



OCCAR Management Procedure

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This document replaces: OMP 3 issue 2 dated 01/07/06.

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	<p>Modifying paragraph 5 to reflect the comprehensive business and resources planning process.</p> <p>Following revision of FTPC ToRs (Annex OMP 3-C) and incorporation of new ISSC ToRs (Annex OMP 3-H), updating of text as appropriate</p> <p>Following revision of Organisational Structure of OCCAR-EA (Annex OMP 3-G), updating of text as appropriate</p> <p>Following incorporation of new BoA ToRs (Annex OMP 3-I), updating of text as appropriate.</p> <p>Updating of text relevant to changes to organisational structure and OCCAR-EA staffing plan. Minor cosmetic changes. Approved by 19th BoS on 28/11/08.</p>

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List of acronyms

BoS	Board of Supervisors
CO	Central Office
OCCAR-EA	OCCAR Executive Administration
FC	Finance Committee
FTPC	Future Tasks and Policy Committee
FOO	Forecast of Outturn
HLO	High Level Objective
HR	Human Resources
ILS	Integrated Logistic Support
ISSC	In-Service Support Committee
OMP	OCCAR Management Procedure
PB	Programme Board
PC	Programme Committee
SC	Security Committee

1. Introduction

1.1 Scope

This OCCAR Management Procedure (OMP) governs the planning and management of OCCAR Business. It covers in particular:

- The organisation and roles for the planning and management of OCCAR Business;
- The establishment and approval of the OCCAR Vision, Mission and Strategy;
- The establishment and approval of the OCCAR-EA Business Plan;
- All formal progress reports issued by the OCCAR-EA to the Board of Supervisors (BoS), Programme Boards (PBs), Future Tasks and Policy Committee (FTPC), Finance Committee (FC), In Service Support Committee (ISSC) and Programme Committees (PCs) against the OCCAR-EA Business Plan and related plans (e.g. Programme Management Plan) and financial reports;
- The organisation of the meetings of the BoS, PBs and OCCAR Committees (PCs, FTPC, FC, SC, ISSC);
- The internal audit policy for OCCAR-EA.

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 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;
- 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 Director of OCCAR-EA.

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

2. Principles

2.1 General

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

The OCCAR Vision Statement shall describe in concise and quantifiable terms what the organisation aims to become in a defined period, of normally between 5 and 10 years.

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

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.

The OCCAR Values shall be ethical principles underlying all OCCAR activities and decisions.

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 the Programme / phase final results in terms of time, performance and cost. Corporate OCCAR performance against the Programmes' HLOs shall be addressed by one or more OCCAR Strategic Aims.

2.2 Planning

The OCCAR planning system shall be considered as an integrated process focused on the achievement of the OCCAR Vision, Mission, Strategic Aims and Programmes HLOs. 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 to the achievement of its objectives.

The OCCAR planning shall result in the establishment and approval on an annual basis of the following documents:

- The OCCAR-EA Business Plan;
- The Programme Management Plans;
- The OCCAR-EA Staffing Plan and

- The Administrative and Operational Budgets.

The OCCAR planning process is further detailed at paragraph 5.

2.3 Reporting

The OCCAR reporting system shall equally be considered as an integrated process, with modular reports, in order to minimise the reworking of information from one report to another.

The OCCAR reporting system shall provide the BoS, PBs and their respective subordinate OCCAR committees (FTPC, PCs, SC, FC, ISSC) 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 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 ISSC;
- Reports to the FC including the periodical financial statements and the Forecasts of Outturn (FOO);
- Programme reports to the PCs.

The OCCAR reporting process is further detailed at paragraph 6.

3. Reference documents

OCCAR Convention

OMP 1: Principal Programme Management procedure

OMP 2: Programme Integration procedures

OMP 4: Legal Issues

OMP 8: Personnel Regulations

OMP 9: Staff Selection

OMP 10: Financial Rules

OMP 11: Security Regulations

4. Organisation and roles

4.1 Board of Supervisors

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

Inter alia the BoS:

- Defines, with the support of the FTPC and the Director of OCCAR-EA, the OCCAR Vision, Mission, Values and Strategy;
- Approves all OCCAR Management Procedures (OMPs);
- Decides upon any deviation from OCCAR rules and regulations;
- Decides upon Programme's integration into OCCAR;
- Approves the OCCAR-EA Business Plan;
- Approves the OCCAR-EA Administrative Budget and Operational Budget in accordance with the OCCAR financial regulations;
- Approves the end of year Financial Statement;
- Takes note of the OCCAR-EA corporate reports addressed to it;
- Decides upon the OCCAR-EA Director's recommendations resulting from the above reports;
- Decides, in consultation, where appropriate, with the non-Member Participating States, upon all requests for observer status for OCCAR managed programmes and all requests to observe OCCAR business coming from prospective members, in accordance with the policy set out at Annex OMP 3-A;
- Decides, in consultation, where appropriate, with the non-Member Participating States, upon the establishment or dissolution of OCCAR committees.

The BoS shall meet in accordance with the 'BoS Rules of Procedure' set at Annex OMP 3-B.

Reports, drafts and other documents which are necessary for the performance of the meeting should be distributed at least two weeks before the meeting. Comments on these should be distributed one week before the meeting.

OCCAR-EA shall:

- When the BoS meeting is held in OCCAR-EA premises, make all logistical and administrative arrangements related to the BoS meeting, unless otherwise decided by the FTPC or the BoS;

- Ensure, within OCCAR-EA and OCCAR committees, appropriate communication of the BoS decisions and monitoring of the resulting actions.

4.2 Programme Board

Once the BoS has taken the integration decision of a Programme, high-level decisions relating to the Programme will be made exclusively by a body in which participate 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 deciding 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.

Inter alia the PB:

- Approves the Programme Decision(s) and their amendment(s);
- Approves or notes the Operational Budget of the Programme in accordance with the OCCAR financial regulations;
- Takes note of the OCCAR-EA Programme reports addressed to it;
- Decides upon the OCCAR-EA Director's recommendations resulting from the above reports.

The operation of a Programme Board is set out in more detail in OMP 1.

The BoS shall be involved if OCCAR as a whole is affected by a decision of the PB.

Reports, drafts and other documents which are necessary for the performance of a PB meeting should be distributed at least two weeks before the meeting. Comments on these should be distributed one week before the meeting.

OCCAR-EA shall:

- When the PB meeting is held in OCCAR-EA premises, make all logistical and administrative arrangements related to the PB meeting, unless otherwise decided by the PB;
- Ensure appropriate communication of the PB decisions and monitoring of the resulting actions.

Such PB should, as far as practicable, meet immediately before or after the BoS meetings.

4.3 OCCAR Committees

The committees are not a substitute to the BoS or PBs but are used to get a separate analysis on major issues to complement the reports of the OCCAR-EA Director.

The corporate committees (FTPC, FC, ISSC and SC) report directly to the BoS. The Programme Committees report directly to their respective Programme Boards.

Some functions may be delegated to the OCCAR Committees within the limitations of the Convention. These delegations are indicated in the terms of reference of each committee approved by the BoS (see OMP 1 or Annexes to OMP 3) or by the PB as appropriate.

The setting of OCCAR committees will keep in mind:

- The number of committees should be as low as possible;
- The committees should focus on the major issues for OCCAR;
- National delegations will be kept as small as possible.

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

4.4 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, management, contractual policy and prospective programmes. The Terms of Reference of the FTPC are set out at Annex OMP 3-C.

Inter alia, the FTPC:

- Supports the BoS in the establishment of and amendments to the OCCAR Vision, Mission, Values and Strategy;
- Oversees the development of the Business Plan in the areas defined in its Terms of Reference;
- Screens the draft OCCAR-EA Business Plan, prior to its submission to the BoS for approval;
- Supports, in accordance with its Terms of Reference, the BoS in its decision-making process;
- Takes note of the OCCAR-EA corporate reports addressed to it;
- Decides, in accordance with its Terms of Reference, upon the OCCAR-EA Director recommendations resulting from the above reports.

The FTPC shall meet in accordance with its Terms of Reference set at Annex OMP 3-C.

Reports, drafts and other documents which are necessary for the performance of the meeting should be distributed at least two weeks before the meeting. Comments on these should be distributed one week before the meeting.

OCCAR-EA shall:

- When the FTPC meeting is held in OCCAR-EA premises, make all logistical and administrative arrangements related to the FTPC meeting, unless otherwise decided by the FTPC;
- Ensure, within OCCAR-EA and OCCAR committees, appropriate communication of the FTPC decisions and monitoring of the resulting actions.

4.5 Programme Committees

The PCs shall oversee the running of the Programme for the Member States and non-Member States participating in a Programme.

The role and responsibilities of each PC are set out in OMP1 and in the relevant Programme Decision.

Inter alia, the PC:

- Takes note of the Programme Management Plan;
- Approves the Programme Operational Budget, if delegated to it;
- Endorses the Programme Administrative Budget;
- Takes note of the OCCAR-EA Programme reports addressed to it;
- Decides upon the OCCAR-EA Director recommendations resulting from the above reports.

The operation of a PC is set out in more detail in OMP 1.

Reports, drafts and other documents which are necessary for the performance of the meeting should be distributed at least two weeks before the meeting. Comments on these should be distributed one week before the meeting.

OCCAR-EA shall:

- Support the PC in establishing the agenda of its meeting;
- When the PC meeting is held in OCCAR-EA premises, make all logistical and administrative arrangements related to the PC meeting, unless otherwise decided by the PC;
- Support the PC, in the establishment of decision sheet of the meeting;
- Ensure appropriate communication of the PC decisions and monitoring of the resulting actions.

4.6 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 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.

Inter alia, the FC:

- Advises the BoS on Budget proposals submitted by the Director of OCCAR-EA;
- Oversees and screens the financial elements of the Business Plan;
- Provides guidance and advice to OCCAR-EA in the consideration and implementation of financial issues;
- Supports, in accordance with its Terms of Reference, the BoS in its decision-making process.

The FC shall meet in accordance with its Terms of Reference set at Annex OMP3-D.

Reports, drafts and other documents which are necessary for the performance of the meeting should be distributed at least two weeks before the meeting. Comments on these should be distributed one week before the meeting.

OCCAR-EA shall, when the meeting is held in OCCAR-EA make all the logistical and administrative arrangements unless otherwise decided by the FC.

4.7 Security Committee

The SC is established by the BoS 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.

Inter-alia, the SC supports, in accordance with its Terms of Reference, the BoS in its decision-making process.

The SC shall meet in accordance with its Terms of Reference set at Annex OMP 3-E. OCCAR-EA shall, when the meeting is held in OCCAR-EA make all the logistical and administrative arrangements unless otherwise decided by the SC.

4.8 In Service Support Committee

The ISSC is established by the BoS to consider all aspects of In Service Support related to OCCAR. The Terms of Reference of the ISSC are set out at Annex OMP 3-H.

Inter-alia, the ISSC supports, in accordance with its Terms of Reference, the BoS in its decision-making process.

The ISSC shall meet in accordance with its Terms of Reference set at Annex OMP 3-H. OCCAR-EA shall, when the meeting is held in OCCAR-EA, make all the logistical and administrative arrangements unless otherwise decided by the ISSC.

4.9 Director OCCAR-EA

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

Inter alia the Director of OCCAR-EA:

- Supports the BoS in the establishment of and amendment to the OCCAR Vision, Mission and Strategic Aims;
- Submits the draft and final versions of the Administrative and Operational Budgets to the BoS or PBs and delegated authorities (FC, PC);
- Submits the draft and final version of the OCCAR-EA Business Plan to the BoS through the FTPC;
- Is responsible to the BoS or PBs, where appropriate, for the preparation and execution of the Administrative and Operational Budgets and the OCCAR-EA Business Plan;
- Issues the corporate and Programme reports, the Forecasts of Outturn (FOOs) and Financial Statements to the BoS, PBs and/or appropriate OCCAR committees;
- Decides on whether to provide information regarding OCCAR Business to Nations that have not expressed an aspiration to join OCCAR or an OCCAR managed Programme, such a decision being limited to the provision of relevant information and/or the granting of permission to attend relevant meetings;
- Approves the Programme Management Plans.

The Director is entitled to delegate or sub-delegate, to the fullest extent possible, authority further within OCCAR-EA. Such delegations should be made in writing and on a personal basis.

4.10 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.

4.11 Ex-committee decisions

Decisions of the BoS, PB or Committee 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, Programme Board or Committee. This approval form shall precise 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 Committee 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.

5. **OCCAR Strategy**

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 Strategic Aims and Vision;
- A Business Development Strategy providing an overview of potential new OCCAR Business areas.

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

6. Planning Process

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.

6.1 OCCAR-EA Business Plan

6.1.1 Requirement

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

6.1.2 Definition and structure

The OCCAR-EA Business Plan is a corporate plan providing 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-EA Business Plan drives OCCAR-EA to the achievement of the OCCAR Strategy. The OCCAR-EA 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-EA Business Plan shall comprise as a minimum:

- A description of the OCCAR organisation (OCCAR-EA and OCCAR Committees);
- The OCCAR Mission, Vision, Values and Strategy;

- The Key Performance Indicators¹ and associated Targets relating to the Strategic Aims;
- 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-EA Programmes (Time, Performance and Cost HLOs);
 - Business Development Strategy, policy and activities;
 - Programme integration processes and activities (from BoS integration Decision to BoS Programme Decision or Programme Board 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 (HR), Site);
 - Improvement of organisational / infrastructure aspects (site policy, skills, information technology and systems, organisational procedures and policy).

6.1.3 Establishment of the Business Plan

The OCCAR-EA 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:

Preliminary phase	Development / update of the OCCAR Strategy with the FTPC as described in paragraph 4 drawing on full year corporate report of (Year -1)	January to March (Year 0)
Internal phase	Identification and quantification in draft of the planning requirements	April to May (Year 0)
External phase	Screening of the draft Business Plan with the FTPC	June to October (Year 0)
Approval phase	BoS approval of the Business Plan in accordance with its 'Rules of procedure' set out at Annex OMP 3-B	To be completed by the end of December (Year 0)

6.1.4 Business Plan submission

The Director shall formally submit the first draft of the Business Plan to the FTPC by mid-June (Year 0). This first draft shall be consistent with the first

¹ KPIs are performance metrics that allow target setting against the OCCAR Strategic Aims, performance measurement and reporting against such target.

draft Budgets submitted to the National delegated authorities and with any update of the Strategy submitted to the FTPC in accordance with paragraph 4. The Director will submit a final version of the Business Plan to the BoS for the approval phase by 31 October (Year 0). This final version shall be consistent with the Administrative and Operational Budgets.

6.2 Programme Management Plans

In accordance with OMP 1, a Programme Management Plan is established for each OCCAR-EA 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 Director of OCCAR-EA (see OMP 1).

6.3 CO and Site Organisational Structures

Changes to the organisational structure (including size and gradings) within the Central Office and sites, outside the authority of the OCCAR-EA Director as delegated to him through his Terms of Reference, shall be submitted for approval to the BoS/FTPC, normally in June.

6.4 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 x covers the contracts expiring between 1 July x+1 and 30 June x+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.

6.5 Financial Plans and Budget

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

7. Reporting Process

7.1 Reporting to the BoS and PBs

7.1.1 Requirements

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

7.1.2 Types of reports to the BoS and PBs

The reports of the Director of OCCAR-EA to the BoS and PBs shall consist of corporate reports (full-year and progress reports) and Programme reports.

7.1.3 Full-year report

The full-year report shall be issued prior to mid-February and shall provide the BoS with a final status of OCCAR-EA performance against the OCCAR-EA Business Plan of the preceding year.

The full-year report shall address as a minimum

- Status against the Key Performance Indicators' Targets of the Business Plan;
- Status on OCCAR-EA Programmes outputs (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, HR, Site);
- Status on organisational / infrastructure aspects;
- Main corporate risks;
- Conclusion and recommendations.

The full-year report structure shall consist of:

- Corporate information provided in a core report;
- Programmes specific information provided in individual Programme Annexes.

The distribution of the full-year report shall be as follow:

Element of the full-year report	To:	Copy to:
Core report	BoS (OCCAR Member States representatives)	FTPC
Programme Annex	Relevant PB (Programme Participating States representatives)	FTPC (Programme Participating States representatives only); Relevant PC

7.1.4 Programme reports

On the occasion of a specific Programme Board review, a Programme report to the Programme Board shall be issued at least two weeks prior to the review. It shall provide the Programme Board with a status of OCCAR-EA performance against the relevant Programme HLOs.

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 action plans;
- Conclusions and recommendations.

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

7.1.5 Progress reports

On the occasion of a BoS meeting, a progress report to the BoS shall be issued 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 action plans;
- Detailed briefing against the agenda points within the lead of the Director of OCCAR-EA;
- Conclusions and recommendations.

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

7.2 Reporting to the FTPC

On the occasion of a FTPC meeting, a report to the FTPC shall be issued 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 action plans;
- Detailed briefing against the agenda points within the lead of the Director of OCCAR-EA;
- Conclusions and recommendations.

7.3 Reporting to the PC

The Director of OCCAR-EA shall provide reports on the Programmes to the relevant PC, which shall provide information commensurate to the complexity of the Programme and the Terms of Reference of the PC.

The Programme reports to the PC shall address:

- 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 action plans;
- Conclusions and recommendations.

The reports shall be provided to the PC members two weeks in advance of the PC meeting.

7.4 Reporting to the FC

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

7.5 Financial Reporting

OCCAR-EA will provide in accordance with OMP 10 an end of year Financial Statement that will be subject to external audit by the Board of Auditors prior to its submission to the BoS for approval.

OCCAR-EA will provide four formal FOOs in January, April, July and October of each year. The forecasts will cover the Administrative Budget and each of the Programme Divisions' Operational Budgets. OCCAR-EA will also provide periodical financial statements on both the Administrative and Operational Budgets. These FOOs and periodical financial statements will be forwarded to Member States through their FC representatives and to non-Member States through their focal points for financial matters.

7.6 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.

7.7 Reporting to the ISSC

OCCAR-EA shall provide to ISSC, at least two weeks prior to each ISSC meeting, a report covering the progress and current situation on OCCAR ISS matters.

8. Internal Audit

Internal Auditing is an activity that provides independent, objective assurance and consulting services designed to add value and improve an organization's operations. The

internal audit activity helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The scope of the internal audits includes all OCCAR 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 Director of OCCAR-EA. To this extent, the following key elements have been implemented:

- An independent team 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 broad enough to allow the Director, at the end of each calendar year, to provide to the BoS an opinion on the adequacy, effectiveness and efficiency of the organisation;
- The FTPC, the FC, the ISSC 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 shall be made accessible only to External Auditors from the relevant programme Participating States, which are participating in that programme.

9. Annexes

Annex OMP3-A	Observer Status
Annex OMP3-B	BoS Rules of Procedure
Annex OMP3-C	FTPC Terms of Reference
Annex OMP3-D	FC Terms of Reference
Annex OMP3-E	SC Terms of Reference
Annex OMP3-F	OCCAR-EA Director Terms of Reference
Annex OMP3-G	Organisational Structure of OCCAR-EA
Annex OMP3-H	ISSC Terms of Reference
Annex OMP3-I	BoA Terms of Reference