

The Westminster Foundation for Democracy Limited

Company Number 2693163

Minutes of Meeting of the Board of Governors held in Committee Room 19, Palace of Westminster, on Wednesday, 25 January 2012

Present

Gary Streeter (Chair)
Jim Bewsher
Tina Fahm
Rt Hon Don Foster MP
Rt Hon George Foulkes
John Glen MP
Bronwen Manby
Meg Munn MP (Vice Chair)
Andrew Rosindell MP
Myles Wickstead (Vice Chair)
Pete Wishart MP

In attendance

Linda Duffield	Chief Executive
Paul Naismith	Company Secretary/Director of Finance
Alex Romaniuc	Head of Programmes, Europe
Marina Narnor	Head of Programmes, Africa and Asia
Dina Melhem	Head of Programmes, MENA
Lorraine Dixon	HR Manager
Tracey Edginton	Strategy & Communications Manager
Nabila Sattar	Labour Party
Paul Speller	Liberal Democrats
Natalie Darby	Liberal Democrats
Chris Levick	Smaller Parties
Nicole Gregory	Team Leader-Programme & Democracy Team, HRDD/FCO
Mark Brownjohn	Desk Officer-Elections/WFD, HRDD/FCO
Tamara Moluch	Minute Taker

1. Apologies for absence, welcomes, appointments

Apologies were received from the Rt Hon Hilary Armstrong, Ken Jones and John Osmond.

Gary Streeter confirmed the **reappointment** of Tina Fahm as WFD Governor for a further three-year term and **welcomed** Tracey Edginton, the newly appointed Strategy & Communications Manager, to her first Board meeting.

He took the opportunity to thank Myles Wickstead, who would be stepping down as Governor at the end of January, for his invaluable contribution to the work of WFD and, in particular, to the Projects and Programmes Committee which he had chaired since 2006. The Chair proposed and the Board confirmed Ken Jones' **appointment** as Chair of the PPC as from 1 February 2012.

2. Conflict of Interest Declarations

None declared.

3. Minutes of Board meetings (Document 1)

The minutes of the Board meeting held on 26 October 2011, being an accurate record of the meeting, were APPROVED and duly signed by the Chair.

4. Matters arising not already covered on the agenda.

Action Point 1: Amendments to the Evaluation of WFD's Business Plan 2010-11. With no amendments received, Gary Streeter confirmed that the Evaluation would now be published on WFD's website.

TOPICS FOR DISCUSSION

5. Business Case to DFID and FCO

Linda Duffield updated the Board on the Business Case for funding submitted to DFID / FCO on 3 November 2011. Since then, there had been discussions with both Departments on a detailed log frame, financial case and appraisal of options. This was still being considered internally by DFID and FCO and a decision on future funding was still awaited. Linda informed the Board that DFID was considering a six-month 'inception phase' during which WFD would need to evidence progress towards the development of a monitoring and evaluation framework for the whole organisation, the development of log frames for each of the strategic programmes, as well as the implementation of the Change Agenda.

Board members expressed their concerns at the delay in confirming future funding, which had already impacted on WFD's ability to finalise its Business Plan and budget for 2012-13, and looked forward to a positive and early decision. It was AGREED that Gary Streeter would take the matter up with Ministers if necessary.

6. Draft Business Plan 2012-13 (Document 2a)

Linda Duffield introduced the **Draft Business Plan 2012-13** which, in the absence of confirmed funding from FCO and DFID, was based on two scenarios:

- Scenario A – combined funding from FCO / DFID for 2012-13 of **£5.5m**
- Scenario B – FCO grant-in-aid for 2012-13 of **£3.5m**

In line with WFD's own strategy, as well as the Business Case, the regional teams and political parties were aiming to deliver more strategic, joined up programmes in future. The Business Plan proposed 13 country / regional programmes for 2012-15, subject to detailed assessment visits once DFID / FCO funding had been confirmed. The priority country and regional programmes had been proposed following internal strategic reviews between the regional teams and political officers. These regional strategies had been shared with the Board, FCO and DFID. In addition to these 13 programmes, WFD would also be delivering a number of externally funded programmes and continue to seek extra-budgetary resources for future work where possible.

The political parties were in the process of prioritising their party-to-party programmes in line with WFD's Strategy and the Business Case with a view to developing longer-term strategic programmes (regional, thematic or country specific).

Questions were asked about activities scheduled under SO3 "becoming a results and learning oriented organisation delivering programmes of the highest quality". Linda explained that if DFID funding were confirmed, £500,000 would be earmarked under SO3 to strengthen technical expertise, M&E and professional skills across the whole organisation. It would also support some innovative programmes bringing together WFD's parliamentary, cross-party and sister party work. Without DFID funding, no specific budget had been identified for this work and the Board might wish to reallocate funds to support this objective in due course.

The Board APPROVED the Business Plan 2012-13 in principle, including programme plans for the coming year, subject to confirmation of funding.

Draft Budget 2012-13 (Document 2b)

Paul Naismith presented an overview of the **Draft 2012-13 Budget** which, in line with the draft Business Plan, presented two scenarios, as follows:

- Scenario A - assuming Business Case approved – total budget revenue of **£7.7m** including third-party income
- Scenario B - assuming current level of grant-in-aid – total budget revenue of **£5.7m**, including third-party income

He highlighted that confirmation of future allocation of funding to the political parties and programme teams would be taken once the outcome of the FCO/ DFID Business Case was known. This would take into account under Scenario A a requirement that DFID funds not be used for sister party work and that additional FCO funds would therefore be allocated to parties. Overall, the budget would follow the historic 50:50 split (political parties and regional teams), after top slicing for corporate costs (capped in future).

A review of WFD's administrative and staffing costs (parties, programme teams and corporate) was planned over the next few months. Some concerns were raised that no alternate arrangements had been put in place to replace the financial resources currently available to assist political parties to undertake cross-party work. It was noted that these would end with the start of the FY as regional teams took on responsibility for all cross-party parliamentary work. Political Governors drew attention to the fact that, without additional financial resources, all political party offices - and in particular that of the Smaller Parties - would find it difficult to carry out cross-party programmes in addition to their sister-party work and might necessitate cuts to their current staffing levels. The Board also expressed some concerns about WFD's ability as a whole to manage the expected increase in funding and activity without increasing staff resources.

The Board AGREED:

- The review of political parties' administrative costs, being undertaken by John Glen and Paul Naismith, should be prioritised and concluded by end-February 2012 at the very latest. The review would seek to find a fair, transparent and accountable solution including a review of the percentage caps on party administrative costs. It would also need to identify an appropriate level of resource for managing cross-party (but not parliamentary) programmes in future. The intention was to find a solution which, at the very least, maintained the parties' current staffing levels.
- There would be a parallel review, undertaken by John Osmond and Paul Naismith, of WFD's staffing and administrative costs – programme teams and corporate.

The Board APPROVED in principle the draft Budget for 2012-13 subject to confirmation of funding. Confident that Scenario A would be confirmed, Gary Streeter expressed the hope that all outstanding issues would be resolved by end-March 2012.

7. Proposals for strengthening WFD's governance structure (Document 3)

The Board AGREED all the recommendations set out in Document 3 (WFD Change Agenda: Strengthening Governance Arrangements) and APPROVED the following:

BOARD OF GOVERNORS

Strategic focus: In order to allow for a full review of regional strategies and agreement of priorities for including in the following year's Business Plan, the October Board meeting would need to be slightly longer for this purpose. (It was felt preferable to have this discussion at a formal Board meeting rather than an informal Away Day. The timing and focus of next year's Away Day would therefore be agreed later.) The October Board would also review the Risk Strategy as a whole. The revised work plan was agreed.

PROJECTS AND PROGRAMMES COMMITTEE

PPC Membership: To be revised to read that membership comprises eight members including four Political Governors (one from each of the three larger parties and one from the smaller parties) and four Independent Governors; other Governors to be encouraged to participate in the work of the Committee and attend its meetings.

Delegated financial responsibility to PPC: To be revised to read that the current limit for approval by PPC for any single programme is set at £100,000 within any single year (e.g. year 1 of a £300,000 three-year programme).

Delegated financial responsibility to CEO: To be revised to read that the CEO has delegated authority to approve budget increases and approve projects up to £20,000 whether from the parties or the teams. In the case of the parties, the CEO would not have a veto and would refer such proposals to the PPC for decision.

Urgency procedure: To be revised to reflect the new delegated financial responsibilities.

Other Issues to enhance Board effectiveness:

- There would be benefit in making training available across the whole of WFD - Governors, staff and party officers e.g. on Anti-Bribery and Corruption legislation.
- Opportunities should be provided to bring together Governors, staff and programme deliverers (MPs etc) to share experiences, lessons learnt etc. This would also help build networks for the future.

REPORTS FOR INFORMATION

8. Chief Executive's report (Document 4)

The Board NOTED the report.

9. Audit Committee (document 5)

The Board NOTED the minutes of the 10 January 2012 meeting of the Audit Committee.

10. Projects and Programmes Committee (Document s 6a-c)

- The Board NOTED the Minutes of the 11 January 2012 meeting of the Projects and Programmes Committee and APPROVED the following proposal (over £50,000):
 - WFD: DRC – Supporting the RCPP towards the Second Provincial Assemblies (£76,273.50)

11. Parties Management Group

The Board NOTED that the PMG did not meet this quarter following the decision that it meet on an *ad hoc* basis, as and when necessary.

12. Other Reports

- Finance Director's report

Paul Naismith introduced the **Management Accounts to 30 November 2011** noting that:

- Overall **grant project spend** up to November 2011 was below target but both political parties and teams were confident that the targets would be met.
- **Programme spend** during the same period was at 58% of full year estimate.

The Board NOTED the report

- Political Party reports (for the period July – December 2011)

In NOTING the reports, the Board requested further details to be circulated on the outcome mapping trial that the Labour Party was conducting as a potentially useful monitoring and evaluating tool.

- Regional Team reports (for the period July – December 2011)

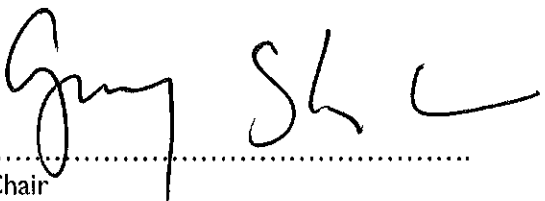
The Board NOTED the reports.

13. Any other business

None.

14. Date of next meeting:

Monday, 26 March 2012 at 16.00h


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Chair

Date: 26 March 2012

The Westminster Foundation for Democracy Limited

Company Number 2693163

Minutes of Meeting of the Board of Governors held in Committee Room 19, Palace of Westminster, on Monday, 26 March 2012

Present

Gary Streeter (Chair)
Rt Hon Hilary Armstrong
Tina Fahm
Rt Hon George Foulkes
John Glen MP
Bronwen Manby
Meg Munn MP (Vice Chair)
John Osmond.
Andrew Rosindell MP
Pete Wishart MP.

In attendance

Linda Duffield	Chief Executive
Paul Naismith	Company Secretary/Director of Finance
Alex Romaniuc	Head of Programmes, Europe
Dina Melhem	Head of Programmes, MENA
George Kunnath	Director, TWC Programme
Alero Adetugbo	Governance Officer, TWC Programme
Tracey Edginton	Strategy & Communications Manager
Philippa Broom	Conservative Party
Nabila Sattar	Labour Party
Paul Speller	Liberal Democrats
Natalie Darby	Liberal Democrats
Chris Levick	Smaller Parties
Tom Kennedy	Deputy Head, Human Rights & Democracy Dept., FCO
Mark Brownjohn	Desk Officer-Elections/WFD, HRDD/FCO
Stefan Kossoff	Senior Governance Adviser, Governance & Fragile States Dept, DFID
Tamara Moluch	Minute Taker

1. Apologies for absence and welcomes

Apologies were received from Jim Bewsher, the Rt Hon Don Foster MP and Ken Jones. Gary Streeter **welcomed** Tom Kennedy, Deputy Head of the Human Rights and Democracy Department FCO and Stefan Kossoff, Senior Governance Adviser, Governance & Fragile States Department DFID, to their first Board meeting.

2. Conflict of Interest Declarations

None declared.

3. Minutes of Board meetings (Document 1)

The minutes of the Board meeting held on 25 January 2012, being an accurate record of the meeting, were APPROVED and duly signed by the Chair.

4. Matters arising not already covered on the agenda.

None.

TOPICS FOR DISCUSSION

5. The Business Case: What it means for WFD

Linda Duffield gave a short power point presentation entitled 'Making the Business Case a Reality', highlighting:

- Funding under the Business Case for 2012-15 of £16.5m (comprising a DFID accountable grant of £2m p.a. and FCO grant-in-aid of £3.5m p.a.) with planned expenditure under parliamentary strengthening & cross party programmes (39%), bilateral party programmes (39%), corporate costs (13%) and, for the first time, capacity building and technical expertise (9%).
- Continuation of on-going extra-budgetary programmes and plans to attract a further £7.5m of extra-budgetary funds over the next three years, so reducing dependence on FCO / DFID funding. To date, such funding had been primarily for parliamentary strengthening and cross-party programmes. The hope was to seek extra-budgetary funds in future to support party development programmes also.
- The 13 planned country and regional programmes, and the parties' strategic programmes, supported by DFID / FCO funding, which were being developed and would be submitted for approval at the June PPC and Board meetings.
- Implementation of WFD's Change Agenda to:
 - Enable the Board to focus on strategic issues;
 - Ensure the PPC focused more on strategic programme plans (with fewer small-scale projects) and with the opportunity to review company-wide progress in implementing programmes by means of a new M&E framework, an organisation-wide log frame etc;
 - Build WFD into a more professional and results and learning oriented organisation delivering programmes of the highest quality. The appointment of a Programme Adviser would support this goal and lead on the M&E framework;
 - Establish an Innovation Fund open to both programme and political party teams to develop more innovative programmes, contribute to best practice and, especially, promote joined-up working amongst WFD programme teams and parties;
 - Review of WFD's staff and structures, including field offices, to ensure WFD was best placed to meet future commitments.
- The key documents setting out our goals and commitments:
 - WFD Strategy and Corporate Plan (approved March 2011)
 - WFD Change Agenda (finalised January 2012)
 - WFD log frame 2012-15 (under development)
 - Business Case (approved 12 February 2012)
 - Ministerial letter of confirmation of funding (dated 12 February 2012)
 - Inception Phase letter setting out requirements for the next six months (dated 26 March 2012)

Linda Duffield stressed that continuation of DFID / FCO funding would depend on WFD meeting all the requirements set out in the Inception Phase letter and annually thereafter.

Stefan Kossoff said DFID welcomed the opportunity to continue its collaboration with FCO and WFD and, most importantly, the opportunity that the Business Case now afforded to put its relationship with WFD on a more strategic footing that would pave the way for WFD to become a first class provider of democracy assistance. The Business Case, proposed M&E framework and WFD's own Change Agenda were key to WFD becoming a professional and results and learning oriented organisation delivering programmes of the highest quality. He reassured the Board that the purpose of the inception phase was to provide DFID with a

sufficient degree of reassurance that WFD was on track, and such conditions were standard requirements of DFID agreements.

Gary Streeter said that Andrew Mitchell, International Development Secretary, had expressed full confidence that WFD would not only deliver on the Business Case but that the partnership between DFID and WFD would grow from strength to strength.

6. Final Budget 2012-13 (Document 2)

Paul Naismith gave a short power point presentation outlining the budget for 2012-13, highlighting:

- Based on the DFID / FCO funding levels as outlined in the Business Case, the estimated revenue for 2012-13 was £8m as compared to £5.9m in 2011-12. This figure included confirmed and prospective third third-party funding (FCO 52%; DFID 40% and EU the balance of the revenue);
- The budget for 2012-13 included the following level of parties' staffing and administration costs that were being recommended for approval by the Board:
 - i. Allocations of grant-in-aid for parties and regional teams would remain at 50:50 (after deduction for corporate costs and cross-party resource). The parties' individual allocations would continue to be based on the modified Short Money formula i.e. Conservatives (41%), Labour (41%), Liberal Democrats (14%) and Smaller Parties (4%);
 - ii. The parties' cap for claiming staffing and other costs would be revised as follows: Conservatives (13.75%), Labour (13.75%), Liberal Democrats (25%) and Smaller Parties (25%);
 - iii. Recompense for cross-party programmes on which the party officers would lead would be set at £10,000 for each party.

In the discussion that followed, Conservative and Labour Governors requested a further review of these figures in light of the fact that the two parties were being asked to increase their work load without a comparable increase in resources. Andrew Rosindell said that the Conservatives would require a modest uplift of around 2.25% in order to continue to operate at its current level. On behalf of the Labour Party, Meg Munn requested definition of cross-party programmes; clarity on what the £10,000 recompence for cross-party work entailed; confirmation whether opportunities would exist for political parties to gain additional funds through extra-budgetary programmes; and clarification of how parties were to be recompensed should they take up any underspend at the end of the financial year.

Linda Duffield confirmed that:

- To ensure political parties had clarity about their funding at the start of the FY, a fixed rate of £10,000 had been agreed to compensate each party for the additional cross-party work they would be involved with throughout the year. This figure was less than in previous years reflecting the Board's decision that the regional teams would now take full responsibility for all cross-party parliamentary programmes (which represented the large majority of all cross-party work), thus taking the pressure off the political parties and allowing them to concentrate on their own bilateral party programmes. Of the 13 major programmes being developed in 2012-13, six had a cross-party component and only one (Jordan) was predominantly cross-party.
- Parties may have opportunities to secure additional resources in future for party development programmes but this could not be guaranteed. Extra-budgetary programmes did provide for overheads costs but this was often capped by the donor and often did not fully recompense the real level of administrative expenditure.

- WFD's policy was to notify any savings in corporate costs and any programme underspends as soon as possible and to reallocate funds equally between the parties and the regional teams. Often, such underspends were only notified in the final quarter of the FY. The amounts varied from year to year and could obviously not be guaranteed. It was not possible to build in a staffing provision to manage a modest expansion of activities but equally the parties were not obliged to take up any underspend.

ACTION POINT 1: The CEO was asked to review the request from the Conservative and Labour parties to further increase the percentage administration caps for their parties, beyond the level recommended by a sub-group of political Governors who had met to review this for all the parties. Philippa Broom and Nabila Sattar were asked to submit their case in writing to the CEO by 28 March. The CEO would then take a final decision, in consultation with the sub-group of political Governors if necessary.

REPORTS FOR INFORMATION

7. Chief Executive's report (Document 3)

The Board NOTED the report.

8. Audit Committee (documents 4 and 4a)

The Board NOTED the minutes of the 13 March 2012 meeting of the Audit Committee and the Risk Dashboard as at March 2012.

9. Projects and Programmes Committee (Documents 5a-d)

In the absence of Ken Jones, John Osmond introduced the minutes of the 13 March PPC meeting which he described as a transitional meeting marking the shift towards a more programmatic way of working for WFD that also required a more strategic approach to its work by the PPC.

The Board NOTED the Minutes of the 13 March 2012 meeting of the Projects and Programmes Committee and APPROVED the following proposals (over £100,000):

- Kenya: Support to Kenya Democratic Process (**£350,000** total budget)
- Iraq; Enhancing the capacities of Legislatures in Iraq and Women's Role in Reconciliation (**£411,560** total budget)

10. Parties Management Group

The Board NOTED that the PMG did not meet this quarter.

11. Other Reports

- Finance Director's report (Document 6)

The Board NOTED the report.

- Communications update and WFD's 20th Anniversary (Document 7)

Gary Streeter informed the Board that two events were being planned this year to mark WFD's 20th anniversary – a reception in parliament to thank past, current and future supporters and a seminar for wider stakeholders at the either FCO or DFID, at which it was hoped the Foreign Secretary or the Minister for International Development would participate.

Linda Duffield acknowledged that, with the current freeze on corporate and marketing expenditure, WFD would need to be inventive in organising any events, taking advantage, where possible, of DFID or FCO facilities, linking in with other planned events, and partnering with the Devolved Assemblies etc.

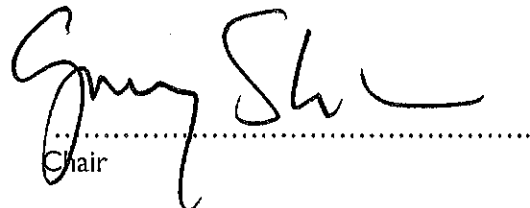
ACTION POINT 2: Tracey Edginton, Strategy and Community Manager, to lead on the organisation of events to mark WFD's 20th Anniversary. Volunteers to help with arrangements to contact her directly. Details of proposed events to be circulated to all Governors over the next few weeks inviting comments and suggestions.

ACTION POINT 3: Governors, political parties and staff to take advantage of every external opportunity to promote in general the work of WFD.

12. Any other business

Paul Speller announced that, after four years as Head of the International Office of the Liberal Democrats, this would be his last Board meeting; the Board thanked him and wished him every success for the future.

13. Date of next meeting: Wednesday, 11 July 2012 at 09.30h


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Chair

Date: 11 July 2012

The Westminster Foundation for Democracy Limited
Company Number 2693163

**Minutes of Meeting of the Board of Governors held in Committee Room 19,
Palace of Westminster, on Monday, 11 July 2012**

Present

Gary Streeter (Chair) (in the Chair until Agenda Item 5)
Jim Bewsher
Ken Jones
Tina Fahm
Rt Hon Don Foster MP
Rt Hon Lord Foulkes of Cumnock
Ann McKechin MP
Bronwen Manby
Meg Munn MP (Vice Chair) (in the Chair from Agenda Item 6)
John Osmond
Andrew Rosindell MP
Pete Wishart MP

In attendance

Linda Duffield	Chief Executive
Paul Naismith	Company Secretary/Director of Finance
Alex Romaniuc	Head of Programmes, Europe
Dina Melhem	Head of Programmes, MENA
Tracey Edginton	Strategy & Communications Manager
Philippa Broom	Conservative Party
Nabila Sattar	Labour Party
Iain Gill	Liberal Democrats
Mark Brownjohn	Desk Officer-Elections/WFD, HRDD/FCO
Daniel Davis	Senior Governance Adviser, Governance & Fragile States, DFID
Tamara Moluch	Minute Taker

1. Apologies for absence, welcomes and farewells

Apologies were received from John Glen MP. The Board **welcomed** Ann McKechin MP, newly appointed Member of the Board, as well as Iain Gill, newly appointed Head of Liberal Democrat's International Office and Daniel Davis, the newly appointed Senior Governance Adviser, Governance & Fragile States Department DFID, to their first Board meeting.

The Board took the opportunity to record its appreciation of Hilary Armstrong's contribution to WFD, noting that her term of office as Governor ended in April 2012. They also noted that this would be Meg Munn's last Board meeting as her term of office would end in September and thanked her for her invaluable contribution to the work of WFD. It was also noted that Lorraine Dixon (HR Manager) would be leaving WFD in August.

2. Conflict of Interest Declarations

None declared.

3. Minutes of Board meetings (Document 1)

The minutes of the Board meeting held on 13 March 2012, being an accurate record of the meeting, were APPROVED and duly signed by the Chair.

4. Matters arising not already covered on the agenda.

ACTION POINT 1: The Board noted that, following consultation with Governors and notified to the Board, a **further increase to the Conservative and Labour parties' administrative caps had been approved.**

ACTION POINT 2: The Board noted that plans to mark **WFD's 20th anniversary** (conference and reception) had been deferred until the autumn given higher priority work.

TOPIC FOR DISCUSSION

5. Overview of all programmes 2012-15 (power point presentation)

Linda Duffield gave an overview of WFD's programmes for the coming year including parliamentary, cross-party and party-to-party programmes. She highlighted the opportunity to join up programmes in those countries where regional teams and political parties were currently active as well as for greater cooperation in such areas as women and youth.

The Board found the mapping of all programmes geographically and thematically a useful step towards identifying opportunities for more joined up working. The overview of WFD's work would also feed into the development of a new M&E framework and WFD's review of regional priorities planned for the autumn. Consideration should also be given to putting this information onto WFD's website.

In the discussion that followed, Linda Duffield confirmed:

- WFD would be ready to immediately recommence activities in Egypt once the status of the Egyptian parliament was clear or after fresh parliamentary elections. This would be an extra-budgetary programme;
- Providing opportunities for MPs in other parliaments to learn how the UK Parliament worked was an integral part of WFD's work and every opportunity would be taken to include this when developing programmes;
- Strengthening cooperation with CPA and GB IPU was a priority. She had initiated discussions with CPA, GB IPU and the House of Commons Overseas Office to look at opportunities for cooperation and to share information. At the operational level, regional teams, and in particular the Africa team, met regularly with CPA. The IPU was looking to become more actively engaged in long-term parliamentary strengthening programmes and were keen to join forces with WFD in bidding for funds. They were also interested in joining TWC for any future work;
- Work under the parliamentary and cross-party programme in Bangladesh, which had suffered a number of delays, was now ready to begin;
- Any additions to party programmes for 2012-13 should be notified to Tamara Moluch and Tracey Edginton. They would be included on the next update.

REPORTS FOR INFORMATION

6. Chief Executive's report (Document 2)

Linda Duffield introduced her report, highlighting:

- The Inception Phase of DFID/FCO funding required WFD to demonstrate progress in a number of areas by the end of September. This including final programme log frames (for regional teams) and outcomes, indicators and milestones (for Political Parties). All staff and parties had been asked to complete this work by end-July. This

- would enable the company-wide log frame to be updated and finalised in August as the basis for future reporting and evaluations;
- The development of a company-wide M&E framework had slipped. The M&E Adviser was not now expected to take up appointment until the beginning of October and WFD would need to propose an extension to the timetable for completing this week. In seeking an extension, Governors expressed concern that, whatever the new timeframe, the work should not be rushed. It was important to take time and get this right;
 - Once all parliamentary programmes had been approved by the Board (agenda item 8 below), political Governors would be asked to circulate details on their Party Whips seeking initial expressions of interest from MPs to be involved;
 - Further details of the proposed 20th anniversary celebrations (conference and reception) would be circulated to Governors after the Summer break;
 - A review of WFD's website would be carried out later in the year once work on the Inception Phase had been concluded. Governors recommended the inclusion of field office staff in the organogram and reference to the Parties' websites.

The Board NOTED the report.

7. Audit Committee (Documents 3a-3e)

Of the five reports before the Board, Tina Fahm highlighted:

- Annual Report and Accounts 2011-12: The NAO representative had confirmed at the June Audit Committee meeting that WFD was on course for an unqualified opinion and certificate. The Annual Report and Accounts had been signed by the Chair and CEO at the meeting. Of note was the Governance Statement which, in future, would be more focused towards WFD's beneficiaries.
- Annual Audit Committee's report: 2011-12: The Audit Committee's objectives for 2012-13 which included the tendering and subsequent appointment / reappointment of internal audit services and the planned self-assessment evaluation of the Committee.
- Internal Audit: Annual Report to the Audit Committee for year ended 31 March 2012: Uncharacteristically, the Internal Auditors had been unable to give any assurance following their review of WFD's compliance with recent Anti-Bribery and Corruption legislation. However, once this had been brought to the Committee's attention, prompt action had been taken, notably the organisation of a workshop for key staff and parties in June, and accordingly an addendum to the report would be issued to this effect.
- Risk Dashboard as at June 2012: WFD's short-term risk profile had not materially changed. However, the Risk Register would be reviewed in greater detail in October.

Tina Fahm expressed her appreciation to Committee members as well as the Finance Team in concluding the audit within a particularly tight timetable.

The Board NOTED the reports.

8. Projects and Programmes Committee (Documents 4a-b)

Ken Jones introduced the Minutes of the 26 June PPC meeting which had focused on the new programmatic approach to work.

The Board then APPROVED the following proposals (over £100,000):

Africa/Asia Team	<p>DRC: Increasing Democratic participation in Province Orientale</p> <p>NIGERIA: Enhancing participation & leadership of women parliamentarians</p> <p>AFRICA-WIDE: Supporting regional integration of East Africa Legislative Assembly (EALA)</p> <p>PAKISTAN: Deepening Democratic Engagement in Province of the Punjab</p>
Europe Team	<p>KYRGYZSTAN: Strengthening & widening partnership between Civil Society Organisations (CSOs), local communities & Parliament to address sources of instability</p> <p>UKRAINE: Strengthening citizens' capacity for democratic participation through direct democracy tools</p> <p>WESTERN BALKANS: Strengthening Role of Parliaments in Promoting Competitiveness and Economic Growth</p>
MENA Team	<p>JORDAN: Developing Skills of Jordanian Youth Leaders & Support to the Parliament</p> <p>MENA-WIDE: Enhancing women's leadership in MENA</p> <p>MENA-WIDE: Strengthening the Links between policy makers and policy research</p>
Conservatives	<p>AFRICA-WIDE: Democratic Union of Africa: Skills Development of Centre Right Network Programme</p> <p>WESTERN BALKANS: Centre-Right Party Development Programme</p>
Labour	<p>AFRICA-WIDE: Secretariat for Women's Academy for Africa</p> <p>EUROPE-WIDE: Political Youth Academy</p>
Liberal Democrats	<p>AFRICA-WIDE: ALN - Support for Secretariat 2012-15</p>

9. Terms and Conditions Committee (Document 5)

Jim Bewsher introduced the Minutes of the 26 June 2012 meeting, highlighting:

- The need to appoint a new Chair for the Terms & Conditions Committee as he would be retiring from the Board in November;
- Whilst WFD closely followed FCO's pay arrangements for UK staff, it should be noted that in a number of field offices variations to local pay had been agreed taking into account national employment regulations and economic factors eg. high inflation;
- Concerns were raised about possible delays in the recruitment of a new HR Manager especially as the FCO had requested that WFD present all its planned staffing changes in one Business Case this year. Linda Duffield hoped that a draft of the Business Case would be ready by end-July.

The Board NOTED the report.

10. Parties Management Group

The Board NOTED that the PMG did not meet this quarter.

11. Other Reports

- **Finance Director's report** (Document 6)

Paul Naismith highlighted:

- The full year outcome for 2011-12 of a £10,934 surplus. This represented a £35,924 surplus on grant-in-aid and a deficit of £24,994 drawn from 'Best Practice' fund reserves;
- The small under-spend of programme funds, the absence of need for relocation funds, plus the higher than expected recovery of overheads at year-end, resulted in £78,838 lower GIA than forecast in February. This was in addition to the £52,894 savings given to the Parties in February and March;
- The increased core reserves would be used to fund the predicted relocation of WFD offices now scheduled for 2012-13;
- Bearing in mind the quiet start to the 2012-13 year, all teams and parties would need to be mindful of the requirement to keep activities on track in light of the increased programme funding.

The Board NOTED the report.

- **WFD policy on travel and subsistence** (Document 7)

Further to Cabinet Office guidelines that all departments reimburse staff only for 'expenses which they actually and necessarily incur in the course of official government business', several government departments had moved to paying 'actuals' for all travel and associated costs, including meals and other minor expenses. These included the FCO and DFID, who were now asking WFD to do the same.

WFD had reviewed its policy in light of this. Having regard to the policies of other key partners, including NAO, House of Commons Overseas Offices, and IPU, and having weighed carefully the arguments about reasonableness, proportionality and what represents value for money for WFD, the Board were now asked to consider whether WFD's current policy of paying actuals (against receipts or direct) for all accommodation, flights and other travel related expenditure, whilst retaining HMRC subsistence rates for meals only was the right approach for an organisation of its scale, noting that any other approach would add to administrative costs (staff, IT etc.) that would be disproportionate to any saving that could be achieved.

Whilst the Board felt that there was a clear logic to the process being followed in government departments with access to sophisticated computer systems, they recognised that WFD – with its unique organisational structure (including separate political party teams with their own administrative processes) already had a system in place that meant that WFD was 98% compliant with the new guidelines in its travel and subsistence policy. Accordingly, they unanimously AGREED to approve the recommendation to maintain the *status quo* and requested that Linda Duffield inform the FCO and DFID of this decision.

On a more general point, Governors wanted WFD to have more flexibility to determine its own needs eg. recruitment whilst reflecting as far as possible FCO guidelines. The Chair said, if necessary, Governors would take this up with FCO Ministers.

- **Note on Freedom of Information requests** (Document 8)

The Board NOTED the report.

- **Annual report on The Westminster Consortium Programme 2011-12**
(Document 9)

In NOTING the report, the Board welcomed:

- The forthcoming paper to capture lessons learned in the area of parliamentary strengthening
- That TWC partners were keen to continue their collaboration in some form or other. Linda Duffield confirmed that the future direction of TWC – once the GTF programme came to an end in 2014 - was already being considered by the TWC. The Board would be kept informed of progress and any new programme plans for TWC.

The Board NOTED the report

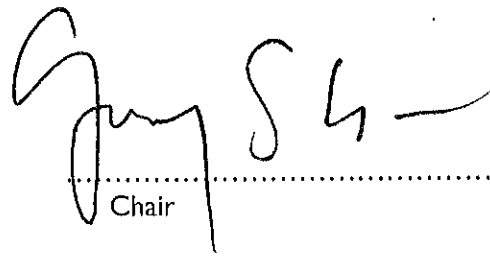
12. Any other business

- The Board AGREED to hold an **Away Day** in November.

ACTION POINT 1: Tamara Moluch to circulate possible dates in November. Governors to let Tamara have suggestions on possible topics for discussion at the Away Day before Parliament rises for summer recess.

13. Date of next meeting:

Wednesday, 31 October 2012 at 09.30h



Chair

Date: 31 October 2012

The Westminster Foundation for Democracy Limited
Company Number 2693163

**Minutes of Meeting of the Board of Governors held in Committee Room 19,
Palace of Westminster, on Wednesday, 31 October 2012**

Present Gary Streeter (Chair)
Jim Bewsher
Tina Fahm
Rt Hon Lord Foulkes of Cumnock
John Glen MP
Ann McKechin MP
Bronwen Manby
John Osmond
Andrew Rosindell MP
Pete Wishart MP

In attendance Linda Duffield Chief Executive
Paul Naismith Company Secretary/Director of Finance
Dina Melhem Head of Programmes, MENA
George Kunnath Director, TWC
Tracey Edginton Strategy & Communications Manager
Nejib Jeridi WFD Country Manager, Tunisia
Philippa Broom Conservative Party
Nabila Sattar Labour Party
Chris Levick Smaller Parties
Sarah Wooten Team Leader, Democracy & Programmes Team, HRDD/FCO
Tamara Moluch Minute Taker

1. Apologies for absence, welcomes and farewells

Apologies were received from Ken Jones as well as from David Osborne (DFID), Iain Gill (Liberal Democrats), Alex Romaniuc (Head of Programmes Europe), Marina Narnor (Head of Programmes Africa and Asia), and Kate Bunbury (M&E Adviser).

The Board **welcomed** Sarah Wooten (FCO) and Nejib Jeridi (WFD Tunisia) to their first Board meeting.

As Jim Bewsher's third and final term of office as Governor was coming to an end in mid-November, the Board took the opportunity to record its appreciation of the invaluable contribution Jim had made not only to the work of the Board but also to its three sub-committees on which he had served.

2. Conflict of Interest Declarations

None declared.

3. Minutes of Board meetings (Document 1)

The minutes of the Board meeting held on 11 July 2012, being an accurate record of the meeting, were APPROVED and duly signed by the Chair.

4. Matters arising not already covered on the agenda.

AGENDA ITEM 6: With reference to the review of **WFD's website** scheduled for later in the year and the recommendation that links be added to the websites of the political parties, John Osmond welcomed the fact that direct links into WFD-work related pages of the websites of Labour and the Liberal Democrats already existed. The Board **AGREED** that, if possible, direct links into WFD-work related pages of the Conservative Party and the Smaller Parties websites should also be set up.

AGENDA ITEM 11: Following the FCO advice that WFD should continue to follow existing **recruitment procedures**, Gary Streeter agreed to follow this up with FCO Ministers given the importance of filling staff vacancies quickly in response to programme and other needs.

5. Appointments to Committees

Due to a number of vacancies on the Board, it was **AGREED** that no further appointments would be made to sub-committees until a final decision had been made by the Foreign Secretary on the size of the Board. George Foulkes and Andrew Rosindell both stressed the potential difficulties in forming a quorum for WFD's sub-committees should the number of Governors be reduced.

TOPICS FOR DISCUSSION

- **In-depth review of Risk** (Document 2 and power point presentation)

In introducing the presentation, aimed at facilitating Board discussion of risk appetite and formalising a WFD Risk Appetite statement, Tina Fahm drew the Board's attention to:

- the Risk Management Review (Internal Audit Report Ref No WFD 11/12-2, December 2011) which had identified a number of key areas for improvement, including the recommendation that 'the Board should discuss the issue of risk appetite ... [which] should then be communicated to all staff to assist them in assessing their risks and the current level of mitigation. The assessment of risk appetite should be regularly revisited to ensure that it remains appropriate to WFD';
- a brief paper, aimed at Board level, summarising principles and approaches that applied to risk management (source: *Risk Appetite and Risk Tolerance*, Institute of Risk Management, September 2011);
- the current WFD Risk Dashboard (as at September 2012).

Paul Naismith gave a brief power point presentation on *Managing Risk in WFD*, which covered:

- i. Board responsibility
- ii. Risk Dashboard and Fundamental Risks (as at September 2012 - showing that fundamental risk levels had remained unchanged since the July 2012 report);
- iii. Current status of risk management
- iv. Examples of practical risk situations
- v. Setting risk appetite
- vi. Example of risk appetite mapping exercise.

The Board welcomed the opportunity to assess high level risks and consider appetite. They found the use of practical risk scenarios (political, security, financial, health, reputational etc), demonstrating the importance of establishing lines of responsibility, parameters and guidelines for the management of risk, particularly useful. The risks facing WFD's in-country partners and field staff were also noted.

ACTION POINT 1: **Paul Naismith to draft a formal WFD Risk Appetite Statement for consideration and approval by the Board, and annual review thereafter. This will assist staff and party officers in assessing and mitigating risks.**

- **Regional strategies – review of programme priorities** (Document 3)

Linda Duffield briefly introduced the annual review of regional strategies. Topics covered, included:

- Political overview of the regions and countries WFD was engaged in;
- Overview and rationale for WFD's current programmes 2012-15;
- Opportunities and priorities for future programming.

Whilst no substantive changes in WFD's agreed country / regional programmes were currently envisaged, a number of areas for possible future work had been proposed: (a) to assist WFD in redirecting resources to where they could have greatest impact should any of the current programmes stall for political or security reasons; and (b) to provide a framework for bidding for future external funding.

The Board supported the development of a realistic and flexible framework for the development of future business. Gary Streeter in particular welcomed this in light of recent indications that DFID would be looking more favourably in the future to supporting governance activities. To this end, increasing WFD's collaborative efforts with other organisations working in the field of democracy building was also encouraged as was a review of WFD's current criteria for country / regional selection.

- **The Westminster Consortium – future business opportunities** (Document 4)

George Kunnath introduced the paper outlining the key outcomes of a discussion with Consortium partners on future business opportunities for The Westminster Consortium. With the DFID-funded GTF programme coming to an end in mid-2013, the consensus was that the Consortium had worked well and had developed strong collaborative partnerships; that it should look for future business opportunities; that it should stay focused on the core areas of governance, democracy and parliamentary strengthening; and that membership may need to change to accommodate new business opportunities. Funding opportunities and countries of future focus were also considered. The views of the Board were sought as the Consortium developed its own thinking.

The Board supported the development of the Consortium's future business direction. There was also strong support for the Consortium continuing to operate under WFD's mandate and strategic priorities.

The Board NOTED the report and asked to be kept informed as discussions progressed.

REPORTS FOR INFORMATION

6. Chief Executive's report (Documents 5a-c)

Linda Duffield introduced her report, highlighting:

- A response from the Foreign Secretary to the **Inception Phase** report was awaited;
- Work on developing the WFD-wide **M&E framework** was underway. An initial work plan had been presented to the recent meeting of the Projects and Programmes Committee and it was expected that the company-wide M&E framework would be agreed by the end of the year;
- The **Change Agenda** had been largely implemented. A decision by the Foreign Secretary on the size of the Board was pending and a review of WFD's staffing due to be completed by the end of the financial year;
- It had been decided to postpone the planned conference on democracy, to be organised in partnership with the British Council to mark WFD's **20th Anniversary** celebrations, to the New Year to allow more time to plan such a major event. The Board would be kept informed of developments.

- It was hoped to organise a reception before the Christmas Recess to celebrate WFD's 20 years and to brief MPs and Peers on WFD's future work. A date would be agreed once a list of all-party MPs to support WFD's programmes had been finalised. The Board requested that former Chairs, Governors and Ministers also be invited.
- The Board supported Linda Duffield's attendance, as representative of the Foreign Secretary, at the forthcoming Bali Democracy Forum, where the UK had observer status.

The Board NOTED the report.

7. Evaluation of Annual Business Plan 2011-12 (Document 6)

Linda Duffield introduced the draft internal evaluation of the Business Plan 2011-12 against the framework of WFD's Strategic Objectives and Corporate Plan. For future years, annual evaluations would be carried out against the new company-wide log frame and would be presented to the Board (and to FCO / DFID) later in the financial year.

The Board WELCOMED the report.

ACTION POINT 2: Governors to submit any comments / amendments on the draft Evaluation of Annual Business Plan 2011-12 to Tracey Edginton by Friday, 9 November, for eventual publication on WFD's website as part of its commitment to transparency.

8. Audit Committee (Document 7)

The Board NOTED the Minutes of the 16 October 2012 meeting of the Audit Committee and welcomed the fact that the appointment process of new Internal Auditors was expected to be completed by the end of the week. Gary Streeter also confirmed that he would meet with The Rt Hon Justine Greening MP, the newly appointed Secretary of State of International Development towards the end of the year to discuss the work of WFD.

9. Projects and Programmes Committee (Document 8)

John Osmond introduced the Minutes of the 24 October 2012 PPC meeting, highlighting:

- Clarification of WFD's policy on honoraria and professional fees;
- Only a small number of projects had been put forward for approval. Of these, the Board should note that: E1 Improving the quality of CSO policy dialogue with the Georgian Parliament represented WFD's financial contribution to a bigger programme funded by the European Commission (total EU/WFD budget of €337,003 of which £69,602.98 was WFD's contribution);
- Kate Bunbury had outlined her initial work plans for the development of a new company-wide M&E framework to support WFD's future reporting requirements. Part of her presentation was a useful one-page summary of the company-wide log frame clearly outlining impact, outcome indicators and outputs which had been circulated to the Board for information.

The Board NOTED the report.

10. Parties Management Group

The Board NOTED that the PMG had not met this quarter.

11. Other Reports

a. Finance Director's report (Document 9)

Paul Naismith highlighted:

- The takeup by September 2012 of the full year £5.5m FCO and DFID funds had been slow, following a pattern seen over the past few years. Paul said he would be meeting with all programme teams to fine-tune their forecasts and stress the importance of accurate quarterly forecasting and rigorous oversight of programme activity to avoid any future funding problems. Unlike the FCO, DFID may be open to deferring funds from 2012-13 to 2013-14. Until further notice, Paul would update the Board monthly on activity spend;
- In order to have a better overall picture of spend, the Board requested that, in future, a narrative expanding on the figures should be provided;
- In respect of possible funding for improved communication tools (website development, more video streaming etc.), Linda Duffield said that WFD would seek to develop this as part of strengthening evaluation tools.

The Board NOTED the report.

b. Note on Freedom of Information requests (Document 10)

The Board NOTED the report.

12. Any other business

- a. The Board DECIDED to postpone the **Away Day**, scheduled for 28 November, until the New Year when there would be a full complement of Governors.
- b. The Board AGREED the proposed **Calendar of Board and sub-committee meetings 2013**.

13. Date of next meeting:

Wednesday, 31 October 2012 at 09.30h

Chair

Date: 31 October 2012