



Charter of OCO Steering Committee

May 2017



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- 1 Introduction and Purpose**
- 11 The Oceania Customs Organisation (OCO) is a grouping of 23 customs administrations in the Pacific Region. OCO provides a forum for its members through the Annual Conference to discuss issues affecting Customs in the region. The OCO supports both economic growth and maintenance of security in the Pacific by strengthening and standardisation of regional customs practices. Assisting customs agencies to make their processes simpler and less costly contributes to the removal of significant barriers to trade and increases revenue collection. Strengthening border control enhances regional security through interception of illicit drugs, money laundering, firearms, people smuggling and bio-security risks.
- 12 The OCO is funded by member contributions as well as funding provided through the aid budgets of New Zealand and Australia. All funding sources are from public funds and therefore strong governance and value for money principles are critical to maintaining stakeholder confidence in the organisation.
- 13 An OCO Steering Committee has been established by the Annual Conference. Under delegated authority from the Annual Conference and membership representation, the OCO Steering Committee's primary role is to:
- strengthen the governance and strategic direction setting roles of the Annual Conference;
 - strengthen engagement and the working relationship between the OCO Members and the Secretariat; and
 - ensure clear governance responsibilities and accountabilities between the OCO Members, the Annual Conference and the Secretariat.
- 14 In carrying out its responsibilities and powers as set out in this Charter, the OCO Steering Committee will at all times recognize its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of OCO's stakeholders, including its members, donors and employees.
It will work to promote and maintain an environment within OCO that establishes these principles as basic guidelines for all of its employees and representatives at all times
- 15 The purpose of the OCO Steering Committee Charter is to promote high standards of corporate governance and to clarify the role and responsibilities of the OCO Steering Committee.

The OCO Steering Committee has functions and responsibility for the affairs and activities of OCO which in practice is achieved through delegation to the Head of Secretariat and others who are charged with the day-to-day leadership of the OCO.
- 16 The primary objective of the OCO Steering Committee is to build long-term stakeholder value with due regard to other stakeholder interests. It does this by reviewing and challenging the Secretariats' proposals and then recommending to the Annual Conference, for approval by the members, the strategic direction and context, such as OCO's mission, vision and values, and focusing on issues critical for its

successful execution such as staffing, performance and risk management.

The OCO Steering Committee is also responsible for overseeing OCO's corporate governance framework.

2 Vision statement

The OCO will coordinate and facilitate regional cooperation, information sharing and capacity building among members' customs administrations to assist them in achieving priority national and regional outcomes with respect to harmonization and simplification of Customs procedures, facilitation of trade, and law enforcement.

2.1 The OCO Members

The regular members of OCO shall be the following 23 Customs Administrations from the Oceania region. Other regional stakeholders may seek Associate or Affiliate Membership.



The OCO Steering Committee

The Steering Committee shall be comprised of representatives from six member administrations, numbering no more than six members, with the membership determined as follows:

Australia and New Zealand shall be permanent members of the Steering Committee and shall have one representative each.

Each sub-region (Micronesia, Melanesia, and Polynesia) shall be represented on the Steering Committee and shall be guaranteed one representative each.

There may be one other member of the Steering Committee, outside of the five positions filled by Australia, New Zealand, Micronesia, Melanesia, and Polynesia. This position may be filled by the Member Administration hosting the annual conference should that member not already appointed to one of the five positions.

The Chair of the Annual Conference shall also be the Chair of the Steering Committee. Any country or regional representative that is either Chair shall be deemed to fill the position on the Committee allocated to that country or region, as the case may be.

With the exception of Australia and New Zealand, Steering Committee members will be elected or confirmed at the beginning of the Annual Conference by the Members for a term of 2 years, with the option to stand for one additional term.

3.1 Functions of the OCO Steering Committee:

The functions, powers and responsibilities of the OCO Steering Committee shall be to:

- a. Recommend policies and strategic plans for adoption by the Annual Conference;
- b. Develop, adopt and monitor implementation of the approved strategic plans through annual work programs;
- c. Review and recommend the annual operational, governance and program budgets to the Annual Conference for approval and monitor the Secretariat's performance against the approved budgets;
- d. Recommend for approval by the Annual Conference an appropriate fee structure for each financial year;
- e. Monitor and evaluate the work undertaken by the OCO Secretariat;
- f. Review and approve the annual report to be submitted to the Annual Conference;
- g. Recommend for approval by the Annual Conference and monitor the terms and conditions of employment of the staff and the Head of Secretariat (HoS), operating rules, procedures and regulations governing the financial and administrative matters of OCO;
- h. OCO Steering Committee Chair to review and approve expenses claimed by the HoS;
- i. Consider any other matters referred to it by the Annual Conference;
- j. Adopt, periodically review and amend the By-Laws in accordance with the provisions set out in these articles and the By-Laws; and
- k. Submit any other matters for consideration by the Annual Conference.

Between each Annual Conference meeting, the OCO Steering Committee through the office of the Chair or the Vice Chair and in consultation with the HoS:

- a. Monitors the work of the Secretariat and evaluates the implementation of strategic plans and work plans, policies and progress towards specified performance targets;
- b. Exercises leadership, enterprise, integrity, and judgment in directing OCO;
- c. Identifies and assesses key risk areas of OCO and ensure measures are taken to mitigate those risks;
- d. Ensures that effective internal controls systems are in place to safeguard OCO's assets;
- e. Determines and evaluates terms of reference and procedures of Steering Sub Committees;
- f. Ensures compliance with laws and regulations of the host country;
- g. Considers and approves the annual financial statements and the annual report presented to the Annual Conference;
- h. Evaluates performance and reviews compensation of the HoS. Also provides final approval of compensation of staff of the Secretariat;
- i. Evaluates and approves the recommendation of the HoS for the extension/termination of the employment contracts of staff;
- j. Adjudicates on disputes concerning staff entitlements and appeals arising from disciplinary proceedings;
- k. Ensures adoption of good governance practices;
- l. Ensures effective communication with all members and donors; and
- m. Approves the work plan of the internal auditors and considers the results of the audits and recommendations.

3.2 The Role and Responsibilities of the OCO Steering Committee

Within the powers conferred upon the OCO Steering Committee by the Annual Conference and the Constitution, the OCO Steering Committee has determined its main role and responsibilities as adding significant value by:

- a. Setting and upholding OCO values including principles of ethical business practice, professional ethical workforce standards, ensuring compliance with applicable laws and regulations of the host country, adherence to high standards of moral behaviour and commanding trust and respect at all times;
- b. Appointment of the HoS, evaluating the performance of the HoS against contracted key performance indicators on a six-monthly basis, extending or terminating the appointment in accordance with the terms of the employment contract;
- c. Protecting and enhancing the rights and interests of members of OCO and other key stakeholders by providing strong strategic leadership;
- d. Bringing independent and informed judgment to bear on material decisions of OCO including material OCO policies;
- e. Review the Secretariat's proposal and recommend major capital expenditure and annual OCO operational budgets to the Annual Conference for approval. OCO Steering Committee Chair to approve all expense claims of the HoS, and all business class travel;

- f. Protecting and, where appropriate, growing the assets and resources of OCO by ensuring membership contributions and donor, partner organisation and other funding are appropriately utilised in accordance with the terms set and to the ultimate benefit of all members, through effective governance of OCO in accordance with governance best practices, appropriate consideration of value for money principles, internal control systems and monitoring effectiveness of the OCO's overall risk management and control framework;
 - g. Monitoring the Secretariat's implementation of the OCO Steering Committee strategies as defined in the OCO Strategic/Business Plan and the Secretariat's Annual Work Plan, through a structured approach to be developed in agreement with the HoS to the OCO Steering Committee for reporting, risk management and annual internal audit plan.
- h. Approve full year accounts and Annual Report and major financial arrangements, including significant expenditure commitments over FJD\$10,000, bank loans and overdrafts, lease finance etc.
 - i. Review major risks OCO is likely to be exposed to and consider and approve risk strategies.

At the Annual Conference of the Members, the OCO Steering Committee recommends for approval:

- a. OCO's mission/vision and values;
- b. Strategy and policy of the Secretariat to achieve those objectives;
- c. Policies and strategic and annual plans;
- d. Guidelines for admission or removal of members;
- e. Appropriate member fee structures for the next financial year;
- f. Appointment of internal and external auditors; and
- g. The review of HoS contract.

3.3 Disclosure of Information

It is the OCO Steering Committee's policy to accurately disclose information, in a timely manner, to OCO's Members and its donor and development partners.

3.4 General Powers of the Steering Committee

The role and function and powers of the OCO Steering Committee, its members and Sub Committees are determined by the Annual Conference, international governance practices and policies determined by the OCO Steering Committee from time to time. The OCO Steering Committee may delegate in writing any of these functions and powers to the HoS, subject to ensuring adequate oversight and controls to ensure good governance, for any period of time to be determined by the OCO Steering Committee in consultation with the HoS. The OCO Steering Committee may however revoke any of these delegations at any time after informing the HoS of the reasons for the revocation.

3.5 Composition of the OCO Steering Committee Members

All members of the OCO Steering Committee will be individuals of integrity and collectively will bring a blend of knowledge, skills, objectivity and experience to the OCO Steering Committee to enable it to carry out its functions effectively. Once appointed to the OCO Steering Committee, the OCO Steering Committee Members will at all times represent the best interests of OCO and its collective membership and not the specific interests of the members that nominated them.

All OCO Steering Committee Members will have:

- Entrepreneurial talent and professional work experience to enhance the performance of OCO;
- Ability to articulate and ask the hard questions;
- High ethical and moral standards; and
- Total commitment to enhancing Customs development in the region through working partnerships with members and their Governments, Pacific regional organisations and donor and development partners.

3.6 Induction of New Committee Members

A thorough understanding and acceptance of the OCO Steering Committee Charter is considered to be an integral part of the conditions of appointment of all Committee Members. The induction will include the provision and understanding of OCO's Operational Policies, Strategic Work Plan, Budgets and relations with development partners.

3.7 The Rights and Duties of Individual OCO Steering Committee Members

Every OCO Steering Committee Member has the right to request for timely accurate information to ensure they are fully informed and therefore able to contribute to wise decision making. Every Steering Committee Member has an obligation to attend committee meetings, be available for comment between committee meetings and to read and fully understand all committee papers circulated. OCO Steering Committee Members have an obligation to act in good faith and in the best interest of OCO, to act with due care in discharging their duties as a OCO Steering Committee Member, to declare and avoid conflicts of interest with OCO.

3.8 Terms and Tenure of Committee Members

In addition to the conditions set out in this Charter a OCO Steering Committee Member shall be deemed to have vacated his/ her seat if that Member:

- a. fails to attend three consecutive OCO Steering Committee meetings (can also be teleconference) or fails to contribute to OCO Steering Committee business transacted via email or teleconference for two consecutive months;
- b. applies for a position within the Secretariat;
- c. resigns or is terminated from his organisation;
- d. becomes a full-time employee of an organisation whose performance and management is overseen by the Secretariat; or
- e. For other reasons that the Committee, through a majority decision, decides on.

3.9 Frequency of Meetings and the Annual Work Plan

The OCO Steering Committee shall meet at least quarterly and at such additional ad hoc times as may be required. Where possible the OCO Steering Committee meetings are to be held by conference call in order to reduce unnecessary travel time and cost. One OCO Steering Committee meeting shall be scheduled immediately prior to and after the Annual Conference of Members. During OCO Steering Committee meetings, the OCO's Register of Interests that covers the interests of OCO Steering Committee Members in terms of their Executive engagements, Directorships and/or investment entities, will be updated as necessary and the OCO Steering Committee will consider:

- a. Reports including a strategic overview of the annual work plan implementation, identifying major issues and opportunities for the OCO;
- b. A summary of recommendations for approval by the OCO Steering Committee;
- c. Monthly financial statements with explanatory notes where there is any variation from budget and commentary about forecast financial performance;
- d. The financial statements shall include a statement of income and expenditure, a cash flow, and a balance sheet;
- e. Operational reports on OCO-facilitated training, publications, website development, research, staff performance;
- f. Any special reports e.g. Customs development issues, trade and investment discussion and negotiations;
- g. Reports on resource mobilisation; and
- h. Relationships with development partners.

3.10 Participation, Quorum, Written Resolutions

OCO Steering Committee Members will use their best endeavours to attend meetings and prepare thoroughly. OCO Steering Committee Members are expected to participate fully, frankly and constructively in the OCO Steering Committee discussions and to bring the benefit of their particular knowledge, experience, skills, and abilities to bear in discharging their duties as OCO Steering Committee Members.

OCO Steering Committee meetings cannot proceed unless there is a quorum of at least three Steering Committee Members.

3.11 Agenda, Meeting Papers and Minutes

With the assistance of HoS, the Chair must ensure that a draft agenda is prepared at least two weeks prior to the meeting that raises all relevant issues requiring attention. The OCO Steering Committee shall consider from time to time whether the format and content of standard OCO Steering Committee reports and submissions remain appropriate and make such changes to reports or submissions as would improve the OCO Steering Committee's efficiency.

3.12 Governance Role of Head of Secretariat

The Head of Secretariat (HoS) shall not be a voting Member of the OCO Steering Committee but shall attend OCO Steering Committee meetings. The HoS also acts as the OCO Steering Committee secretary with responsibility for scheduling meetings, preparing and agreeing the agenda in advance of the meeting with the Chair, preparing and circulating minutes of the OCO Steering Committee meeting within 5 working days of the OCO Steering Committee meeting.

3.13 OCO Steering Committee Delegations

In order to effectively discharge its duties the OCO Steering Committee may delegate some of its functions to OCO Steering Committee Sub Committees. From time to time, the OCO Steering Committee may delegate specific assignments to individual OCO Steering Committee Members or other parties to better guide the OCO Steering Committee in important matters requiring significant expertise. They would examine proposals and, where appropriate, make recommendations to the full OCO Steering Committee. Committees or individual committee members do not take action or make decisions on behalf of the OCO Steering Committee unless specifically mandated by prior OCO Steering Committee authority to do so.

The responsibility for the operation and administration of OCO, including management of human resources, and implementation of the risk management strategy set by the OCO Steering Committee, is delegated by the OCO Steering Committee to the Head of Secretariat, his Senior Management Team and various committees. The OCO Steering Committee ensures that the Head of Secretariat and Senior Managers are appropriately qualified and experienced.

Delegation however does not discharge the OCO Steering Committee from its duties and responsibilities. While delegating authorities, the OCO Steering Committee should bear in mind its fiduciary duties and responsibilities under this Charter.

4 The Head of Secretariat (HoS)

The HoS is appointed by the Annual Conference on recommendation of the OCO Steering Committee. A Sub Committee of the OCO Steering Committee is appointed to interview applicants for the position. The duration and terms of the HoS' appointment and his/her compensation are determined by the OCO Steering Committee.

The HoS is the Head of the OCO Secretariat. The HoS provides executive leadership and is accountable to the Steering Committee for the implementation of the strategies, objectives and decisions of the Steering Committee within the framework of delegated authorities, values and policies of the OCO. The HoS is accountable to the Steering Committee amongst other things for:

- a. Developing and recommending to the OCO Steering Committee the long term strategy and vision of OCO;
- b. Developing and recommending to the OCO Steering Committee the Annual Work Plan and budgets that support OCO's long term strategy;
- c. Ensuring that OCO has an effective team of staff and resources to fulfil the requirements of the Annual Work Plan;
- d. Appointment of the full time Secretariat staff and contracting of consulting personnel required for OCO work either short term or long term. At all times the HoS will ensure OCO's HR policies are complied with in the exercise of these specific responsibilities;
- e. Monitoring and evaluating the performance of the Secretariat staff and all personnel contracted by OCO to undertake contract and/or consultancy work for OCO;
- f. Ensuring that effective internal controls and governance measures are deployed;
- g. At all times ensuring that key decisions made by the Secretariat including discretion exercised by HoS where policies allow, and including use of Members' contributions and donor funds, are made in the best interests of the OCO and its Members and are based on sound value for money principles.

The OCO Steering Committee will agree with the HoS specific targets for the HoS to ensure OCO strategic goals are met. The OCO Steering Committee sets the levels of delegation to the HoS. The HoS is expected to act within specific authorities delegated to him or her by the OCO Steering Committee and to comply with the appropriate approved OCO policies and following sound value for money principles.

The HoS serves as the chief spokesperson for OCO in consultation with the Chair and Vice-Chair of the OCO Steering Committee.

4.1 Secretariat Role and Responsibilities

- (i) The OCO Steering Committee has delegated to the Secretariat through the HoS responsibility for the following:
 - a. **Strategy** – developing strategy with staff for recommendation to the OCO Steering Committee, and implementing the Strategic Plan, making recommendations on significant new strategy initiatives;
 - b. **Financial performance** – developing a detailed annual budget and managing day-to-day operations within budget and authority levels;
 - c. **Risk Management** – maintaining effective risk management frameworks and providing the OCO Steering Committee with timely and relevant information on the risks faced by OCO and how they are managed;
 - d. **Staff selection and Steering** – making recommendations for appointment of key staff and determining terms of appointment (to be approved by the OCO Steering Committee) and evaluating their performance; and

- e. **Corporate responsibility** - managing the day-to-day operations of the Secretariat in accordance with standards of social, ethical and environment practices and adherence to financial, administrative and employment policies set by the OCO Steering Committee.
- (ii) Other responsibilities as determined appropriate by the OCO Steering Committee in consultation with the HoS.

4.2 Communications between the OCO Steering Committee and the Secretariat



Communications between the OCO Steering Committee and the Secretariat shall generally be channeled through the HoS by the Chair or the Vice Chair.

5 Chair and Vice-Chair

The Chair of the Annual Conference will also be the Chair of the OCO Steering Committee for a one-year term.

The Annual Conference will appoint the Chair for a one-year term. The Member Administration expected to host the next forthcoming Annual Conference shall be the OCO Chair elected by Members at the preceding Annual Conference. The Chair's term will therefore be for the one year preceding the Conference to which his or her Administration would host.

The Chair provides leadership at OCO Steering Committee level, representing the Members and is responsible for ensuring integrity and effectiveness of the OCO Steering Committee and its Sub Committees. The Chair will lead OCO Steering Committee meetings to ensure that appropriate discussion takes place, resulting in logical and understandable resolutions.

Specifically, the Chair is responsible for:

- a. Maintaining regular dialogue with the HoS over operational matters and, where appropriate, consulting with other OCO Steering Committee Members;
- b. Ensuring that material matters in respect of the business and governance of OCO are tabled at OCO Steering Committee meetings;
- c. Participating in the nomination of OCO Steering Committee Members to ensure that the OCO Steering Committee has the right mix of competencies, skills, objectivity, and expertise to diligently discharge its duties and responsibilities;
- d. Being available for the HoS between OCO Steering Committee meetings to provide advice and counsel;
- e. Chairing and conducting meetings of the OCO Steering Committee and Annual Conference; and
- f. Maintaining relations with OCO Members and ensuring that information is clearly communicated to them through appropriate disclosure.

The Annual Conference appoints a Vice-Chair to assist in the execution of the Chair's duties and any other functions the Steering Committee may wish to delegate to the Vice-Chair.

In the absence of the Chair, the Vice-Chair shall act as Chair at meetings of the OCO Steering Committee and Annual Conference of the Members.

6

Sub Committees and Relationship with the OCO Steering Committee

The OCO Steering Committee has the power to appoint Sub Committees and to delegate powers to such Sub Committees. Sub Committees are formed only when it is efficient or necessary to facilitate effective decision-making and when particular projects require specific expertise and in-depth analysis.

The OCO Steering Committee shall establish Sub Committees of the OCO Steering Committee and shall agree on the terms of reference and procedures of the Sub Committees.

The OCO Steering Committee shall ensure the Chair and Members of the Sub Committee have the necessary skills and knowledge to perform their functions. Normally Sub Committees do not have authority to make decisions. The Sub Committees make recommendations to the full OCO Steering Committee for its approval or decision.

The OCO Steering Committee recognises and accepts that the ultimate accountability for matters delegated by it remains with the OCO Steering Committee. Authorities delegated by the OCO Steering Committee accordingly entail a simultaneous requirement of reporting to the OCO Steering Committee and an obligation on the OCO Steering Committee to monitor and evaluate the activities of Sub Committees and individuals with delegated authority.

Provision of Professional Services by Members

If OCO Steering Committee Members provide business or professional services of an ongoing nature to the OCO, a conflict of interest (actual or potential) may be created. Under special circumstances, the OCO Steering Committee might choose to engage the services of an OCO Steering Committee Member who has the expertise in a particular field but the terms of engagement must be competitive, and clearly recorded.

Disclosure of Conflicts of Interest

OCO Steering Committee Members are expected to act ethically at all times and to manage any possibility of conflict of interest transparently.

When conflicts do arise, OCO Steering Committee Members will declare the conflict at the meeting, the conflict shall be recorded in the minutes and the OCO Steering Committee Member shall abstain from discussion and voting, or the Chair may request the OCO Steering Committee Member to exit from the meeting for the discussion on the item concerned depending on the extent of potential material benefit.

For clarification purposes, an OCO Steering Committee Member will have a “material personal interest” in a matter that involves any of the following persons or entities receiving remuneration for the supply of goods or services, their appointment to supply goods or services for remuneration, or their terms and conditions of service for remuneration:

- a. the OCO Steering Committee Member;
- b. members of the OCO Steering Committee Member’s immediate family;
- c. a person or entity closely connected with the OCO Steering Committee Member, including an organisation which employs the OCO Steering Committee Member; or,
- d. nominated the OCO Steering Committee Member for election to the Committee.

Members’ Remuneration and Reimbursement of Expenses

Currently no fees are paid to the OCO Members on the Steering Committee for their services to OCO. Travel and accommodation expenses are paid in accordance with the financial and accounting policies established by the OCO Steering Committee.

10 Ethical Standards

Ethical values are driven by the OCO Steering Committee and the HoS. The OCO Steering Committee shall honour OCO's Code of Ethics.

Any gifts or donations (over a prescribed value of FJ\$100) to staff are to be declared immediately to the HoS and in the case of the HoS to the Chair, and in the case of the Chair to the OCO Steering Committee.

11 Good Employer

OCO Steering Committee policy and practice encompasses fair and equitable treatment of all employees with regard to demographics, gender, disability, and professional development.

The OCO Steering Committee Members are also to ensure that the Secretariat staff and those employed on contract for consultancy or contract work by OCO are treated with dignity and respect at all times.

