

## PWYP Board Meeting - 1 December 2015, Brussels/ MINUTES

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### *Board*

Aroa de la Fuente, FUNDAR (Latin America representative and Global Council Liaison - PWYP member) (AF)

Ali Idrissa, ROTAB-PWYP Niger (PWYP member) (AI)

Alan Detheridge, Ex-Shell Executive (External), Treasurer (AD)

Julie McCarthy, Open Society Foundations (PWYP member) (JM)

Carlo Merla, Advisor Government of Botswana (External), Chair (CM)

Claire Spoons, Oxfam GB (PWYP member) (CS)

### *PWYP Secretariat*

Marinke van Riet, International Director (MvR)

Stephanie Rochford, Interim Programme Manager (SR)

Flavia Olum, Interim Finance and Operations Manager (FO)

Carol Kiangura, East and Southern Africa Regional Coordinator (CK)

### *Invitees*

Jacqueline Williams, Company Secretary (JW)

### *Apologies*

Caroline Ngonze, United Nations Economic Commission for Africa – UNECA (External) (CN)

## **1 Summary of Actions and Resolutions**

- Secretariat to look at tracking downloads of Board meeting minutes from the PWYP website
- AI and all PWYP staff to sign the declaration of interests form
- JW to follow up with all Board members to complete skills matrix
- GC liaison (AF) will share with the Global Council the minutes of each Board meeting once finalised, and ask for feedback on decisions taken
- FO to draft email about payroll issues for JW to send to Bond
- FO, AD and JW to determine whether any additional insurance policies need to be put in place
- JW to summarise 'lessons learned' from the transition process
- 2016 budget approved
- Finance, HR and Travel policies/manuals approved subject to minor amendments
- MvR and FO to schedule planning call with auditors
- MvR to start report on 2015

The meeting opened at 9:25AM.

The board was welcomed and the Chair highlighted the objectives on the agenda for both the Board meeting and the joint meeting on 2 December. It was noted that the Board has still not managed to meet in its entirety to date. MvR highlighted that CK had been invited to attend the meeting in order to foster closer engagement between the Board and PWYP Secretariat staff.

The Board reviewed the actions from the last meeting on which there were no comments. JW proposed to approve the minutes and JM seconded. The motion was approved.

## **2 Board matters**

As a matter of good practice, all meeting participants were asked if there was any conflict of interest to table at this meeting. None were declared. It was noted that AI should complete the declaration of interests form, as he wasn't at the last meeting; and that all PWYP staff need to complete the form and have it on record.

JW will follow up with individual members to complete the skills matrix to ensure that there is the right mix of skills on the Board. The Board discussed developing an annual review process to assess Board member performance, and agreed that this should be completed before the Board meeting in August 2016. The Board agreed that attendance rates should be taken into account as well as a self-assessment; and that the performance appraisal should be mentioned in the Trustees' report which will be part of the Annual Report. AD will draft the Trustees Report in his capacity as Treasurer for review by the trustees.

JW suggested that the Board review high level governance risks at each meeting. The Board discussed the risk of ineffective communication between the Board and GC, and two small examples of this were mentioned by MvR. To mitigate this risk, the Board agreed that the GC liaison will share the Board meeting minutes with the Global Council as soon as they are finalised to enhance communication.

On the risk of an ineffective organisational structure, it was noted that there is still some lack of clarity on the role of the Senior Management Team (SMT). While the HR review includes an assessment of the organisational structure, a further request was made for specific actions expected of both the GC liaison and the SMT. JW will circulate draft terms of reference for the GC liaison and SMT for comment.

The ID requested the input of the Board on two key risks, being travel safety and recruitment challenges. Current policy is to follow the travel advice of the UK Foreign and Commonwealth Office, with which the Board agreed. Some Board members expressed surprise that positions with PWYP attract relatively few applications and suggested that the Secretariat review whether the right channels are being used, as well as how the organisation is presented. It was agreed that the HR review should include an assessment of

PWYP's recruitment process. The Board raised the issue of the Secretariat being based in London as a possible factor in recruitment challenges and noted that there is a trend for big INGOs to relocate to the global South. It was noted that Richard Bennet had been asked to assess the pros and cons of keeping the Secretariat in London as part of his research in 2014. The decision had been taken not to move primarily because of the legal structure in the UK (particularly in relation to charities) and the opportunities available in London. The Board noted that the location of the Secretariat should be reviewed in 2018 as part of the Governance review.

The Board also discussed potential risks to PWYP's reputation at both the national and international level.

### **3 Post-transition update**

The transition has been completed since the last Board meeting and PWYP is now in their own office space. While PWYP is registered as a company the Board is operating as Trustees in anticipation of its charitable status being confirmed. The office is in an open plan space that is fit for purpose (one Board member has visited). PWYP's HR providers are at arm's length so the Board suggested that a review of this arrangement should be included in the HR review. A workshop with staff is planned for mid-December on financial management and operations policies and procedures, and will be an opportunity to take stock and identify gaps.

JW confirmed that Employer's Liability Insurance has been procured. As the quotation for annual travel insurance for the Board members was unaffordable, the Trustees agreed to arrange travel insurance on a per meeting basis as necessary, or possibly on an annual basis as an individual. FO, AD and JW will review all of the insurance policies and determine whether any additional policies are required. A report will be given at the next meeting. JW will collate lessons learned from the transition process. It was noted that the IT aspect had caused numerous challenges. An audit process of all PWYP's policies and procedures is pending finalisation of the Finance Manual and is provisionally scheduled for the second week of December.

### **4 PWYP finances**

The Board was presented with a summary of income and expenditure to date for 2015. PWYP has liaised closely with OSF since September to prepare for the audit post-transition to allow for balance from OSF to be transferred. PWYP is in a very healthy financial position although it must be noted that some of the grant money received in 2015 is for subsequent years and will be carried forward.

The Board discussed PWYP's unrestricted reserves, which are presented in the budget as a separate item. A reserves policy is in place (with a target level of a minimum of three months' operating costs) but the Board agreed that the policy should be more fully

developed. Amongst other matters, it should include the purpose of the reserves and authority levels for their drawdown and use. JM and AD will work on a draft policy (including an investment policy) in consultation with the Secretariat before the next meeting. It was agreed that, since the level of reserves are comparatively modest, it would be prudent to hold them in savings account and approval was given to open such an account.

The Board reviewed the 2016 and 2017 budgets. A clarification was made that travel costs related to work streams are included in work stream costs since they are related to advancing those strategic goals. The Board requested that an extra column be presented in the budget to indicate the projected budget/growth plan. The Board also asked that the 2017 budget be revised to show one based on confirmed income and the other on proposed income (based on further fundraising plans).

CS proposed a motion to approve the 2016 budget, seconded by AD. The motion was approved.

The Board noted that FO had been required to build PWYP's financial system from scratch which has been very complex and time consuming. The SMT decided to strengthen PWYP's in-house financial operations by changing the Programme Assistant role to a Finance and Operations Associate who will start on 14 December to enable the Finance and Operations Manager to concentrate on the strategic finance work.

The Board also noted that the Finance Manual requires the budget to be approved by 31 October. The Board recognised that it is working towards meeting this requirement and for next year the accounts will be presented at the Board meeting prior to 31 October. The Board acknowledged the improvement in the presentation of the accounts since the last meeting and thanked everyone for their work.

## **5 Policies and manuals**

The PWYP fundraising policy has been updated following feedback from the Board and Global Council. The Secretariat recommends not to pursue high net worth individuals (HWNI) for now, as this fundraising approach requires an investment in staff time that cannot be met from the current resources. Further discussion is needed on joint fundraising and linking it to the PWYP governance standards; as well as considering whether coalitions should have to meet a minimum financial management capacity in order to be eligible for joint fundraising approaches.

The Secretariat is looking to secure one more core donor in 2016. Identifying donors is part of the terms of reference of both the Board and Global Council and the Board members were asked to bear this in mind. The Board requested that the fundraising strategy and budget should be aligned with the goals in the Business Plan as this would assist the Board in supporting fundraising efforts.

The Charity Commission application has not yet been submitted but this will be prioritised before departure of the current International Director. The trademark registration of the PWYP logo is also pending. AF provided an update on trade mark registration in Latin America, where there is no regional registration mechanism. However, since the logo is used very little in that region, it was agreed that this will not be a priority for now.

Two consultants have expressed interest in undertaking the HR review which will be completed before the new Executive Director starts.

AD will send comments on the HR manual to MvR. AD proposed to approve all three manuals subject to minor amendments, seconded by Carlo. The motion was approved.

## **6 Strategic partnerships**

The Board briefly discussed potential strategic partnerships/engagement. While PWYP has not managed to advance as far as hoped in collaborating with Tax Justice Network Africa, this is still a key area for many of PWYP's members. CS noted that Oxfam is leading on better representation of Southern countries in tax reforms being led by the OECD and would keep PWYP updated on progress.

## **7 Executive Director recruitment**

SR gave an overview of the recruitment process. The Board asked if Prospectus would be providing a final report and asked to be updated on any reason for the lower number of non- OECD candidates. SR to confirm with Prospectus if the final candidates were headhunted or applied. PWYP staff were asked to leave the room while the Board discussed and made their final decision. No minutes were taken during this discussion.

## **8 Governance case study**

JW presented a governance case study and asked the Board to reflect on how this might be relevant and could be a learning opportunity for the PWYP Board. The wide-ranging discussion, in which all Board members actively participated, included risk management, how to monitor grants, the need for term limits on a Board, conflicts of interest and how they can be identified and managed, the importance of an in-depth review of an organisation's reserves level and the importance of cash-flow forecasting and paying close attention to management accounts at every meeting. The Board highlighted the need to track the amount of unrestricted reserves against the budget and agreed that this should be one of the key performance indicators in the management accounts.

The Board discussed preparations for the audit, given the approach of the year end (31 December) and the need to file the accounts by the end of September 2016. The draft set of accounts should be ready by Q1 of 2016. MvR and FO will schedule a call with auditors to plan for the audit. At JM's suggestion, we will consider whether to issue separately an

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annual report and the audited statement of financial accounts or, as some other NGOs have done, to combine the two into a single report.

JW will circulate a self-assessment questionnaire to be completed between the April and August Board meetings by all Board members. Targets for Board members will also be defined as part of this process e.g. tasks that the Board has to accomplish within the coming year. SR and MvR will share the self-assessment processes designed for the GC and EITI Board.

The Board held a short executive session at which minutes were not taken.

The Chair CM closed the meeting at 16:10