



## OCP Advisory Board Minutes

Virtual Meeting  
October 17, 2019

**PUBLIC VERSION**

### **Attendance**

#### *From Advisory Board*

- **Attended:** Sally Guyer (Chair), Mukelani Dimba (Vice Chair), Alan Detheridge (Treasurer), Andrew Clarke, Rudi Bormann, Claire Schouten, Paca Zuleta
- **Sent apologies:** Max Nefyodov, Seember Nyager, Jeni Tennison

#### *From OCP*

- Gavin Hayman, Kathrin Frauscher, Lindsey Marchessault, Marie Goumballa, Raffi Yousefian (outsourced CFO)

### **Objectives**

- Approve FY20 budget and review preliminary FY19 close out report (**for decision**)
- Approve OCP to commission a legal memo and file preliminary paperwork to explore spin-out from FCNY (**for decision**)
- Approve third party salary review process (**for decision**)
- Review progress made to date under new strategy and discuss challenges (**for discussion**)
- Discuss potential candidates for new AB members (**for discussion**)
- Review dates, location & agenda for next Advisory Board Meeting (**for information**)

## **Decisions**

- The Advisory Board **approved** the proposed FY20 budget of \$4.67m in revenue and \$4.5m in expenses.
- The Advisory Board **approved** that OCP commissions a legal memo to advise on options and steps for leaving fiscal sponsorship and registering as a 501(c)(3) non-profit in the USA. The Advisory Board also asked OCP to get advice from other organizations who recently completed similar processes and to explore, if OCP did become separate, options for having a smaller governing board and wider advisory board structure.
- The Advisory Board **approved** that OCP proceeds with a third party salary review process and asked OCP to include a diversity lense in the review.
- The Advisory Board **decided** that the next in person meeting will be in London on March 10 and 11, 2020.

## **Summary and Action Items from Meeting**

### Program & Organizational Update

*Summary:* OCP is making good progress towards its strategic targets and expects to meet them all by the end of the calendar year.

Since the last Advisory Board meeting, OCP has achieved two key successes: OCP launched its new 2019 - 2023 strategy to get to even more impact. It has received very positive feedback on its strategy and has begun to work smarter, offering new products and services.

OCP also helped its country partners to make considerable progress. Highlights include countries such as Malaysia, Uganda, Paraguay and Honduras.

The Advisory Board were pleased to see the initial success and enthusiasm for OCP's new Open Contracting Lift Impact Program, where teams of partners will receive intensive support to reach concrete impact goals related to improving the quality of public goods, works, and services. OCP also gave an organizational update on team changes.

The Advisory Board asked about OCP's work in Latin America and Africa and how OCP is overcoming challenges of low data quality and improving data use. The Board also advised that OCP explores how it can contribute to meaningful

conversations about procurement of controversial AI technologies. The Board endorsed that OCP builds up its program on procurement of medicine (and distinguished between national processes and those used by international organizations). The Board inquired about recent staffing changes and especially how OCP selects diverse team members who add new perspectives and ways of working to team. The Board also discussed and reviewed OCP's onboarding and performance management processes.

*Action Items:*

- OCP will circulate a program brief on Open Contracting in Health.
- OCP and Paca Zuelta will discuss OCP's new data quality tools.
- OCP will organize a call with other organizations working on contracting in Extractive Industries to coordinate advocacy and programmatic efforts on contract disclosure.
- OCP will explore participation in RightsCon and other events about data, technology, privacy and security.

Financial Reporting

*FY20 Budget:* The Advisory Board approved OCP's budget for FY20. OCP is planning for \$4.67m in revenue and \$4.5m in expenses.

In FY20, nearly all of OCP's unrestricted funding is expected to renew. As such, OCP has been both cautious in its income and expenditure estimates.

Reserves will not be added to other than through interest as they are currently sufficient. Expected retained revenue going from FY19 into FY20 is \$558K of which \$767K is unrestricted, and \$-209K is restricted. Restricted retained revenue is negative because several of OCP's restricted grants require that OCP gets reimbursement after spending.

In FY20, OCP plans for modest retained revenues for FY21 program activities of \$99K; this is significantly down from FY19 as OCP has been able to move a large restricted grant payment to the beginning of its new financial year.

*FY19 Income and Expenditures:* Total revenues for FY19 were in line with OCP's predictions. OCP planned for \$4.77m income and achieved \$4.8m. OCP's expenditures through FY19 are expected to be \$4.24m, or 99% of its planned budget of \$4.29m (as per the latest information from OCP's fiscal sponsor).

OCP will report back to the Executive Committee to review and approve the final numbers when the audited numbers from FCNY are received.

Some \$2.47m, or 58% of FY19 spending was attributable to restricted spending, and \$1.77m, or 42% was unrestricted spending. This is in line with OCP's plan to balance FY19 spending ratio to 60% restricted and 40% unrestricted. The two main items of spending were Program Activities & Consultants at \$1.88m and Personnel at \$1.38m respectively. OCP overspent against advocacy, travel, events but underspend against helpdesks and research.

*Action Item:*

- OCP will share final FY19 reports with the Executive Committee of the Advisory Board after receiving them from FCNY.

### Set Up of an Independent Organization

*Summary:* The Advisory Board approved that OCP commissions a law firm to conduct a feasibility study that outlines legal implications of leaving fiscal sponsorship and becoming an independent 501(c)(3) organisation. OCP is considering leaving fiscal sponsorship to lower its administrative fiscal sponsorship which is at 9% of total expenditures and to be able to set up better book-keeping and HR policies. OCP's fiscal sponsor, FCNY, is very supportive and offered to help with the process.

The Advisory Process asked thoughtful questions about where OCP would register and how it would need to change its current Advisory Board structure. The Board agreed that OCP should incorporate in the US and set up a smaller fiduciary and a larger advisory board. The Advisory Board gave helpful advice about which organizations OCP could talk to, and learn about their processes to register as non-profits.

*Action Items:*

- OCP will reach out to several law firms and get proposals from them.
- OCP will connect with other organizations that recently completed similar processes.

## Independent Salary Review

*Summary:* The Advisory Board approved that OCP hires a firm to conduct an independent salary review. If OCP was to become a standalone non-profit, it needs to be able to justify the compensation of executives (and other highly compensated individuals) to the IRS. Based on this and aiming to have a fair unbiased compensation, the Executive Committee asked OCP to commission an independent salary review covering all roles in the team.

### *Action Items:*

- Board Member Andrew Clarke will connect OCP to partners that have recently completed a similar process.
- OCP's Board Chair Sally Hughes will lead the work with an independent firm to conduct the review.

## New Board Members

*Summary:* OCP and the Advisory Board discussed potential new Advisory Board members. The Board asked that OCP should first decide on what the Board structure under an independent organization would be and then approach potential new Board members with clear asks if they were to join the fiduciary or the Advisory Board. Board members suggested potential candidates for both boards. Board Member Andrew Clarke also proposed to review the end date of his term in January 2020 and suggested to potentially not extend his term. Luminate changed its policy and is often not on the boards of grantees.

### *Action Items:*

- This will be discussed further at the next Advisory Board Meeting.

## Advisory Board Meeting

*Summary:* The Advisory Board decided that the next in person meeting will be in London on March 10 and 11, 2020.

### *Action Item:*

- OCP will make all the logistic preparations and update Board members in due course.