



OCCAR Management Procedure

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Record of changes

Date	Issue	Changes
30/05/05	1	Creation of the document. Document issue further to the approval of OMP 3 issue1 draft 7 by the BoS on 19/05/05.
01/07/06	2	Converted to the OCCAR-EA graphical house style
09/12/08	3	Modifying paragraph 5 to reflect the comprehensive business and resources planning process. Following revision of FTPC ToRs (Annex OMP 3-C) and incorporation of new ISSC ToRs (Annex OMP 3-H), updating of text as appropriate Following revision of Organisational Structure of OCCAR-EA (Annex OMP 3-G), updating of text as appropriate Following incorporation of new BoA ToRs (Annex OMP 3-I), updating of text as appropriate. Updating of text relevant to changes to organisational structure and OCCAR-EA staffing plan. Minor cosmetic changes. Approved by 19 th BoS on 28/11/08.
25/03/13	4	OMP 3 Issue 4 - Light Revision Taking into account direction at the 38 th FTPC and comments subsequently received
10/06/14	5	Overall structure modification and major revision taking into account all stakeholder inputs.
08/06/16	6	Amendment to Paragraph 3.2.3 to reflect revised Security Committee Terms of Reference

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List of acronyms

BDSPRO	Business Development, Strategy, Planning & Reporting Office
BoS	Board of Supervisors
CO	Central Office
CSD	Corporate Support Division
EWG	Expert Working Group
FC	Finance Committee
FD	Finance Division
FTPC	Future Tasks and Policy Committee
FOO	Forecast of Outturn
HLO	High Level Objective
HRD	Human Resources Division
ILS	Integrated Logistic Support
ISS	In Service Support
KPI	Key Performance Indicator
OCCAR-EA	OCCAR Executive Administration
OMP	OCCAR Management Procedure
PB	Programme Board
PC	Programme Committee
PMA	Programme Management Authorisation
PMSD	Programme Management Support Division
ProgD	Programme Decision
SC	Security Committee
TDP	Technology Demonstrator Programme
TLM	Through Life Management
TLMC	Through Life Management Committee

Terminology

To approve	To give the official consent on a decision on a matter falling under its own authority
To endorse	To provide favourable advice/support on a decision on a matter falling under the authority of a different individual/entity or to sanction a decision on a matter falling under the authority of another individual/entity
To take note /note	Something reported verbally or in writing has been brought to one's attention without the need to approve or disapprove

1. Introduction

1.1 Scope

This OCCAR Management Procedure (OMP) governs the corporate governance of OCCAR.

The procedures governing integration and management of Programmes, as well as support processes (e.g. finance, human resources, security) are covered by separate OMPs.

The functions of the Board of Auditors are covered in Annex OMP 3-I and those of the Appeals Board are covered in OMP 8.

1.2 Authority

This OMP is established to fulfil the requirements of the OCCAR Convention and in particular:

- Chapter II – Objectives of the co-operation and the role of OCCAR;
- Chapter III – General organisation;
- Chapter IV – The Board of Supervisors;
- Chapter V – Executive Administration;
- Chapter X – Co-operation with non-Member States and International Organisations;
- Chapter XIII – Article 43 (reporting on and forecast of activities).

1.3 Implementation and administration

The implementation and administration of this procedure shall be the responsibility of the OCCAR-EA Director.

Any amendment to an Annex to this procedure shall be approved by the Board of Supervisors (BoS) but may not necessarily require a complete re-approval of the document.

2. Reference documents

OCCAR Convention

OMP 1: Principal Programme Management Procedure

OMP 2: Programme Integration

OMP 4: Legal Issues

OMP 8: Personnel Regulations

OMP 9: Recruitment

OMP 10: Financial Rules

OMP 11: OCCAR Security Regulations

OMP 12: Handling of Unclassified Sensitive Information

3. Organisation and roles

3.1 OCCAR Boards

3.1.1 Board of Supervisors

The BoS, whose composition and functions are determined in the OCCAR Convention, directs and supervises OCCAR-EA and all OCCAR Committees and decides on all matters concerning the implementation of the OCCAR Convention.

The BoS Rules of Procedure are set out at Annex OMP 3-B.

3.1.2 Programme Boards

Once the BoS has signed a Programme Management Authorisation (PMA), starting the integration of a Programme, high-level decisions relating to the Programme will be made exclusively by a body composed of the BoS representative(s) of the Member State(s) participating to the Programme and, where appropriate, the representative(s) of the non-Member Participating State(s) at an equivalent level.

The above body will be called "Programme Board" (PB).

Where only Member States participate in the Programme, the PB is the BoS, which will convene in an assembly restricted to the Participating States, and decide in accordance with Article 15.2 of the OCCAR Convention.

Where non-Member Participating States are involved in the Programme, the PB will be established following the process described in OMP 2 and will decide as described in OMP 1, in accordance with Articles 37 and 38 of the OCCAR Convention.

The role, responsibilities and operation of a PB are set out in OMP 1 and in the relevant Programme Decision (ProgD).

3.2 OCCAR Committees

The Committees support, in accordance with their Terms of Reference, the BoS and the relevant PBs in their decision-making processes.

The Corporate Committees (FTPC, FC, TLMC and SC) report directly to the BoS. Where there is a need for coordination, Committees will liaise between themselves as part of their preparation work. The Programme Committees report directly to their respective Programme Boards. Additionally, Corporate Committees can, when requested to do so, provide support to PBs / PCs on specialised subjects.

If no consensus is found on a matter delegated to a Committee, the pending issue returns to the BoS or the relevant PB.

The administrative arrangements for all Corporate Committees are detailed in Annex OMP 3-J.

3.2.1 Future Tasks and Policy Committee

The FTPC is established by the BoS to advise and assist it in the achievement of its functions in the areas of business and corporate management, contractual policy and future tasks. The Terms of Reference of the FTPC are set out at Annex OMP 3-C.

3.2.2 Finance Committee

The role of the FC is to monitor on behalf of the BoS the operation and effectiveness of OCCAR-EA's financial management, to make recommendations to the BoS on the documents dealing with the regularity of this financial management and to propose to the BoS the general policies on OCCAR-EA financial matters. The FC advises the BoS (or any Committee) on financial matters relating to the operation of OCCAR-EA. The Terms of Reference of the FC are set out at Annex OMP 3-D.

3.2.3 Security Committee

The Security Committee (SC) is established in accordance with Article 7 of the OCCAR Security Agreement to consider all aspects of security of Classified Information related to OCCAR. . The Terms of Reference of the SC are set out at Annex 3-E to OMP 3.

3.2.4 Through Life Management Committee

The TLMC is established by the BoS to consider all aspects of the Through Life Management approach, with specific focus on In Service Support aspects, related to OCCAR. The Terms of Reference of the TLMC are set out at Annex OMP 3-H.

3.2.5 Programme Committees

The PCs shall oversee the running of the Programmes for the PBs.

The role, responsibilities and operation of a PC are set out in OMP 1 and in the relevant Programme Decision.

3.2.6 OCCAR Expert Working Groups

For the examination of specific matters the Committees may establish Expert Working Groups (EWGs), with as many members as considered necessary to perform the tasks involved. The results of the work of the EWGs must be reported to the respective Committees for decision making as necessary.

Terms of Reference shall be established for each EWG and approved by the respective Committee and OCCAR-EA shall be the custodian of this documentation.

3.3 OCCAR Executive Administration

The organisational structure of the Executive Administration, including the structure of the Central Office and the mission of the Central Office Divisions, is detailed at Annex OMP 3-G.

In accordance with Article 21 of the OCCAR Convention, the OCCAR-EA Director shall be directly responsible to the BoS for the operation of OCCAR-EA. The Terms of Reference of the OCCAR-EA Director are set out at Annex OMP 3-F.

4. **Definition and Update of the OCCAR Strategy**

The role, tasks and functions of OCCAR are set out in Articles 7 and 8 of the OCCAR Convention. The OCCAR Mission Statement (Mission, Vision, Values) and Strategic Aims shall be defined and / or amended within the provisions of these Articles.

The OCCAR Mission shall describe in concise terms the main purpose and functions of the organisation.

The OCCAR Vision shall describe in concise and quantifiable terms what the organisation aims to become in a defined period, of normally between five and ten years. The OCCAR Values shall be ethical principles underlying all OCCAR activities and decisions.

The OCCAR Strategic Aims shall be statements of strategic intent addressing specific desired outcomes of activities deriving from the Mission Statement and giving clear direction and focus for such activities.

In accordance with the provisions of OMPs 1 and 2, each OCCAR Programme shall be the subject of a set of focused High Level Objectives (HLOs) giving clear direction to the Programme and allowing assessment of each Programme Stage results normally in terms of time, performance and cost. Corporate OCCAR-EA performance shall be addressed by one or more OCCAR Strategic Aims.

The purpose of the OCCAR Strategy is to set out how OCCAR will achieve its Mission and Vision.

The OCCAR Strategy is made of:

- The OCCAR Strategic Aims;
- Strategic Initiatives (investments or projects) that drive the organisation's performance toward the achievement of its Vision and Strategic Aims;
- A Business Development Strategy providing an overview of potential new OCCAR Business areas.

The OCCAR Mission Statement and Strategy may be the subject of proposals for update / modification either by the OCCAR-EA Director or one or more Member States. Any such change proposals (including indicative resource impact for new Strategic Initiatives) should be submitted to the FTPC so as to permit the resulting revised Strategy to be taken into account in the preparation of the Business Plan and Budgets of the following year. Approval of the Business Plan by the BoS shall be deemed as approval of the revised OCCAR Mission Statement and Strategy.

5. **Planning**

5.1 Business Planning Cycle

The OCCAR-EA business planning cycle (conducted annually) is an integrated process focused on the achievement of the OCCAR Vision, Mission, Strategic Aims and Programmes HLOs. Within this business planning cycle human resources, infrastructure and financial planning processes are synchronised. It shall support:

- OCCAR-EA accountability to the BoS through the definition and use of relevant Key Performance Indicators, a commitment on associated Targets and the provision of accurate forecast of activities and outputs;
- The empowerment of OCCAR-EA in the optimisation of its organisation and roles to achieve its objectives;
- The provision to OCCAR-EA of the resources necessary for the achievement of its objectives.

The OCCAR-EA business planning cycle shall result in the establishment on an annual basis of the following documents:

- The OCCAR Business Plan;
- The Programme Management Plans;
- The OCCAR-EA Staffing Plan;
- The Administrative and Operational Budgets.

On an annual basis, OCCAR-EA shall assess the business objectives and targets it aspires to achieve in the forthcoming years, as well as the resources it requires for that purpose. This assessment should lead to an integrated and coherent proposal to be submitted to the relevant OCCAR Committees in terms of Business and Programme Management Plans, Organisational Structure, Staffing Plan and Administrative and Operational Budgets, in accordance with the details provided below.

5.2 OCCAR Business Plan

5.2.1 Requirement

The OCCAR-EA Director is required under Article 43 of the OCCAR Convention, to submit to the BoS a forecast of activities for the coming year.

5.2.2 Definition and structure

The OCCAR Business Plan provides a summary of OCCAR-EA's objectives and planned activities for a 4-year period, the organisation and the resources necessary to implement these activities and achieve these objectives. The OCCAR Business Plan drives OCCAR-EA to the achievement of the OCCAR Strategy. The OCCAR Business Plan is a rolling plan, established on an annual basis and covering a 4-year period. The Targets set for the first year (Year 1) of the 4-year period represent the corporate

performance commitment of OCCAR-EA to the BoS. The Targets provided for the three following years are indicative.

The OCCAR Business Plan shall comprise as a minimum:

- A description of the OCCAR organisation;
- The OCCAR Mission, Vision, Values and Strategy;
- Strategic Aims and related Key Performance Indicators (KPIs). KPIs are performance metrics that allow target setting against the OCCAR Strategic Aims, performance measurement and reporting against such targets;
- The OCCAR-EA aggregated Administrative and Operational Budgets (figures resulting from approved Year 1 Budgets and indicative Budgets for Years 2 to 4);
- A description of the OCCAR-EA objectives, activities and milestones in the following areas:
 - Outputs of OCCAR Programmes (Time, Performance and Cost HLOs);
 - Business Development Strategy, policy and activities;
 - Programme integration processes and activities (from BoS Programme Management Authorisation to Programme Decision);
 - Programme management processes and activities (e.g. contracts and financial management, risk management, technical management, Integrated Logistic Support (ILS) management);
 - Support processes and activities (Finance, Human Resources, Site);
 - Improvement of organisational / infrastructure aspects (site policy, skills, information technology and systems, organisational procedures and policy).

5.2.3 Establishment of the Business Plan

The OCCAR Business Plan is established during the year preceding the first year (Year 1) of the 4-year period which it covers. The establishment of the Business Plan shall consist of the following phases:

Planning phase	Establishment, development and FTPC screening of draft Business Plan (year 1 - 4)	January to September (Year 0)
Approval phase	Endorsement of the draft Business Plan by the FTPC and subsequent approval by the BoS	October to December (Year 0)

5.2.4 Business Plan development and staffing

Inputs and direction will be sought at the FTPC meeting held in Quarter 2 (Year 0). A first draft of the Business Plan will be submitted for screening by mid-July (Year 0), and if deemed necessary by the FTPC, a preparation

workshop will be scheduled in advance of the FTPC meeting in Quarter 4 (Year 0).

The Director shall formally submit the draft Business Plan as part of the documentation for the FTPC meeting held in Quarter 4 (Year 0). This draft shall be consistent with the draft Budgets submitted to the National delegated authorities and with any update of the Strategy submitted to the FTPC. The Director will submit a final version of the Business Plan as part of the documentation for the BoS meeting held in Quarter 4 (Year 0). This final version shall be consistent with the Administrative and Operational Budgets.

5.3 Programme Management Plans

In accordance with OMP 1, a Programme Management Plan is established for each OCCAR Programme. It sets out the organisation and the resources needed, the methods used, together with the tasks to be undertaken in order to achieve the objectives of the Programme.

Each Programme Management Plan shall be updated annually as necessary and subsequent to the approval of the Business Plan. It is issued to the relevant PC after approval by the OCCAR-EA Director (see OMP 1).

5.4 OCCAR-EA Staffing Plan

The Staffing Plan is a corporate plan detailing the OCCAR-EA staff requirements resulting either from normal staff rotation or changes in business requirements. The Staffing Plan submitted in Year 0 covers the contracts expiring between 1 July 0+1 and 30 June 0+2. The Staffing Plan is revised and issued to the Member States on a yearly basis, normally in June, with an update being provided in the September timeframe.

5.5 Financial Plans and Budget

The financial rules covering financial plans and budget structure, preparation and approval processes are set out in OMP 10.

6. **Reporting**

6.1 Reporting Requirement

The OCCAR-EA Director is required under Article 43 of the OCCAR Convention to submit to the BoS a report on activities performed in the preceding year.

The OCCAR-EA reporting system shall provide the BoS, PBs and their respective subordinate OCCAR Committees (FTPC, PCs, SC, FC, TLMC) with relevant, concise, and timely information to support:

- An update of OCCAR-EA's current performance against objectives;
- The anticipation and identification of progress towards and shortfalls against the OCCAR-EA objectives;
- Their specific decision making roles (e.g. launch of remedial actions, re-allocation of resources, prioritisation of objectives, etc.).

The OCCAR-EA reporting effort shall meet the specific requirements of the BoS, PBs, and respective OCCAR Committees, reflect their specific roles and be commensurate with the programme / activity size and complexity.

The OCCAR-EA reports comprise:

- Reports to the BoS and PBs including Corporate reports, Programme reports and annual financial statements;
- Reports to the FTPC and TLMC;
- Reports to the FC including the periodical financial statements and the Forecasts of Outturn;
- Programme reports to the PCs.

6.2 Annual Report

The Annual Report shall be issued by OCCAR-EA prior to the end of February and shall provide the BoS with a final status of OCCAR-EA performance against the OCCAR Business Plan of the preceding year. The Annual Report shall address as a minimum:

- Status against the Key Performance Indicators' Targets of the Business Plan;
- Status on OCCAR Programmes' outputs (e.g. Time, Performance and Cost HLOs);
- Financial status (Administrative and Operational Budgets);
- Status on Business Development activities;
- Status on Programme integration activities;
- Status on Programme Management activities (including corporate policy);
- Status on support activities (Finance, Human Resources, Site);
- Status on organisational / infrastructure aspects;
- Main corporate risks;
- Conclusion and recommendations.

The Annual Report structure shall consist of:

- Information provided in a Corporate Report;
- Programmes specific information provided in individual Programme Annual Reports.

The distribution of the Annual Report shall be as follows:

	To:	Copy to:
Corporate Annual Report	BoS (OCCAR Member States representatives)	All Corporate Committees
Individual Programme Annual Reports	Relevant PB (Programme Participating States representatives)	FTPC, TLMC (Programme Participating States representatives only); Relevant PC

6.3 Reporting to the PBs and PCs

On the occasion of each Programme Board or Programme Committee meeting, a Programme report shall be issued by OCCAR-EA at least two weeks prior to the meeting. It shall provide the PB or PC with a status of OCCAR-EA performance against the relevant Programme HLOs, and provide information commensurate to the complexity of the Programme and the respective Terms of Reference.

The Programme reports shall address as a minimum:

- Programme status against Time, Performance and Cost (with particular emphasis on the Programme HLOs and Intermediate Programme Milestones);
- Financial status (Programme Administrative and Operational Budgets);
- Status on programme management activities (contracts, technical, ILS, etc.);
- Programme organisation issues;
- Main Programme risks and associated mitigation plans;
- Identified export opportunities and status of levies as applicable;
- Conclusions and recommendations.

The PB reports shall be sent to the Programme Board and copied to the relevant PC.

6.4 Reporting to the BoS

On the occasion of a BoS meeting, a progress report to the BoS shall be issued by OCCAR-EA at least two weeks prior to the meeting. It shall provide the BoS with:

- Status against the Key Performance Indicators' Targets of the Business Plan;
- Status against the Strategic Initiatives of the Business Plan;
- Main corporate risks and associated mitigation plans;
- Detailed briefing against the agenda points within the lead of the OCCAR-EA Director;
- Conclusions and recommendations.

The progress reports shall be sent to the BoS and copied to the FTPC.

6.5 Reporting to the FTPC

On the occasion of a FTPC meeting, a report to the FTPC shall be issued by OCCAR-EA at least two weeks prior to the meeting. It shall provide the FTPC with:

- Status against the Key Performance Indicators' Targets of the Business Plan;
- Status against the Strategic Initiatives of the Business Plan;
- Main corporate risks and associated mitigation plans;
- Detailed briefing against the agenda points within the lead of the OCCAR-EA Director;
- Conclusions and recommendations.

6.6 Reporting to the FC

OCCAR-EA shall provide to the FC a report covering the progress and current situation on OCCAR financial matters at least two weeks prior to the meeting.

6.7 Reporting to the SC

SC representatives and OCCAR-EA shall support the Committee's meetings by preparing appropriate briefing papers tasked to it by the Committee or the Chair.

6.8 Reporting to the TLMC

OCCAR-EA shall provide to the TLMC a report covering the progress and current situation on OCCAR TLM matters at least two weeks prior to the meeting.

6.9 Ex-Committee decisions

Considering that ex-committee decisions may be taken by the BoS, PBs or Committees as described in Annex OMP 3-B and 3-J and according to their respective and applicable rules, OCCAR-EA records and annually reports to the BoS, respective PBs and / or appropriate Committees the list of decisions taken with this procedure.

7. Auditing

7.1 OCCAR Auditing

Each year the BoS shall consider an OCCAR Audit Programme in accordance with Article 47 of the OCCAR Convention.

7.2 OCCAR-EA Internal Auditing

OCCAR-EA has implemented an OCCAR-EA Internal Control Process, described in detail in Concept Paper CP 17-1. Internal Audits are part of the component "Monitoring" of this Internal Control Process and have to be considered in conjunction with the other constituents of this component as well as in conjunction with the other components of the complete Internal Control Process model in order to avoid duplication of efforts.

Internal Auditing is an activity that provides independent, objective assurance and consulting services designed to monitor and improve an organisation's operations.

The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of all management processes. The scope of the internal audits includes all OCCAR-EA processes and activities.

It is OCCAR's policy that the management of the Internal Audit function is undertaken from within existing resources of its functional organisation. The Internal Audits will be conducted under the authority of the OCCAR-EA Director. To this extent, the following key elements have been implemented:

- Independent teams of internal auditors will conduct the audits. The OCCAR-EA Director decides the composition of each team. In order to ensure adequate audit coverage it might also be necessary to consider outsourcing some audits to either private sector audit service providers or to Member States own internal audit organisations or to seek assistance from specialists of the Member States;
- The annual audit programme must be primarily risk based and allow the OCCAR-EA Director, at the end of each calendar year and in combination with all other elements stemming from the Internal Control Process, to provide to the BoS an opinion on the adequacy, effectiveness and efficiency of the organisation;
- The FTPC, the FC, the TLMC and the SC shall be informed of the annual Audit Programme. Audit reports shall be made available to the relevant Corporate Committees on their request subject to OCCAR security rules and regulations;
- External auditors, who have a need to know to fulfil their official audit functions, shall obtain Internal Audit reports including all recommendations together with a summary on their request and in accordance with OCCAR security rules and regulations.
- Specific programme information (classified or sensitive) shall be made accessible only to external auditors from the relevant programme Participating States, which are participating in that programme.

8. Annexes

Annex OMP3-A	Observer Status
Annex OMP3-B	Board of Supervisors Rules of Procedure
Annex OMP3-C	Future Tasks and Policy Committee Terms of Reference
Annex OMP3-D	Finance Committee Terms of Reference
Annex OMP3-E	Security Committee Terms of Reference
Annex OMP3-F	OCCAR-EA Director Terms of Reference
Annex OMP3-G	Organisational Structure of OCCAR-EA
Annex OMP3-H	Through Life Management Committee Terms of Reference
Annex OMP3-I	Board of Auditors Terms of Reference
Annex OMP3-J	Administrative Arrangements for OCCAR Corporate Committees