



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
11/12/2020	7	Fully reviewed and updated. In detail: <ul style="list-style-type: none"> ▪ Revision of paragraph 7 regarding the establishment of a dedicated Internal Audit Function within OCCAR; ▪ Amendment of the OCCAR Committee Terms of Reference with the aim to eliminate the weaknesses as reflected in the EC Audit report dated 28/04/2020; ▪ Dissolution of the Through-Life Management Committee and corresponding Terms of Reference; ▪ Establishment of an Annex reflecting the Internal Audit Charter of OCCAR; ▪ Revision of paragraphs 4 and 5 to reflect already implemented changes (Structure and content) in the OCCAR Business Plan; ▪ Refinement of paragraph 6 to add clarity regarding the content of the Corporate Annual Report and the Individual Programme Annual Report and ▪ Alignment to OCCAR-EA graphical house style and editorial changes following revision of related documentation (e.g. OMP 1), including reflection of the Through-Life Management approach.

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List of acronyms

BoS	Board of Supervisors
CO	Central Office
EWG	Expert Working Group(s)
FC	Finance Committee
FTPC	Future Tasks and Policy Committee
HLO	High Level Objective(s)
IPPF	International Professional Practices Framework
KPI	Key Performance Indicator(s)
OCCAR-EA	OCCAR Executive Administration
OMP	OCCAR Management Procedure(s)
PB	Programme Board
PC	Programme Committee(s)
ProgD	Programme Decision(s)
SC	Security Committee

List of definitions / explanations

Key Performance Indicator	Performance metrics that allow target setting against the OCCAR Strategic Aims, performance measurement and reporting against such targets.
OCCAR Mission	Describes in concise terms the overall purpose of OCCAR, as defined by the OCCAR Member States.
OCCAR Quality Policy	High-Level statement, providing a framework for the setting of Strategic Aims (aligned with the Mission / Vision / Value Statements of OCCAR).
OCCAR Values	Code of ethics underlying all activities and decisions of OCCAR.
OCCAR Vision	High-level statement, describing the ideal situation, which OCCAR aspires to achieve.
Strategic Aims	Statements of strategic intent addressing specific desired outcomes of activities deriving from the Mission Statement and giving clear direction and focus for such activities (also called "Quality Objectives").
Strategic Directives for OCCAR's operation	The following Strategic Directives set out the scope of OCCAR's activities, the environment in which and how OCCAR should operate in order to achieve its Strategic Aims: <ul style="list-style-type: none"> ▪ OCCAR business areas; ▪ Effectiveness and efficiency of OCCAR management capability; ▪ Advancement; and ▪ European defence cooperation framework.
To approve	To give 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 that 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 OMP.

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; and
- Chapter XIII – Article 43 (Report on and forecast of activities).

1.3 Implementation and administration

The implementation and administration of this OMP 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, 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 Terms of Reference of a PB are set out in Annex OMP 1-A and in the relevant Programme Decision (ProgD).

3.2 OCCAR Committees

3.2.1 General

The OCCAR 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 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 (PC) report directly to their respective PB. Additionally, Corporate Committees can, when requested to do so, provide support to PB / PC 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.

3.2.2 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.

3.2.3 Finance Committee

The FC is established by the BoS to monitor on its behalf the operation and effectiveness of OCCAR-EA's financial management, to make recommendations to the BoS on documents dealing with the regularity of this financial management and to propose to the BoS the general policies on OCCAR financial matters. The FC advises the BoS (or any Committee) on financial matters relating to the operation of OCCAR.

The Terms of Reference of the FC are set out at Annex OMP 3-D.

3.2.4 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 OMP 3-E.

3.2.5 Programme Committees

The PC shall oversee the running of the Programmes for the PB.

The Terms of Reference of a PC are set out in Annex OMP 1-B and in the relevant ProgD.

3.2.6 OCCAR Expert Working Groups

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

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.

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.

4. OCCAR Strategy

4.1 General

The role, tasks and functions of OCCAR are set out in Articles 7 and 8 of the OCCAR Convention.

The Vision, Mission, and Values statements of OCCAR and its Strategic Aims shall be defined and / or amended within the provisions of these Articles.

Vision, Mission, and Values statements guide the behaviours of people within the organisation. Derived from those statements, Strategic Aims are defined, which translate these statements into concrete and measurable terms.

In accordance with the provisions of OMP 1 and 2, each OCCAR Programme shall be the subject of a set of focused High Level Objectives (HLO) 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 Strategic Aims.

4.2 Purpose

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

4.3 Content

The OCCAR Strategy shall comprise:

- Strategic Aims and related Key Performance Indicators (KPI);
- Strategic Directives for OCCAR's operations to adhere to in order to achieve its Strategic Aims;
- Strategic Initiatives (investments or projects) that drive the organisation's performance toward the achievement of its Vision and Strategic Aims; and
- An overview of potential new OCCAR Business areas.

The annual OCCAR Business Plan reflects the OCCAR Strategy and defines its implementation.

4.4 Approval

As part of the annual business planning cycle, the Vision, Mission, and Values statements of OCCAR and the OCCAR Strategy will be reviewed and amended, where necessary. Approval of the Business Plan by the BoS shall be deemed as approval of them.

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 HLO. 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 KPI, 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; and
- 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; and
- 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 General

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

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;
- Drives OCCAR-EA to the achievement of the OCCAR Strategy;
- Is a rolling plan, established on an annual basis; and
- Sets the Targets for the first year (Year 1) of the 4-year period representing the corporate performance commitment of OCCAR-EA to the BoS. The Targets provided for the three following years are indicative.

5.2.2 Structure

The OCCAR Business Plan shall comprise as a minimum:

- The Mission, Vision, and Values Statements of OCCAR;

- The OCCAR Quality Policy, providing a framework for the setting of Strategic Aims;
- The OCCAR Strategy as defined in paragraph 4;
- A description of the OCCAR organisation;
- The OCCAR-EA aggregated Administrative and Operational Budgets (figures resulting from approved Year 1 Budgets and indicative Budgets for Years 2 to 4); and
- A description of the OCCAR-EA objectives, activities and milestones in the following areas:
 - Outputs of OCCAR Programmes (Time, Performance and Cost HLO);
 - 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 management);
 - Support processes and activities (Finance, Human Resources, Site); and
 - Improvement of organisational / infrastructure aspects (site policy, skills, information and communication technology and systems, organisational procedures and policy).

5.2.3 Establishment

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 Drafting and Approval

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 OCCAR-EA 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.

The OCCAR-EA 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 Plan and Through-Life Management Plan

In accordance with OMP 1, OCCAR-EA Programme Divisions are required to produce a Programme Management Plan and a Through-Life Management Plan. The former establishes the baseline for the reporting year and is updated annually. The latter provides planning for activities outside of the 12-month scope of the Programme Management Plan and should be updated as required. Both are issued to the relevant PC after approval by the OCCAR-EA Director.

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 April Year 0+1 and 31 March Year 0+2. The Staffing Plan is revised and issued to the Member States on a yearly basis, normally in May, with updates being provided quarterly.

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 Requirement

In accordance with Article 43 of the OCCAR Convention, the OCCAR-EA Director is required to submit to the BoS a report on activities performed in the preceding year.

The OCCAR-EA reporting system shall provide the BoS, PB and their respective subordinate OCCAR Committees (FTPC, PC, SC, and FC) 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; and
- Their specific decision making roles (e.g. launch of remedial actions, re-allocation of resources, and prioritisation of objectives).

The OCCAR-EA reporting effort shall meet the specific requirements of the BoS, PB, 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 PB including Corporate reports, Programme reports and annual financial statements;
- Reports to the FTPC;
- Reports to the FC including the periodical financial statements and the Forecasts of Outturn;
- Reports to the SC; and
- Reports to the PC.

6.2 Annual Report

6.2.1 General

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 structure shall consist of:

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

6.2.2 Corporate Report

The Corporate Report shall address as a minimum:

- Status against the KPI Targets of the Business Plan;
- Status on OCCAR Programmes' outputs (Time, Performance and Cost HLO);
- 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;
- Summary of (internal / external) audit activities;
- Main corporate risks; and
- Conclusion and recommendations.

6.2.3 Individual Programme Annual Report

The Individual Programme Annual Report shall provide the PB with a final status of OCCAR-EA performance against the Programme Management Plan of the preceding year. The Individual Programme Annual Report shall address as a minimum:

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

6.2.4 Distribution

The distribution of the Annual Report shall be as follows:

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

6.3 Reporting to PB / PC

On the occasion of each PB / PC meeting, OCCAR-EA shall provide the PB / PC with a status of OCCAR-EA performance against the Programme Management Plan.

The status report shall address as a minimum:

- Programme status against Time, Performance and Cost (with particular emphasis on the Programme HLO and Intermediate Programme Milestones);
- Main Programme risks and associated mitigation plans; and
- Decisions to be taken by the Participating States, as required.

The PB report shall be sent to the PB and copied to the relevant PC.

6.4 Reporting to BoS / FTPC

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

- Status against the KPI Targets of the Business Plan;
- Status against the Strategic Initiatives of the Business Plan;
- Main corporate risks and associated mitigation plans;
- Status on internal / external audit activities (limited to FTPC reports);
- Detailed briefing against the agenda points within the lead of the OCCAR-EA Director; and
- Conclusions and recommendations.

The BoS report shall be sent to the BoS and copied to the FTPC.

6.5 Reporting to 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.

6.6 Reporting to SC

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

6.7 Ex-Committee decisions

Decisions of the BoS, PB or Committees may be taken upon urgent or other issues out of committee, using the following procedure:

Through the sending by OCCAR-EA of an ex-committee approval form to each Member of the BoS, PB or Committees. This approval form shall detail which decision is taken, the reference of the document to be approved (if any) and the reference of the signatory. In such circumstances, the Members of the BoS, PB or Committees will formally record their vote in signing this form and returning it to OCCAR-EA.

OCCAR-EA records and reports regularly the list of decisions taken with the above procedure.

7. Audits

7.1 External Audits

Articles 36, 44 and 47 of the OCCAR Convention, governs external audits.

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.

7.2 Internal Audit Function

The organisational structure of the OCCAR Internal Audit Function follows the principle of the International Professional Practices Framework (IPPF) and is set out at Annex OMP 3-G.

It consists of a fully independent entity within OCCAR-EA and the FTPC acting in the role of an audit committee.

The Terms of Reference of the FTPC reflecting the role of an Audit Committee, are set out at Annex OMP 3-C.

The associated Internal Audit Charter is set out at Annex OMP 3-H.

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	Internal Audit Charter
Annex OMP3-I	Board of Auditors Terms of Reference