Board of Directors Meeting Minutes

June 29, 2021 | 08:00 am - 11:00 am | Virtual

Members Present

Mukelani Dimba, Board Chair
Laura Gorrie, Secretary/Treasurer
Maria Baron, Member
Aidan Eyakuze, Member
Sanjay Pradhan, CEO (*ex officio*)

Staff Present

Joe Powell, Deputy CEO
Kate Lasso, CFOO
Judith McCormack, Director of Finance
Bianca Nelson, Global Program Officer
Enrico Campos, Operations Associate

Guests

Amy Boland, Gelman, Rosenberg and
Freedman

1. Opening Remarks and Presentation of Findings from the 2020 OGP Secretariat Audit

Mukelani opened the meeting at 08:05 am (Eastern Standard Time) with a brief overview of the agenda and opened the floor for any changes to the agenda. There were none.

Mukelani then introduced Amy Boland from Gelman, Rosenberg and Freedman to present the OGP Secretariat's 2020 consolidated financial statements and management comments. Overall, Amy shared very positive comments regarding OGP's prudent financial management, which is consistent with prior years. Board members added their appreciation for the work done by staff to manage OGP's finances well, which yields strong confidence in OGP. It was noted that OGP has demonstrated robust and sound financial practices since the Secretariat began operating as an independent entity, which aligns well with our organizational commitment to transparency, integrity and accountability. The independent auditors noted that the only recommendation they have is that journal entries made by the Director of Finance be reviewed by the CFOO. Members of the Board commended OGP for its excellent financial management, noting that it was exceptional to see a non-profit organization receive such a clean audit and that the 2020 audit continues a record of robust and sound financial practices since OGP became an independent entity.

Decision Item: *Following a question and answer session with the auditors, Mukelani asked for a motion to approve the reports and findings from the 2020 OGP Secretariat audit. The motion was made by Aidan and seconded by Maria and approved by the Board. As next steps, the independent auditors will prepare the 990 tax form, which will be presented to the Board of Directors prior to its submission to the IRS.*

2. Approval of the Minutes from the December 2020 Meeting

Mukelani then referred the Board members to the minutes from the December 17, 2020 meeting that they had 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: *Mukelani then asked for a motion to approve the minutes from the December 17, 2020 meeting. The motion was made by Maria and seconded by Aidan and approved by the Board with no revisions requested.*

3. Approval of the Revised 2021 OGP Secretariat Budget and Pro-Rata Extension

Mukelani invited Judith McCornmack, Director of Finance to present an overview of the revised 2021 budget, which was shared with the Board as part of the pre-meeting packet. The main points highlighted by Judith were:

- **2021 Expenditures:** 2021 revised planned expenditures are \$11.74 million compared to OGP's originally approved 2021 budget of \$13.1 million. Savings came primarily from the Travel line, given the ongoing pandemic and travel restrictions anticipated through the end of the year.
- **2021 Income:** 2021 revised projected income is \$13.30 million, compared to OGP's originally approved 2021 budget figure of \$11.52 million.
- **Operating Reserves:** OGP's policy is to maintain a 3-month operating reserve. As a result of both proactive management and reduced travel costs, the revised 2021 budget anticipates both a \$3 million operating reserve plus \$3.7 million in discretionary funding. Given ongoing financial uncertainty, combined with the significantly reduced amount to be received from UK FCDO, OGP continues to believe it prudent to enter the new fiscal year with higher levels of reserves, to supplement income OGP will receive for use in 2022.

Mukelani then opened the floor for Board discussion. The Board noted its concern over the sharply lower amount to be received from the UK FCDO grant. While the higher level of anticipated surplus is prudent under current circumstances, looking to the medium-term, OGP will need to align income and expenditures as greater certainty around funding emerges in response to the uncertainty from FCDO and OSF. Aidan noted that it is noteworthy that OGP has a strong financial position when so many non-profit organizations are struggling. OGP CEO noted that this was due to a combination of exogenous factors (e.g., reduced travel due to the pandemic) as well as proactive management to get ahead of the curve in responding to shortfalls in FCDO and OSF funds.

Decision Item: Mukelani asked for a motion to approve the revised 2021 OGP Secretariat budget and pro-rata extension to March 2022. The motion was made by Maria and seconded by Aidan and these items were approved by the Board with no revisions or objections.

4. Investing OGP Reserves

Mukelani invited Kate to present this item to the Board.

In 2019, the Board authorized OGP to open up an investment account to invest OGP's unrestricted reserves conservatively, with the goal of keeping pace with inflation. OGP then moved forward with opening a money market account with CitiBank,. This has not proven to be a fruitful investment, with returns well under what is required to keep pace with inflation. After some inquiries over the past few months about alternatives, OGP is proposing that RBC Wealth Management serve as its investment partner. In order to formalize a relationship with RBC, OGP proposed that the Board form an investment committee that would work with Kate, Judith and RBC to complete RBC's Institutional IPS Questionnaire and then draft an Investment Policy Statement for OGP.



Decision Item: Following Board discussion, both Laura and Aidan expressed interest in serving on the Investment Committee. The Board also noted that OGP should transparently engage in communications on the objectives of OGP's investment strategy as a means of prudently stewarding OGP's financial resources.

5. Update on the Board Member Recruitment Process

Prior to inviting Kate to give an update on the recruitment process, Mukelani informed the Board of Stefano Pizzicannella's (Government of Italy) resignation from the Board effective June 16, 2021.

Kate informed the Board that the formal call for applications for new Board members was launched, with the goal of finalizing the process, including the orientation of new members, prior to the October 2021 Board meeting. Kate then provided an update on the process timeline for Board recruitment:

1. **June 2021:** Maria (as member of the Board and GL) to write to the rest of the SC to open the call for candidates on behalf of GL. - **Completed**
2. **June - July 2021:** Applications will be submitted to Kate Lasso, Chief Financial and Operations Officer (with copy to Enrico Campos) by July 22.
3. **July 2021:** The Support Unit will share with GL the list of candidates and a brief overview of the skills mapping against the needs of the Board.
4. **July 2021:** GL discusses the candidates to be recommended to the Steering Committee, which we hope to be two new members and Maria's reappointment. The GL then sends their recommendations to the Steering Committee.
5. **August 2021:** The Steering Committee will appoint members to serve on the Board for three-year terms.

6. Organizational Risk Register Update

Mukelani invited Kate to provide an overview of the updated risk register.

The organizational risks identified and presented during the December 2020 Board meeting remained as is, with neither revisions nor retractions of any risks. Overall, the organizational risks have either remained the same or decreased when compared to the December 2020 assessments, which indicates that the mitigation actions currently in progress are having positive effects. Kate noted a slight increase in the Technology/ Data loss and compromise risk area (increase of Net Risk Score from 8.40 to 9.61) could be due to the fact that the mitigation measures for this risk have only begun to be implemented. Prior to the next Risk Register review, OGP will update the Financial section to recognize risks associated with investments.

7. Organizational Updates to the Board and Closing

Mukelani invited Kate to give topline organizational updates to the Board:

- **2020 OGP EU Financial Review** - For 2020, OGP Europe's financial activity was incorporated directly into OGP Secretariat's audit. OGP is moving towards the goal of having a stand-alone audit of OGP Europe, anticipating that it may need this report in the future. Even when OGP EU has a stand-alone audit, since OGP EU is a subsidiary of the OGP Secretariat, the European Union financial information will continue to be incorporated into OGP Secretariat's audit report. As a first step

towards having a full audit, OGP is conducting a financial review of OGP Europe for 2020, which has a more limited scope than an audit, and which should be completed in July.

- **Cybersecurity Risk Mitigation Measures** OGP has recently closed a request for proposals process and has received proposals from three firms. These proposals will be reviewed by a procurement committee of OGP staff, with the goal of making a decision so that the initial review of OGP's current IT infrastructure can start in July. OGP will provide an update to the Board at the October meeting.
- **Joe Powell joining OGP's London staff** Sanjay informed the Board that Joe Powell will be moving to London in September 2021, to join two OGP staff members already working there. This offers a good opportunity for OGP to continue to diversify the location of senior leadership members. From a business perspective, Joe's presence in London will help with our key partnership with the UK government, and in particular FCDO where we have a strong relationship that could be further strengthened by more regular interactions. Given the concentration of staff in London, we will now re-open our explorations of registering an office there, and soon update the Board with a cost benefit analysis, including financial implications and timelines.

With no other updates, Mukelani requested a motion to close the meeting, which was made by Laura and seconded by Aidan. The meeting was adjourned at 10:45 AM EST.

