

The Westminster Foundation for
Democracy Limited

Annual report and accounts

2021-2022

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The Westminster Foundation for Democracy Limited

Annual report and accounts 2021-2022

For the period 1 April 2021 to 31 March 2022

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Strategic report



Democracy is key to addressing the fundamental challenges of our time

Foreword by Rt Hon Sir Lindsay Hoyle,
Speaker of the House of Commons and
WFD's Patron

This year has served as a stark reminder of how much we need to protect, defend, and nurture democracy, countering anti-democratic forces wherever they appear. The senseless and shocking murder of British MP Sir David Amess in October 2021 brought this home to us in the UK – while abroad, the war on Ukraine is foremost in our minds.

In March 2022, I allowed Ukraine's President Volodymyr Zelensky to address the House of Commons via video link – the first time a foreign leader has spoken to us in this way. I knew our democratically elected MPs wanted to hear from him directly about the conflict his country “did not want”.

I also met my G7 counterparts with Ruslan Stefanchuk, President of the Verkhovna Rada – Ukraine's parliament, which continues to pass legislation despite the war raging around the country. As I told Mr Stefanchuk then, we are in awe at the way Ukrainians and their freely elected

parliamentarians have stood up to their Russian aggressors.

That is why the work that Westminster Foundation for Democracy (WFD) does to support and strengthen democracy all over the world is so vital. And it is why I am proud to serve as its Patron as the organisation marks 30 years of impact.

WFD's work is helping decision makers hear and include those who are often overlooked, including young people and the LGBT+ community. It is supporting MPs to check on laws and government spending to ensure they improve people's lives, and deepening the skills of parliamentarians from Nigeria to Georgia. In Indonesia, WFD's new programme focuses on strengthening its parliament's role in raising the ambition of the country's environmental action.

Democracy is key to addressing the fundamental challenges of our time. WFD's leadership on this issue, supporting new ways for citizens and civil society to be brought closer to decision making, provides lessons all parliaments can use. It is fantastic to discover that in Morocco, with WFD's support, the organic laws on Motions and Petitions have been reformed this year, making it easier for parliament to hear the views of its citizens.

Through WFD programmes, Members and staff of the House of Commons and the House of Lords – as well as our friends in Holyrood, the Senedd and Stormont – have shared UK expertise and experiences with counterparts all over the world and I thank them for their service.

I commend the work of Westminster Foundation for Democracy and its Governors. As WFD turns 30, I am honoured to support the organisation as its Patron. Its relevance has never been clearer; its experience and impact never more needed.

WFD is the constant gardener helping democracies to grow stronger

Foreword by Rt Hon Richard Graham MP,
Chair of WFD's Board of Governors



Reversing the recession of democracy is the issue of our time. It is the challenge we face for a generation and perhaps longer to come, and its outcome may shape how our children and grandchildren judge us.

Democracies are fragile plants that need much tending and, untended, decline – at first gradually and then, like all gardens, suddenly. For more than 30 years now, WFD has been the constant gardener: actively helping democracies to grow stronger, so that freedom and prosperity can flourish.

In 1986 in Bangsamoro – now an autonomous region in the southern Philippines – I witnessed a rampant civil war. It was a region where everything was decided by the gun. Today, in the Bangsamoro Parliament and in the Bangsamoro Transition Authority, run by a former combatant, I've seen first-hand how the project that WFD is delivering there is helping bring peace to the region.

This year, there have been clear signs that the peace settlement in Bosnia and Herzegovina is under threat. WFD's work in Bosnia and Herzegovina focuses on

inclusivity as the core of sustainable peace after civil war. Visiting our team in Sarajevo, I saw how WFD projects supporting the inclusion of women and young people are helping to transform political culture in Bosnia and Herzegovina, with positive impacts for communities and the environment.

It is symbolic for all of us that an organisation founded during the conflict in Bosnia – the worst moment of war in Europe since World War Two – should be forced to evacuate from Kyiv 30 years on, with scenes of invasion in Ukraine as horrific as those seen in 1943. As we mark WFD's 30th anniversary, our mission has never felt more relevant.

There was a time after the fall of the Berlin Wall when we thought democracy had won. Nelson Mandela was elected in South Africa and dictators across eastern Europe – as well as Suharto in Indonesia and Pinochet in Chile – fell. Heady times for those who believed in the values of democracy. Into that dawn, in 1992, the Westminster Foundation for Democracy was established.

Now, three decades on, we have to reinvent ourselves to continue playing a vital role in keeping societies open. We still need the relationships, the processes, the mentoring, and the sharing of best practices. But we also need digital analysis, tools to deal with social media misinformation,

better party governance, more women leaders, and a renewed focus on the freedom of media and the rule of law, not rule by laws. This is what will keep societies from tumbling into authoritarianism.

As the devastating situation in Ukraine unfolds, the need for WFD as the UK's open society arm, busy in the delicate garden of democracy, has never been clearer. I am grateful for the hard work of WFD's Chief Executive, Anthony Smith, my fellow Governors, and Team WFD for this great cause during 2021-22. I hope the stories here inspire you as they have me.

Chief Executive's introduction

Russia's war on Ukraine has violently illustrated what is at stake in the struggle between democracy and autocracy. For those in my generation that doubted it, we can now see clearly that our freedoms are at stake too, and that democratic values are a strategic priority. Democracy and human rights are not luxuries. They link directly to our national security. And not just our security. Democracy and human rights are essential to our prosperity, our wellbeing, and our ability to thrive. That was the message in the UK's Integrated Review published in March 2021, and WFD's work helps to implement the conclusions of that review.

The need to fight for democracy has been plain for many years. Evidence clearly shows that the decline in democratic governance started at least 15 years ago and afflicts every region in the world. When leaders of the G7 and other countries met in the UK in July 2021, they did so shortly after other dismaying instances of democratic backsliding – including the coup in Myanmar, and Belarusian authorities detaining journalist Roman Protasevich after they forced his flight to land. In Cornwall, it was good to see G7 leaders reaffirm their “shared belief in open societies, democratic values and multilateralism as foundations for dignity, opportunity and prosperity for all and for the responsible stewardship of our planet.”

Supporting open societies, democratic values, and freedom is a call that WFD has been answering for three decades. The day Russian tanks rolled into Ukraine, imperilling freedom on our doorstep, also happened to be almost 30 years to the day since WFD was founded.

For 30 years, we have actively helped democracies to grow stronger, so that freedom and prosperity can flourish. At the close of this year, MPs from across Westminster's benches advocated passionately for action to strengthen democracy around the world. They underlined the importance of WFD's work and it was moving to hear members pay tribute to WFD staff all over the world.

The resilience and dedication of WFD's staff, and their commitment to supporting democracy, never fails to inspire me. This year is no different. As democracy defenders and advocates, WFD teams have built networks of liberty across the globe. Together, we dedicate our lives to democracy because we know that too many people have died for it.

WFD programmes this year have supported democracies in managing responses to the pandemic and building back better; including more people in politics and leadership; helping to protect the planet and its people from the worst effects of climate change; and building cultures of open,

accountable, and transparent governance. You will read about their impact in this report.

As we enter a new UK funding cycle, WFD will develop a new strategy that reflects the centrality of democratic governance to tackling global and local challenges as we all work to defend and strengthen democracy everywhere. We will continue to work with our many international partners, including the European Partnership for Democracy and our counterparts in North America. We will rely on WFD's outstanding staff in our offices around the world, our committed friends on our Board, and our funders in FCDO and beyond as the constant struggle for democracy continues.



Anthony Smith, Chief Executive

Performance report

Overview

About WFD

WFD is an executive non-departmental public body, sponsored by the UK's Foreign, Commonwealth and Development Office, that strengthens democracy around the world. WFD's established purpose is to assist, support and encourage the peaceable establishment and development of pluralistic democratic practice and political institutions. Operating internationally, WFD works with parliaments, political parties and civil society groups, as well as on elections, to help make political systems fairer, more inclusive and more accountable.

WFD is a company limited by guarantee, incorporated in England, and usually operates through a branch or equivalent registration in priority countries. WFD is overseen by a Board of Governors, with day-to-day management delegated to a Chief Executive. The Chief Executive is assisted by a leadership team consisting of senior officials from the UK Centre. The UK Centre, organised around a Chief Executive's office and four directorates led by a Director, coordinates a network of WFD offices in priority countries around the world. Each WFD office is staffed by country-based or locally hired staff

who are political or programme management practitioners, paired with UK and international expertise to solve problems.

Our work

WFD is a problem-solving, practitioner-led organisation that offers:

- specialist analysis, research, and advice to inform policymakers on a range of democratic governance issues;
- high quality and impactful programmes that directly support the full spectrum of institutions in political systems; and
- international elections observation on behalf of the UK.

All WFD's work is designed and delivered to contribute to legitimate and resilient democratic governance founded on four outcomes: accountable political systems, inclusive political processes, protection of human rights and freedoms and pluralist societies.

Performance analysis: Outcomes of WFD's 2017-2022 strategy

This year marked the final year in our 2017-2022 strategy period. Throughout these five years, across all its programmes, WFD has been committed to contributing to

four important objectives in supporting democratic governance:

- promoting inclusive political processes
- enabling accountable political systems
- supporting the protection of freedom and rights
- fostering pluralist societies

Despite the global challenges facing democracy in 2021-22, WFD has nevertheless demonstrated progress across all these areas this year, with a range of independent assessments confirming the contribution WFD has made toward democratic resilience.

This year saw WFD's Inclusive and Accountable Politics grant, originally from the Department for International Development (DFID), come to end. Its focus on women's political leadership enabled WFD to transform the way we look at gender equality and social inclusion work. A recent review of our approach to women's political leadership (WPL) noted that in 2021-22:

“WFD country teams are using their impressive political acumen, insight and convening power to support the increase in women’s representation and influence in decision-making...This is supported by some powerful examples of

parliamentary capacity building, technical support and brokering of ‘relationships that no one wanted to have’ through WPL and Inclusion programming partnerships.”

For instance, a political party support initiative, originally focused on providing African Liberal Party women MPs with practical tools to navigate internal party nomination processes, has evolved to an explicit focus on challenging male-dominated party structures and culture that prevent women from entering party leadership.

Likewise, WFD’s Western Balkans Democracy Initiative (WBDI), funded by the Conflict, Stability, and Security Fund (CSSF) was independently assessed this year as having made “very good progress” towards outcomes related to inclusive political processes and accountable political systems.

Most notably, the review observed that:

“policies to remove barriers to participate in politics have been introduced for people with disabilities (PWDs) in North Macedonia as a result of the increased political participation for marginalised groups initiative package and for women in Bosnia and Herzegovina through the

advancing women’s political participation work. There has been particularly strong progress in more actively addressing issues of importance to marginalised groups across all WBDI countries apart from Kosovo, where this was not a focus.”

The review also noted that WFD’s support of parliaments and political parties has “shown that governments have incentives to respond appropriately to parliamentary scrutiny in North Macedonia in general terms and in Serbia in relation to COVID-19” and shown “incentives for political parties to align more strongly to transparency and rule of law standards.”

2021-22 saw WFD’s focus on protection of freedom and rights extend increasingly into support for LGBT+ people through our Global Equality Project (GEP) funded by the FCDO. While only six months in duration, the independent evaluators found “strong evidence of progress against outcome targets”, noting in particular WFD’s “strong analysis of local context” and ability to build coalitions for change with local actors. Given the complexity of working on these issues, WFD was particularly praised for pursuing “multiple approaches [that were] proving successful e.g., relationships, coalitions, research”, demonstrating that “it is

possible to work – and be successful – in difficult environments”.

In continuing to foster pluralistic societies, 2021-22 saw WFD focus greater attention on support to electoral systems and processes around the world, principally through its Global Elections Support Centre (GESC) project funded by the FCDO.

An independent review of the project found that WFD’s work in the selected countries had produced “benefits, includ[ing] influencing the debate about post-election reform, helping create more space for citizen observers, and adjustments being made to development programming to the benefit of the election process”. Moreover, the project, which was also focused on supporting internal capacity of FCDO, had UK overseas Posts “emphasising various benefits to posts including expansion of electoral knowledge and helping the UK to have a ‘place at the table’ and therefore increased influence”.

Taken together these programmes represented the majority of WFD’s work in 2021-22, with all having been externally reviewed as meeting or exceeding their intended outcomes. In documenting the progress made, the reviews also identified areas for improvement and provided opportunities for learning, to enable us to build on this year’s successes going into our next strategy.

Our priorities for 2021-22

WFD established three priorities for the reporting period:

Priority 1: Adapt and demonstrate relevant and impactful programming

We aimed to ensure that WFD's offer demonstrably meets the demands of both our partners and target donors and that WFD is doing the kinds of work that facilitate positive, meaningful and sustainable change, leading to more legitimate and resilient democratic governance.

Priority 2: Build a resilient and high performing organisation

We aimed to prioritise staff health, wellbeing and engagement; and to consolidate operational improvements that enable delivery and promote high standards.

Priority 3: Position WFD for the future

We aimed to strengthen our profile with UK Government partners and others; complete the review of our business and operational model; and develop our next multi-year strategy in a way that allows us to maximise our impact at a time of constrained funding.

Key achievements against our priorities for 2021-22

Priority 1: Adapt and demonstrate relevant and impactful programming



During the period, WFD successfully maintained its strategic global presence, whilst adapting to reduced funding. Notwithstanding the disruption caused by a range of political developments in the locations where WFD operates, together with the ongoing impacts of COVID-19, WFD

continued to deliver its programmes to a high standard, whilst focusing them on important themes such as environmental democracy, women's political leadership, accountability, political pluralism, political inclusion and citizen participation.

As part of a Global Elections Support Centre (GESCC) pilot, WFD tested a new electoral political economy analysis tool, commissioned elections



experts to advise on aspects of the electoral cycle, and deployed several independent, targeted observation missions. In addition, following a competitive process, WFD was appointed as the UK's focal point for the recruitment and deployment of short and long-term election observers to Organization for Security and Cooperation in Europe Office for Democratic Institutions and Human Rights (OSCE/ODIHR) observation missions. WFD deployed observers to monitor six elections.

In 2021-22, WFD is proud to have engaged with around 12,500 people through nearly 800 activities as part of 87 programmes and to have developed and disseminated more than 500 products, such as policy briefs, guides and websites. A more detailed description of WFD's work and the WFD-sponsored UK political party programmes over the reporting period is set out below.

Priority 2: Build a resilient and high performing organisation

During this period, WFD carried out work to strengthen its internal controls environment; improve procedures for opening and closing offices; and supported the transition to an agile working model for WFD staff. As part of its commitment to continuous improvement, WFD commissioned targeted business optimisation projects focused on information management, expert procurement

and contracting, and management reporting. More progress will be needed on management reporting in the next period.

Due to the long-term closure of 22-26 Whitehall for renovation works, WFD worked with the Government Property Agency to identify an alternative office location and agreed to move to space at Clive House, Petty France. Whilst this further office move was unexpected, management is confident that the new space will better meet WFD's requirements.



**Supported 6
election
observation
missions**

To further its digital ambitions, WFD launched a new, accessible and more engaging website, promoted a WFD learning portal for internal and external use, and continued to invest in its cyber security capabilities.

In consultation with representatives of the Public and Commercial Services

Union and staff, WFD's management developed a new operating model and completed a restructuring process to facilitate the transition to this new model in response to a lower than expected financial settlement from the spending

review, that required them to reduce staffing levels and close some offices. In accordance with good change management principles, this “reorganisation” phase will now be complemented by a “transition and strategise” phase and an “embedding” phase in the new financial year.

Priority 3: Position WFD for the future

During the period, WFD started work to review its existing Strategic Framework for 2017-22 and develop a new WFD Strategy for 2022-25. In addition, WFD engaged closely with the Foreign, Commonwealth and Development Office (FCDO) to develop an improved framework for its partnership with the FCDO and its Embassies and High Commissions around the world, building on the UK international policy objectives set out in the Integrated Review of Security, Defence, Development and Foreign Policy. This work will continue into the next reporting period.

Notwithstanding a challenging funding environment due to the fiscal constraints triggered by the Government’s decision to cap overseas development assistance (ODA) at 0.5% of GDP, detailed below, WFD had some successes in expanding its donor base, including with new UK FCDO Posts, USAID, and Global Affairs Canada. WFD also secured a new three-year core funding settlement from the UK Government for the period 2022 to 2025. However,

WFD's overall revenue in 2021-22 remained considerably lower than its pre-pandemic results and longer-term projections.

WFD made good strides to increase its profile and impact by playing a significant role at COP26, organising the Conference on Environmental Democracy, and contributing to the US-led Summit for Democracy.

Management of key risks

Over the period, WFD continued to operate an effective risk management system based on programme risk registers, cross-organisational risk registers, and a corporate risk register. During the period, WFD monitored eight strategic risks, adding a ninth risk related to the risk of losing key staff, notably due to funding uncertainty, the restructuring process, and the ongoing impacts of COVID-19.

Management reports on risk were regularly submitted to the Board of Governors, Audit and Risk Assurance Committee (ARC) and the FCDO. During the period, the Board and management focused their time and attention on two principal risks or uncertainties from the corporate risk register: short-, medium-, and long-term funding; and the safety and security of staff and partners.

The reduction in WFD's core and third party funding in 2021-22 due to the fiscal constraints caused by the pandemic response, as well as the change from 0.7% to

0.5% of GNI for Official Development Assistance, required WFD to close several offices in less strategically important locations, reduce activity budgets across the portfolio, and defer further investments in staffing, learning and development, and systems improvement. The uncertainty over WFD's medium-to-long-term position, now resolved following the Spending Review, created a challenging context for staff recruitment, retention and engagement. However, during the period, WFD secured a three-year core funding settlement for the period 2022-25. This new higher grant in aid replaces the previous combined grant in aid and core programme grant (Inclusive and Accountable Politics programme). The new grant in aid represents an increased core funding allocation than WFD received during the pandemic period, but remains lower than the total combined grant in aid and programme core funding received by WFD in the years leading up to the pandemic.

Managing our duty of care to staff has continued to be a high priority for WFD. During the period, WFD provided advice and support to staff



**Produced 253
studies, guides,
and other learning
products**

to help manage the impacts of COVID-19. In addition, with the support of its professional advisers, WFD provided enhanced and tailored risk assessment and security briefings to election observation or expert missions. Management also reviewed all local security plans and responded to changing and challenging security contexts, including in Ukraine.

WFD's research and policy leadership

WFD's research programme is building an evidence base for what works when it comes to strengthening democracy. Drawing on its experience working across parliaments, political parties, civil society, and elections, WFD's research also aims to improve the quality of the work the organisation, and its partners, undertake.

This year, WFD focused on developing the evidence base for doing development democratically, producing papers including an outline by Professor Heather Marquette of how to “do anti-corruption democratically” in poor and rich countries in ways that are politically informed.

WFD teamed up with the Netherlands Institute for Multiparty Democracy (NIMD) to launch a new website hosting joint research on the cost of running for, and staying in, elected office in different countries around the world. This provides a valuable resource for people who

agree that the cost of politics is a problem that impacts the overall strength and quality of democracy.

WFD's publication with the Foreign Policy Centre provided detailed analysis and practical ideas for how the UK can operationalise its renewed commitment to being a force for good in the world –defending openness, democracy, and human rights necessary for shaping the open international order of the future.

Themes in 2021–22

Pioneering the environmental democracy approach and responding to the climate crisis

The global environmental crisis and rising authoritarianism are two of the most pressing challenges we face. In 2021-22, WFD's programmes, research and policy advice contributed to tackling them both. Ahead of COP26, where WFD showcased the environmental democracy approach, WFD supported parliamentarians from Sub-Saharan Africa as they built their understanding of COP26 and examined progress on environmental goals in their countries.

After last year's official launch of WFD's environmental democracy programme, WFD has already seen some impressive results this year, which you can read about in this report. For example: working with the Climate Change Committee and Parliamentary Forum on Climate Change in

Uganda, [WFD's programme helped forge consensus to get a crucial climate bill passed](#) in the country. Meanwhile, WFD launched new environmental democracy programmes in **Indonesia** and **Georgia**.

2021-22 ended with WFD's flagship Conference on Environmental Democracy, produced in partnership with the National Democratic Institute and the World Resources Institute, which brought together over 300 people to discuss why our planet needs democracy. In 2022-23 and beyond, WFD looks forward to advancing a political and governance strategy on climate at a time when it is most needed.

Supporting women's leadership for better outcomes for women and girls – and everyone else

Women's political leadership is good for the whole of society, not to mention democratic integrity and resilience. That is why supporting women's equal political participation and leadership is a core part of what WFD does. This year, WFD published new research on the emergence of women political leaders and on their experiences of leadership, which informed its programmes.

WFD supported women's political leadership at local, regional and national levels across the globe, from the newest democracies like the transitional authority in the **Bangsamoro**, to more established ones like **Malaysia**,

where WFD worked with women to exercise their leadership in politics and public service. WFD has seen some wonderful results – from an individual level to a structural level: in **Uganda**, following training and mentoring organised by WFD, women MPs who had never spoken on the floor of parliament before raised issues including teenage pregnancy and harassment of opposition women leaders by security forces. In **Morocco**, after years of collaborating with the Equity and Parity Committee in their and others' advocacy efforts to increase women's representation, the electoral code was changed, seeing the highest number of women MPs ever elected in 2021.

WFD was delighted to end the year by launching a new programme to support women's leadership in the **ASEAN** region. Funded by Global Affairs Canada, the programme was announced by Prime Minister Justin Trudeau at the Summit for Democracy.

Supporting free and fair elections so that more people can have their say in how society is run

Through its electoral assignments – as well as the strategy paper on the future of UK election observation and electoral support work that WFD produced – WFD helped to deliver commitments made in the UK Government's 2021 Integrated Review of Security, Defence, Development and Foreign Policy (Integrated Review) to build UK

capability to support international election observation. On behalf of the United Kingdom, WFD recruited international election observers for OSCE observation missions to **Kyrgyzstan, Kazakhstan, Serbia and Hungary**, as well as training more than 50 observers. WFD also carried out observation and advisory missions directly.

WFD's Global Election Support Centre entered its second phase, providing expert advice and analysis on elections and/or electoral reform in **Zambia, the Occupied Palestinian Territories, Nepal, Kenya, Sri Lanka, Fiji and Somaliland**.

WFD also pioneered new approaches: its election observation mission to the presidential election in **The Gambia** conducted an in-depth analysis of the barriers that women, young and first-time candidates, persons with disabilities, and minority groups faced in participating in that election. It analysed media freedom and the impact of online and offline media coverage on the elections and the ability of all citizens to participate in the process. WFD also ran an advisory expert mission in the **Philippines** and conducted media analysis of the campaign environment and to what extent the elections are inclusive.

Working for openness and participation in democracies

By giving civil society and citizens a more direct role in setting policy agendas and shaping the public decisions that affect them, democratic institutions become stronger. In 2021-22 WFD helped countries to put participation at the heart of their democratic institutions. WFD worked with five parliaments to fulfil their commitments under the Open Government Partnership, including those in **Sierra Leone, Indonesia and Kyrgyzstan**.

In the **Bangsamoro** autonomous region in the southern Philippines, WFD facilitated the establishment of a coalition of 12 civil society organisations (CSOs) which have identified women-led priorities and a roadmap for further engagement on environmental and land rights issues. In the **Democratic Republic of the Congo (DRC)**, WFD developed the capacity of civil society organisations that monitor the Congolese parliament. In **Kyrgyzstan and Georgia**, WFD provided training on environmental openness for parliaments and civil society.

With WFD support, a coalition of civil society organisations under the Digital Transformation Network worked with the **Lebanese** Parliament's ICT committee to improve transparency and accountability through e-governance. The Digital Transformation Network's successes include

securing a recommendation that “technology” becomes a mandatory subject in schools.

WFD also produced a guide to deliberative democracy for Members of Parliament, laying out new and innovative ways to bring citizens to the heart of the decision-making process, and published a guide for increasing participation in environmental governance.



Worked with
835 members of
civil society
organisations

Helping decision makers include people so that everyone’s voice is heard and no one is held back

Where discrimination and inequality hinder societies’ ability to thrive, WFD is helping decision makers include people who are often overlooked so that everyone’s

voice is heard, and no one is held back. In 2021-22 its work on political inclusion focused on ensuring young people, people with disabilities (PWDs), women, LGBT+ people, and other intersectionally disadvantaged people have access to decision making. In this report, you will read about examples of the impact WFD is making – including embedding gender-responsive budgeting in **Malaysia**, helping political parties include people with disabilities in

Kenya, and tackling youth disengagement in the **Western Balkans**.

WFD works with Members of Parliament who look to build relationships with allies within their own parliament and with UK MPs to bring in legislation to better protect the rights of LGBT+ people. Alongside the Global Equality Project, WFD has implemented this work across five countries in Central Europe, understanding that peer-to-peer engagement provides a safe space for constructive engagement.

The Global Equality Project

A key programme in WFD's bid to make politics as inclusive as possible is the Global Equality Project (GEP). GEP expanded and built on the success of our 2020-21 project on equality in the Commonwealth.

Alongside the Kaleidoscope Trust, WFD worked in 18 countries and territories to help ensure women, LGBT+ people and other intersectionally disadvantaged groups can influence policy and law reform processes.

Achievements under the GEP included raising awareness of LGBT+ discrimination in **Sri Lanka** by taking films made under the Commonwealth Equality Project to audiences around the country; supporting the effective implementation of the Violence Against Persons Prohibition Act in **Nigeria** through analysis, network and relationship building; and

providing technical support for “inclusion champions” in the Parliament of Uganda which improved their capacity to review and propose policies that are inclusive.

WFD also commissioned and produced new research, including on LGBT+ people’s access to healthcare during the pandemic. WFD shared that knowledge, for example presenting to civil society on how to review laws and policies that affect LGBT+ people in Taiwan.

Helping parliaments and citizens hold political leaders to account on public spending and the impact of legislation

Embedding the practice of reviewing laws to assess their implementation and impact – a process known as post-legislative scrutiny (PLS) – was a common thread through WFD’s programmes this financial year. WFD worked to develop the capacity of parliaments to conduct PLS in countries including the **Democratic Republic of the Congo, Jordan, Pakistan, and Ukraine**. In many programmes, WFD took a thematic approach to PLS, helping review and assess laws from a gender or – in **Georgia and Indonesia** – a climate perspective.

WFD has helped build knowledge of accountability best practices across the world, for example conducting an advanced course on PLS in conjunction with the Institute of Advanced Legal Studies (IALS) at the University of London.

WFD developed and piloted new parliamentary and legislative indicators which measure how effective a parliament is in performing PLS and help parliaments consider options for improving, and also released new knowledge products including on scrutiny of sunset clauses, PLS of electoral campaign finance legislation, and civil society's role in PLS.

In a year when public debt continued to soar in response to crises, WFD developed a unique, free e-course for parliamentarians and MPs on public debt management and a public debt management toolkit for parliamentarians, both helping parliaments' oversight of public debt.

WFD conducted comparative analysis of the UK Bribery Act 2010 and anti-bribery legislation in Ukraine, Indonesia and Kenya, and launched the research with APNAC, the African Parliamentary Network Against Corruption and SEAPAC, the Southeast Asia Network of Parliamentarians Against Corruption (Indonesia). WFD published new thinking on doing anti-corruption democratically and anti-corruption and gender. WFD led expert roundtables on parliamentary oversight and anti-corruption in Bangsamoro and produced a series of "corruption conversations" on anti-corruption related to gender, citizens' engagement, legislative review, environment and the UN General Assembly Special Session (UNGASS) on corruption.

WFD programmes in 2021–22

Eurasia

The illegal invasion of **Ukraine** is devastating, and the consequences will be far reaching. Ukraine has been on a journey strengthening its democracy for the good of its people and WFD has been proud to have provided support along this road. Over the past years, WFD's work focused on helping the Verkhovna Rada of Ukraine (parliament) to strengthen its role in scrutinising government, improving accountability for legislative and financial matters, and making society more inclusive of women and underrepresented groups. WFD will continue to work to uphold democracy in Ukraine by supporting the Verkhovna Rada and other democratic actors.

In 2021, WFD worked with three parliamentary committees to improve their capacities for post-legislative scrutiny. The Devolution Committee's Call for Evidence received more than 1,000 responses, which were discussed at a committee meeting and shared with government representatives who were present. Despite the outbreak of the war, WFD is continuing to work with parliament on a range of initiatives, including post-legislative scrutiny, improving support to law drafting, full policy cycle, hybrid and online procedures and co-operation between parliament and the government.

Under the EU Media Dialogue programme, WFD delivered a campaign against the use of hate speech in elections in **Kyrgyzstan**. Political parties included points discussed at WFD activities in the cross-party memorandum on holding elections within the law. WFD also delivered training workshops on preventing and combating the use of hate speech for youth and civic activists across the country.

WFD's new environmental democracy programme in **Georgia** has already helped catalyse conversations between government, parliament, CSOs and local authorities. A major achievement was better co-ordination and co-operation between stakeholders. For example, the Committee on Environmental Protection and Natural Resources and the Committee on Sectoral Economy and Economic Policy jointly launched a thematic inquiry on decarbonisation. WFD also worked with the Parliament of Georgia as it built its ability to conduct post-legislative scrutiny and supported the Georgian legislature to improve its functioning in emergency situations.

WFD organised a series of roundtable meetings for MPs in **Bulgaria, Romania, Czech Republic, Slovakia and Croatia** to discuss how to improve the protection of LGBT+ rights. Attendees had the opportunity to hear from UK MPs and exchange experiences on challenges they faced and

how to overcome them, as well as to agree on legislative priorities for the protection of LGBT+ rights.

Western Balkans

Through the Western Balkans Democracy Initiative and by convening the Human Rights and Gender Network of MPs (**HUGEN**), WFD has helped to make political systems in the region more accountable and more inclusive of people who are disenfranchised – especially women, young people and people with disabilities.

WFD worked across the Western Balkans to bolster the political participation and representation of young people, building on its research about the drivers of youth disengagement. From working with youth leaders of **Albania's** and **North Macedonia's** political parties to build their communication and debate skills, to supporting the engagement of young MPs with issues affecting young people, WFD has helped decision makers hear the voices of young people. Half of the participants of the Debating Academy in North Macedonia were candidates for municipal councillors, out of whom three were elected.

Women's political leadership and participation are key to democratic strength and this has once again been one of WFD's key focuses in the region. In **Bosnia and Herzegovina**, this year the "More than a Quota" mentorship and networking programme brought together

40 women leaders across eight political parties at all levels of politics to build their skills and relationships, providing training on topics from personal branding to campaign strategies. Thanks to the participants, as of next year, registration of small businesses will be free in the Tuzla Canton – just one example of the local impact of women’s leadership. In **Montenegro**, the team provided an intensive training programme on strategic planning for women’s forums in political parties and in **Albania** WFD assisted women to monitor media coverage of issues related to women and girls around the 2021 elections

In **North Macedonia**, WFD worked on supporting persons with disabilities to actively participate in decision-making processes on the local and state level alike. For the first time people with disabilities actively monitored elections and some also ran for office in the local and general elections. To help educate **Serbian** youth on democratic processes, civic activism, and the elections, WFD developed video material available to all Serbian high school students within the Popular Democracy project with the Faculty of Political Sciences in Belgrade. This material will be used by teachers across the country in introducing first-time voters to the electoral process and their civic rights. In 2021, WFD helped the Serbian Parliament to form

the first COVID-19 Emergency Response Parliamentary Subcommittee in the region.

Through the HUGEN programme, WFD continued to work to improve the legal framework for human rights in the Western Balkans by monitoring the implementation of official human rights recommendations from Ombudsperson institutions in the Western Balkans. WFD also enabled MPs to better hold their governments' human rights records to account and assess the gendered impact of laws and policies by training them in post-legislative scrutiny. WFD brought together more than 50 participants at its regional conference on Inclusive Policies for Roma to discuss ways to increase Roma participation in public institutions.

WFD's work building transparency and accountability saw the team in **Albania** work with civil society advocates in the health and environment sectors, supporting them to monitor the health state budget and environmental legislation and actively engage with key state institutions. Following WFD's support for the Parliamentary Budget Office (PBO) of the Parliament of the Republic of **North Macedonia**, the team was glad to see the launch of its website, making its analysis available to MPs and members of the public alike. The PBO has significantly contributed to the increase of the quality of the debate on the state

budget, where MPs actively used and referenced PBO analysis in their addresses. In **Montenegro** and North Macedonia, WFD has supported the State Audit Institutions to improve the communication tools for their analysis which are now becoming increasingly present in the media and public debate on public spending and financial accountability.

At the close of the financial year, through the fellowship programme with the British Embassy in Sarajevo, WFD shared UK experiences with community leaders from the Bosnian city of Mostar and their counterparts in Derry/Londonderry. Bringing together those leaders in Derry/Londonderry at the close of the year was a particular highlight, showing first-hand how improving community relations cannot be achieved with symbolic bridges alone.

Asia

In 2021-22, WFD's programme portfolio in Asia expanded to include a new environmental democracy project in **Indonesia**, which focuses on strengthening the roles of the Indonesian Parliament in raising the ambition of Indonesia's climate action commitments and delivery of the Nationally Determined Contribution (NDC) targets. WFD established a new programming presence in Taipei which is helping to build a nuanced evidence base and key peer partnerships to support democratic resilience in **Taiwan** for

future, longer-term programming. In March 2022, WFD launched a new programme to support women's political leadership and participation across the Association of Southeast Asian Nations (**ASEAN**) region.

WFD's team in **Indonesia** also worked with the Indonesian House of Representatives (DPR) to strengthen scrutiny of government performance and build more open, responsive democratic institutions which engage civil society. The team is building on momentum developed by the 2021 Open Government Partnership Global Summit in December and is working closely with the Open Parliament Initiative Secretariat to enhance transparency, engage in community dialogue and consolidate the roles of civil society stakeholders.

Following the coup which ended democratic government in **Myanmar** and the closure of the programme there, WFD initiated inclusive discussions with young leaders, civil society organisations in the region and other democratic actors to support the building of a practical vision for a peaceful, democratic and inclusive Myanmar. 61 democratic actors and young leaders of Myanmar took part and WFD contributed to their knowledge and understanding of the federalist political landscape and dynamic. WFD also initiated an independent monitoring

group among these actors, where they share situation reports in their respective regions.

The **Laos** office supported the staff and members of the National Assembly and People's Provincial Assemblies (local government) to review and develop good quality legislation and operate in a more participatory way that takes account of the diverse experiences of Laos' citizens. The team shared international experience and UK expertise in post-legislative scrutiny (PLS) and introduced the parliament to PLS that examines consequences for different genders of laws and policies. WFD shared international examples and practices on gender-responsive budgeting and how it is integrated throughout the budget cycle, and helped review and provide recommendations on a draft amended law on petitions that aims to better respond to citizens' needs.

In the **Bangsamoro** Autonomous Region in Muslim Mindanao, WFD entered the second phase of its programme to support the new democracy in the autonomous region of the southern Philippines. This work helped ensure policymaking is evidence-based, bolstered the participation of women, and encouraged public engagement and participation. WFD equipped new MPs, parliamentary staff, women and civil society organisations with more communication, advocacy and policymaking

skills. The team also worked with political party leaders to share expertise on developing a political party for the newly-created Bangsamoro parliamentary government and with the gender and development network to ensure legislation in the new democracy is gender-sensitive.

WFD **Malaysia** worked closely with Malaysian civil society, women MPs, the Finance Ministry and the Ministry of Women, Family and Community Development to integrate gender-responsive budgeting in their work. It was great to see the Finance Minister acknowledge the importance of this approach in recent statements to the parliament. And, in its Budget in late 2021, the Malaysian Finance Ministry allocated funds for data management, with gender-responsive budgeting specifically mentioned.

WFD's programme in **Pakistan** has continued to support the innovative mechanisms for participation and scrutiny that it helped put in place last year: the National Assembly's Committee on Climate Change set up an advisory body comprising civil society and academia, and the team has continued to support the ongoing relationship and engagement between the two. This year, WFD has successfully engaged with all the provincial committees relating to environment and climate change and begun improving their capacities and their relationships with the National Assembly's committee.

In **Sri Lanka**, the team worked through a multi-party parliamentary mechanism to deepen parliamentarians' and officials' awareness of good practices in parliamentary oversight of national security policy and law. WFD Sri Lanka also convened stakeholders and disseminated resources aimed at building more inclusive societies. This included a survey of social attitudes towards the LGBT+ community in Sri Lanka, a gap analysis of the legal and policy framework pertaining to same-sex intimacy and LGBT+ persons, and four short films highlighting LGBT+ stories and experiences which were disseminated to key sectoral and policy stakeholders. This year, the team also delivered on key events for parliamentary Presiding Officers (Speaker's Panel of MPs). With several elections on the horizon, WFD commissioned an election-specific political economy analysis and facilitated a roundtable discussion on ways to improve women's political participation and leadership.

WFD **Maldives** worked closely with the Maldivian Parliament, providing technical expertise in the national security inquiry, and support for committees on strengthening post-legislative scrutiny and with civil society organisations and media to provide information on COP26. In conjunction with McGill University in Canada, WFD developed and implemented an e-course on oversight and

scrutiny which strengthened parliamentary oversight of government action related to gender, human rights, climate change and corruption.

WFD brought a delegation of women MPs from **Nepal** to the UK to share their experiences of leadership with their UK counterparts as well as to compare approaches to constituency outreach. This was the culmination of another year of work with women MPs in the country, through which WFD supported skill-building and knowledge exchange. WFD also continued to build a practice of post-legislative scrutiny among Nepalese legislators, introducing MPs and parliamentary staff to the approach and providing specialised knowledge through an advanced course on PLS delivered by the Institute of Advanced Legal Studies, University of London.

Latin America

WFD delivered a short-term project to promote informal dialogue and collaboration between MPs in **Ecuador** this year. The project aimed to support the establishment of informal mechanisms or groups that would bring together MPs from across the political spectrum; and aimed to build their knowledge and understanding of core issues relating to climate change – especially around the COP26 summit.

WFD also engaged with local and regional NGOs, faith leaders, journalists and other civil society actors across

four regions of **Venezuela** to assess the complex environment and the protracted governance and humanitarian issues and needs. This consultation further explored the capacities, priorities and needs of the civil society organisations to sustain operations and adequately and effectively support their local communities.

Sub-Saharan Africa

WFD's programmes in Sub-Saharan Africa continued to promote openness and accountability in governance, greater citizen participation, new environmental democracy approaches, and the political inclusion of women and disenfranchised groups.

In **Kenya**, WFD began its work with seven County Assemblies to strengthen the effectiveness of Kenya's devolution process. As co-implementing partners of the ACT!-led Kenya Devolution Programme (KDP), funded by the FCDO, WFD is helping realise effective county planning, public finance management, and staff performance by building the capacities of County Budget, Departmental and Oversight committees, as well as providing customised technical guidance and support to these committees. WFD Kenya has also continued to work with the Kenyan Senate and through partnerships with parliamentary and civic networks such as the Kenyan Chapter of the African Parliamentarians Network Against

Corruption (APNAC) and the WFD-initiated Civil Society Parliamentary Engagement Network (CSPEN) to work on strategic amendments to key bills, such as the Anti-Money Laundering Bill. This has helped ensure parliament is more open, accountable, and transparent and that legislation is more responsive and robust. WFD has also worked with the Senate through the co-creation process of the delivery of Open Government Partnership commitments under the National Action Plan (NAP IV). This has resulted in the Parliament of Kenya setting up a technical steering committee to lead this together with civil society organisations.

WFD's work with Kenyan political parties funded by Demo Finland helped ensure people with disabilities are included in political party governing committees, and helped to remove barriers so they can actively engage in the contestation of elections ahead of the Kenyan general elections in the summer of 2022. Six of Kenya's political parties launched Disability Leagues during the last year.

In **Uganda**, WFD continued promoting quality representation and inclusion of both youth and women through our Inclusive and Accountable Politics (IAP) programme. In partnership with UN Women and the Uganda Women Parliamentary Association (UWOPA), WFD mentored new women MPs, providing them with an

opportunity to learn from experienced women leaders on how they can effectively conduct their duties in parliament, especially when championing women's and youth issues.

WFD also worked with Ugandan political and community leaders to raise the social, human rights, equality, and economic implications of the sharp rise in teenage pregnancies under the COVID-19 pandemic. The initiative has led to policy changes in the support and services offered to these young women and girls and has also made notable gains in shifting normative perceptions around teenage pregnancy.

In **Sierra Leone**, WFD continued supporting the country's Parliament on its Open Government Partnership (OGP) work. The team was delighted that in the last National Action Plan (NAP III), the Parliament achieved its highest scores (81%) on its open parliament commitment milestones. As part of this work, WFD supported the upgrading and implementation of the Parliamentary Mobile App, which allows citizens an easy way to find out about and engage with what is going on in Parliament.

In a period that saw presidential elections take place in **The Gambia**, WFD continued to work with the country's National Assembly. This involved organising training on management and leadership for the National Assembly Inter-Departmental Research and Information Group

(NAIDRIG). Training for the Petitions Committee, and support for its public forum, helped raise awareness about the Petition Committee's work and procedures – and how citizens can communicate with their representatives. WFD also supported the National Assembly to host the first-ever National Assembly Day, which brought the Assembly closer to the people.

In addition to achievements in **Nigeria** under the Global Equality Project, the Nigerian team ran a post-legislative scrutiny (PLS) academy, tailor-made for the National Assembly (NASS) of Nigeria which deepened the knowledge and practice of PLS in Nigeria's law-making process. WFD also conducted Serialised Policy Dialogues on topical national issues, reflecting the voice and positions of young people and women. The team also generated policy briefs from the dialogues, including the important debate on the Electoral Bill, 2022. These were submitted to relevant committees of the National Assembly to improve policy processes and provisions for inclusive participation.

Through the FCDO-funded Strengthening Democratic Accountability in **Democratic Republic of the Congo (DRC)** programme, WFD engaged with select committees in DRC's Parliament and with parliamentary-focused CSOs. The six-month programme delivered post-legislative scrutiny (PLS) training and virtual visits for the Commission

de Suivi, the Human Rights Committee, and parliamentary-focused CSOs to exchange knowledge with committees and parliamentary monitoring organisations (PMOs) in Kenya and elsewhere and share UK expertise.

Middle East and North Africa

In the Middle East and North Africa, WFD has collaborated with and supported the **Arab Women Organization (AWO)** and the **Coalition of Women MPs from Arab Countries to Combat Violence against Women**. Together with the AWO, WFD developed a template guiding election observation from a gender perspective in the Arab region. WFD convened exchanges and discussions on opportunities and challenges facing women's electoral success in North Africa, the Levant and the Gulf in partnership with the Coalition, and facilitated conversations between the Coalition and Algerian women MPs to share strategies for influencing the policy agenda on complex or challenging issues such as violence against women and girls.

In **Morocco**, this year WFD worked with civil society organisations to equip them with the knowledge and skills they need to effectively engage with parliament and ensure citizens feed into policymaking. The team also worked with women MPs in the country to strengthen their role in decision making within parliament. This year also saw

success from WFD's work in previous years as the organic laws on Motions and Petitions were reformed in line with amendments WFD had proposed. The reformed laws will make it easier for citizens to get their views heard.

WFD's long-standing work with the Parliament of **Lebanon** led to the legislative body undertaking its first ever public hearing. It was led by the Women and Children Committee and focused on the economic security of women in the country, with a focus on the consequences of multiple crises including COVID-19, economic collapse, the Beirut port blast of August 2020, and the position of marginalised groups such as women with disabilities. With WFD support, a coalition of civil society organisations under the Digital Transformation Network worked with the Lebanese Parliament's ICT committee to improve transparency and accountability through e-governance. The Digital Transformation Network's successes include getting the Parliament to pass a law enshrining their recommendation that "technology" becomes a mandatory subject in schools. Meanwhile, with WFD support, the Parliament's Human Rights Committee drafted a law to amend degrading language in Lebanese legal texts based on the findings of WFD analysis.

WFD's co-operation with the Parliament of **Algeria** focused on supporting the effective operation of the Parliament

following the 2021 elections: WFD provided, in collaboration with the Parliament, an induction and orientation guide for newly elected MPs and delivered professional development workshops focused on exchange of experience with senior parliamentary staff to progress their knowledge and skills in relation to transparency in procurement processes. WFD also collaborated with the Parliament as it improves its citizen outreach and communication, including sharing the experience of the BBC Parliament channel.

WFD's work with the House of Representatives in **Jordan** focused on strengthening legislative and financial oversight within the Parliament. WFD worked with the Human Rights and Public Freedoms committee to strengthen members' knowledge of post-legislative scrutiny and built women MPs' understanding and skills in parliamentary oversight. In addition, WFD provided technical support and advice to the Finance Committee at the House of Representatives and contributed to developing their final report which was the basis for budgetary discussions between the House of Representatives and the government. Leveraging its close relationship with the UK Parliament, WFD brought together MPs and parliamentary staff from the UK House of Commons with Jordanian MPs and external experts to share experiences and learning on issues of budget

scrutiny, oversight of public financial management and post-legislative scrutiny.

In **Tunisia**, in response to political developments in July 2021, including the freezing of the powers of Parliament, WFD reoriented its programme to focus on supporting a coalition of 18 civil society organisations working to strengthen transparency and accountability in the field of energy and mining. The coalition led efforts aiming to get Tunisia to sign up to the Extractive Industries Transparency Initiative (EITI) through the development of policy briefs and by convening key stakeholders – government, private sector companies and CSO representatives – to collectively drive forward this work.

WFD undertook research examining the barriers to women’s electoral success in **Kuwait** and on the role of technology and the shift to online campaigning in the run up to the 2020 elections. The research findings helped identify potential pathways of change to strengthen women’s political participation and leadership in the country.

The Conservative WFD Programme

The Conservative WFD Programme continued to strengthen democratic governance in Africa and the Caribbean by providing a platform for like-minded parties to share information, experience, skills, and ideas, and to

upskill parties with the skills they need to be a strong opposition or to govern.

In 2021-22, the Conservative WFD Programme continued to build upon its legacy of increasing women's political leadership: in the Caribbean, the 2020 election saw the Jamaica Labour Party (JLP) field its highest number of women candidates in a general election, following party-to-party best practice exchanges between the Conservatives and JLP. It was wonderful to see a record-breaking number of women elected. Following this success, throughout 2021-22 the Conservatives' party-to-party programme facilitated training to upskill newly elected MPs, ensuring they are equipped to function as legislators and have the tools to provide a high standard of representation to their constituents.

The Most Hon. Andrew Holness – Jamaican Prime Minister – spoke about the benefits of the training in the Parliament of Jamaica and credited the party-to-party relationship and Conservative programming as fundamental to upskilling newly elected women MPs.

“As a result [of the training] you will see a lifting of the tide of Governance in the Caribbean. You will see stronger political parties, better representation, better governance because of the effort of all who participated.”

The Conservative WFD Programme has also been making strides in sharing party-to-party best practice on research and policy development. In Malawi, following exchanges with the ruling party, a series of pledges to combat the impact of waste management, deforestation and clean cooking oil in were announced. This included a pledge to ban the production, use and possession of all plastic material and charcoal.

Furthermore, the Conservative WFD Programme also shared best practices on policy and research support to the governing party in Ghana. Following this training, the party drafted a new framework on how to keep their opposition accountable and how to fight misinformation with facts.

The Labour WFD Programme

In 2021-22, the Labour WFD Programme continued to work closely with centre-left and social democratic partners in Africa, the Middle East and North Africa region and the Western Balkans, launching a series of new programmes.

The Labour WFD Programme utilised the Labour Party's extensive experience of implementing legislation in government and campaigning on environmental issues in opposition to help tackle the international climate change crisis, built understanding of climate legislation in the countries the programme is active in, and hosted

roundtables with representatives from sister parties and senior Labour Party politicians to identify areas for support.

A new Labour WFD Programme on inclusion and inequalities brought facilitated cooperation and dialogue around LGBT+ rights in Southeast Europe. The programme supported partners in Bosnia and Herzegovina as they undertook research on the impact of economic inequalities and developed policy solutions ahead of the next elections.

The Labour WFD Programme continued to work with key partners in Ukraine, Jordan, and Botswana to develop party capacity when it comes to developing policy, implementing new election campaign methods, and responding to voter priorities ahead of upcoming elections.

The programme's work on youth political participation in the Southeast Europe region has been strengthened, with new partners in Armenia delivering key training for young people on campaigning, communications, and policy.

Alongside the continuation of a dedicated political academy for young activists in Montenegro, the Labour WFD Programme's work in this area shows the important role that political parties play in engaging young people and promoting democratic values.

Finally, the programme has been pleased to continue to work closely with both the Women's Academy for Africa (WAFA) and the Tha'era Arab Women's Network, key

partners in the programme's work on women's political participation. To mark ten years of Tha'era, the Labour WFD Programme is providing an extensive overview of its key achievements since 2011, including its recent work to highlight the impact of gender-based violence in the Arab states during the pandemic, while looking ahead at how the network can continue to grow in the future.

The Scottish National Party WFD Programme

The SNP WFD Programme began implementing a new environmental democracy project in Pakistan to work with the Standing Committee on Climate Change, supporting a local expert to provide training on post-legislative scrutiny. This will be the first time PLS is conducted in the Pakistani Parliament, with lessons to be shared with other committees and countries.

Supported by the SNP WFD Programme, the Arab Women Parliamentarians' Network for Equality (Ra'edat) rose in prominence this year, growing its regional network of partners. Greater numbers of women from more diverse backgrounds were engaged, and the Network began working with more municipal councillors and civil society activists, rather than exclusively national-level parliamentarians. The SNP WFD Programme conducted trainings and helped the network encourage more young women to participate.

In Malawi, the programme's work with the Parliamentary Women's Caucus continued, supporting the development of a four-year strategic plan which provides a clear roadmap for the country to achieve gender-related targets on girls' education, women's economic empowerment, gender-based violence, and women's political participation. The programme's main projects included a gender budget analysis and developing and disseminating a country specific stakeholder mapping tool for female parliamentarians in Malawi to maximise their advocacy and lobbying efforts. The data collected from this tool will be uploaded to each member's "constituency dashboard", which will allow each member to have up-to-date and easily accessible information and data regarding their constituency.

Through collaborations with the 50:50 Campaign, we have been able to ensure that the Parliamentary Women's Caucus is actively involved in the electoral reform process, and especially, discussions around the Gender Quota Proposal. The WFD SNP programme has also been able to ensure that the Parliamentary Women's Caucus is consulted on the gender quota proposal and is able to pose queries when necessary.

A Media Monitoring Report was also developed through conducting media content analysis to identify policy frames

and discourse commonly used when reporting on female MPs. This has helped the team to further assess and determine the type of media and visibility support that would be most beneficial to Caucus members.

Constituency visits have also been made to assess alternate modes of engagement, message delivery, and various interventions to maximise the effectiveness and impact of the community engagement activity have taken place.

WFD's Multi-Party Office

WFD's Multi-Party Office (MPO) works with the UK's smaller political parties represented in the Westminster Parliament on programmes that promote political pluralism.

The MPO continued to partner with the Africa Liberal Network to strengthen the representation of women within African liberal political parties, institutions, and the network's leadership. The Office has worked with nine African political party leaders and a network of researchers around the world to produce several studies on the candidate selection processes within political parties. Often known as “the secret garden of political parties”, this innovative research about how women are affected by selection processes has been presented at several international conferences.

Working with experts from the Liberal Democrats, the MPO has trained candidates from nine different countries. Following these trainings, participants were elected to national office and senior leadership positions in their political parties or selected as candidates for upcoming elections.

The MPO worked closely with small Green parties in the Western Balkans and East Africa to build their capacity to offer a viable alternative for citizens, through providing a policy framework rooted in environmentalism, inclusivity and grassroots democracy. The Young Greens of England and Wales supported the Green Academy Kenya, a youth programme to encourage activism and political participation outside a system dominated by larger parties and ethnic divisions. The programme provides a safe space for young people to develop their own political ideology, including a forum to discuss LGBT+ issues.

In the Western Balkans, the MPO facilitated a peer learning exchange between local Green party councillors from the UK and councillors in Kosovo, Montenegro, Albania, North Macedonia, and Bosnia and Herzegovina to discuss policies on waste management, energy transition, and mobility and green transport.

COVID-19

During the period, WFD did not receive any funding from HM Treasury earmarked for COVID-19 specific internal or external activities, nor did WFD operate any COVID-19 support schemes. WFD continued to experience a range of impacts due to COVID-19 during the period, including the temporary loss of staff capacity due to illness or isolation; periodic changes in public health regulations and guidance in the locations in which WFD operates around the world affecting offices and events/activities; and the restrictions and costs associated with international travel during the pandemic. WFD's operating model of delivering country-level programming through country-based or locally hired staff, together with extensive use of digital delivery methods, helped WFD to reduce the impact of COVID-19 disruption.

WFD allocated a small amount of its core funding to provide limited remote working support to its non-UK staff for reasons of COVID-19. This amounted to less than £8,000 over the year and was used to purchase home-working equipment or secure access to reliable connectivity/electricity supplies for staff forced to work from home due to COVID-19. UK staff transitioned to an agile working model, which reflected a longer-term, rather than a temporary COVID-19 related adjustment to the workplace

of individual staff members. As such, no core funding was allocated to provide remote working support for UK staff for reasons of COVID-19.

EU exit

During the period, WFD did not receive any funding from HM Treasury earmarked for European Union-Exit related expenditure. WFD has experienced some impact due to the UK exit from the EU, not least an ineligibility to access the full range of EU funding instruments and a heightened risk associated with recruiting staff with the required skills, experience and competencies now that free movement of workers across the EU has come to an end.

Equality and diversity

WFD continued to have due regard to the three aims of the public sector equality duty under the Equality Act 2010 (the Act). Through promoting its Code of Conduct and Safeguarding Policy, supported by a new safeguarding e-learning course for staff and partners and robust contractual frameworks with suppliers, partners, and consultants, WFD dedicated considerable efforts to eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act. The nature of WFD's political inclusion work, notably around women's political participation and leadership,

persons with disabilities, LGBT+, and young people, promotes advancement of equality of opportunity and the fostering of good relations.

Environmental impact

WFD is committed to ensuring all aspects of its work in the UK and overseas are managed sustainably. Across our offices we address our environmental impact across three main areas: energy management, waste management, and transport. We will continue to work towards improving our environmental performance, careful use of resources, and minimising adverse environmental impact. WFD is committed to complying with all applicable UK and local environmental legislation.

In the UK, although WFD is not subject to the Government's Greening Government Commitments, WFD is co-located with other Government agencies and public bodies on the civil estate which is working towards the net zero targets. WFD encourages energy efficiency and encourages and provides facilities for recycling waste. Compared to pre-pandemic levels of international travel, WFD estimates that international travel by air has decreased by about 90% resulting in a significantly reduced carbon footprint. During the reporting period, WFD introduced a new Safe and Sustainable Travel Policy to establish a policy principle that, as we transition out of the

pandemic, international travel should only be undertaken where it is “necessary” and carried out in a way that is “environmentally-aware.” The policy also sets out some guidance to encourage the greenest method of travel is booked, which is supplemented by arrangements agreed with and enforced by our travel management company, Key Travel.

WFD’s plans

WFD has adopted a new set of three priorities for the next reporting period:

1. Change how we work and continue to deliver quality programming

In 2022-23, WFD will implement the new operating model and focus our people and funding on “doing development democratically” in priority locations, including Ukraine. WFD also plans to manage the strategic expansion of our work to include innovations in civil society engagement and equality programming, lead research on political trust, and continue our skilled engagement in elections.

2. Manage our resources more effectively and efficiently

In 2022-23, WFD will take action to strengthen our finance-related capabilities. We will also clarify responsibilities and improve the speed and effectiveness of decision making.

As part of our commitment to continuous improvement, we will review and carry out targeted work to improve the efficiency of our systems and processes. In addition, WFD will increase the level of proactive support to our international network, including through expanded business partnering across key functional areas.

3. Build a broader network of support for our agenda

In 2022-23, WFD intends to launch its new multi-year strategy. The new WFD strategy, once launched later in 2022, is expected to include a renewed vision and mission, a refreshed theory of change, and a new results framework and set of strategic objectives. We will also deliver a campaign to celebrate WFD's 30th anniversary, and accelerate growth in third party, non-HM Government revenue, which may again be challenging in 2022-23 due to the rapid reprioritisation of resources due to the situation in Ukraine.

Finance review

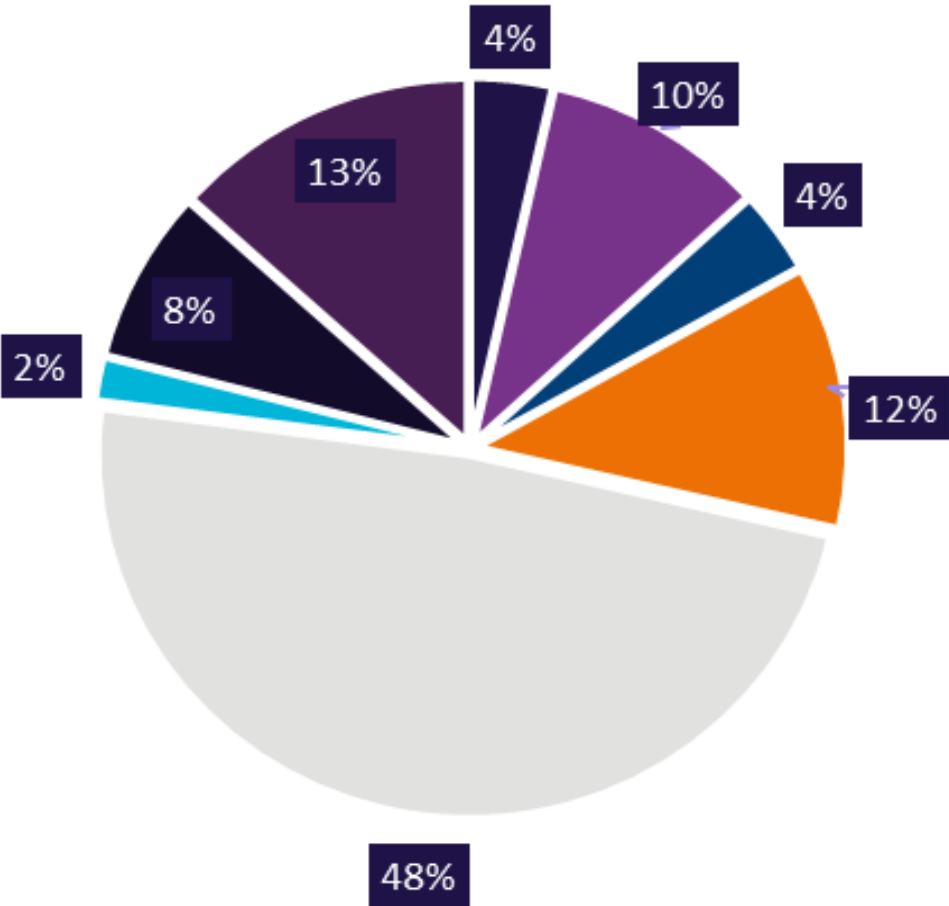
Income

WFD received total income of £8.25million in 2021-22 from the following sources:

- Inclusive and Accountable Politics grant from FCDO – £0.8 million
- third party funding, including from the European Union, Conflict, Stability and Security Fund (CSSF) and other FCDO funding – £7.5 million (see chart below).

A full breakdown is included in this report. The income breakdown is also shown in the chart below.

Income £8.25million



- European Union (EU)
- FCDO Myanmar
- OTHER UK GOVT
- Global Equality Project
- Inclusive and Accountable Politics (IAP)
- Other FCDO
- UK PACT
- Third Party

UK Government – Cross-Government Funds

UK Government funding from the Conflict, Stability and Security Fund (CSSF) provided an income of £3.99 million in 2021-22. This supported WFD programmes in Jordan, the Philippines, Kyrgyzstan, Maldives, Palestinian Territories, amongst other places. UK Government funding of £0.6 million was also received for the Global Equality Project (GEP).

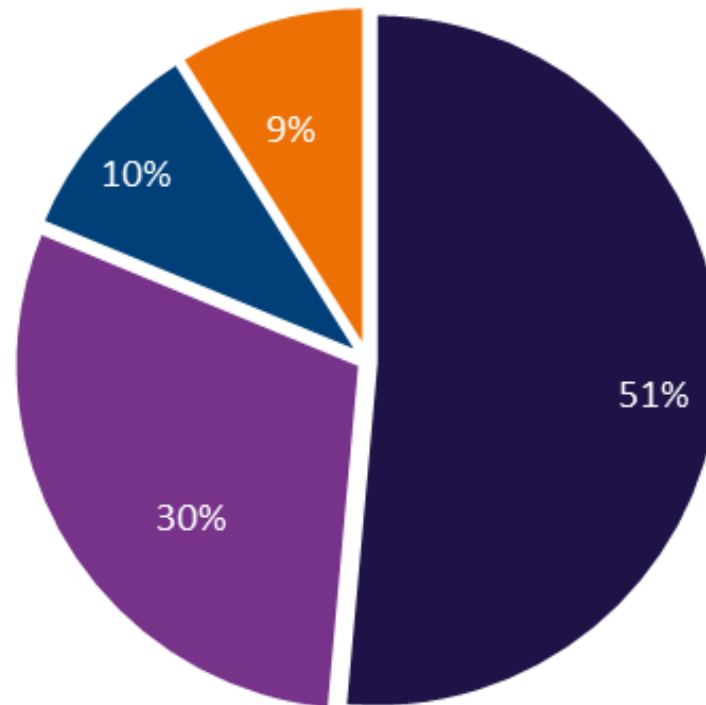
Other funding

Other funding of £3.6 million includes EU grants of £0.3 million, UK PACT £0.16 million, Inclusion and Accountable politics (IAP) £0.8 million, third-party funding of £1.1 million (of which 33% was from the UNDP, 14% from embassies, 12% from Demo Finland and 41% from other sources), £1.3 million was also received in 2021-22, to support different programmes.

Expenditure

WFD had a total expenditure of £12.6 million in 2021-22 across parliamentary and integrated programmes, political party programmes, staff costs and other operating costs.

Expenditure £12.6 million



- Parliamentary and Integrated
- Staff costs
- Political Parties
- Other Operating costs

Programmes implemented directly by WFD

Parliamentary and integrated project costs are those directly related to WFD programming, including all WFD staff working in offices based outside the UK. Direct programmes spend for 2021-22 was £6.6 million 51%, (2020-21: £8.2 million 57%).

UK political party international programmes and offices funded by WFD

Political party programmes and offices (PPO) receive an allocation of the grant-in-aid (GIA) received from FCDO. PPO funding made available in 2021-22 was £1.2 million (2020-21: £1.8 million). The reduction in PPO funding was in line with the reduction of GIA funding receivable by WFD.

Staff costs

Staff costs relate to UK-based WFD staff in 2021-22. WFD employed (on average) 56 permanent full-time equivalent staff in the UK (2020-21: 49.4). This increase was due to the addition of resources to the Technical Advisory Unit (TAU) to strengthen WFD's work on inclusion and environmental democracy and to the absorption of the Multi-Party Office.

The majority of UK staff (33 in 2021-22 and 32.5 in 2020-21) are directly responsible for the design, management,

delivery, and monitoring of programmes and for managing local and UK partnerships. The remaining staff were employed in Finance, Human Resources, Operations, and Communications and External Affairs. UK staff also include the Leadership Team. Local staff who are located overseas are deemed to be direct programme costs and thereby accounted for in this manner.

Staff costs totalled £3.7 million in 2021-22 (2020-21: £3.5 million).

Financial position and liquidity

Total net assets increased by £0.2 million to £1.2 million on 31 March 2022.

The increase in net assets is partly due to the reduced programme activity during the year, because of the pandemic. During the year, WFD cash and cash equivalents were reduced by £1.1 million to £1.2 million at 31 March 2022 (2021: £2.3 million). Please see the Statement of Cash Flows in the Financial Statements for further analysis.

In March 2022, FCDO confirmed a core grant of £6.5 million per annum for the next three years – 2022-23, 2023-24 and 2024-25. Budgets for the next three years have been based on the advised funding.

Note 1.3 gives WFD's assessment of going concern.

Regularity of expenditure

In spending public money, WFD complies by the principles of HM Treasury's Managing Public Money (MPM). All WFD expenditure and underlying transactions comply with those principles.

Creditors

WFD adheres to the UK Government-wide standard on bill paying, which is to settle all valid bills within 30 days. Whenever possible, WFD will settle valid bills within supplier payment terms, if earlier. In 2021-22, the average time taken to pay invoices was 17 calendar days (2020-21: 12.5 calendar days). 96% of undisputed invoices were paid within the agreed credit terms. The proportion of the aggregate amount owed to trade creditors at the year-end compared with the aggregate amount invoiced by suppliers during the year was equivalent to 36.8 days (2021: 37.6 days).



On behalf of the Board

Anthony Smith, Chief Executive and Accounting Officer

6th October 2022

Directors' report

The purpose of the corporate governance report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of its objectives.

Board of Governors

The Governors who served on the Board of the Westminster Foundation for Democracy Limited during the year ending 31 March 2022 and who were Directors under the Companies Act 2006 were:

Board member	Appointment in the year	Resignation in the year	Appointment ends
Rushanara Ali MP (Vice Chair)		30-Jan-22	
Mark Babington			23-Oct-24
Richard Graham MP (Chair)			22-Apr-24

Harriet Harman MP	22-Apr-21	08-Feb-22	
Thomas Hughes			24-Apr-23
Susan English (Vice Chair)			24-Apr-23
Christine Jardine MP			28-Feb-23
Joyti Mackintosh (ex-officio)		30-Jul-21	
Rt Hon Maria Miller MP			4-Nov-23
Brendan O'Hara MP	22-Apr-21		21-Apr-24

Anthony Smith (ex-officio)			N/A
Simon Walker			6-Jun-22

The office of Company Secretary continued to be held by Christopher Lane, who was appointed on 29 November 2018.

WFD's Finance Director, Femi Otukoya, attended relevant meetings of the Board and Audit and Risk Assurance Committee since her appointment in September 2021, taking over from Joyti Mackintosh, but was only formally appointed as an executive, ex-officio Board member by ministers after the reporting period on 28 July 2022.

All Board members and senior managers are required to declare any interests they may have to enable possible conflicts to be managed. No Board member holds company directorships or has other significant interests which may conflict with their responsibilities. No Board member has undertaken any material transactions with related parties. The Register of Interests is available to the public on WFD's website or at WFD's registered office with 24 hours' notice.

Since the end of the financial year 2021-22, Valerie Vaz MP has been appointed as a Board member by the Foreign Secretary, effective 25 May 2022.

Audit and Risk Assurance Committee

During the year ending 31 March 2022, membership of WFD's Audit and Risk Assurance Committee comprised:

<i>Mark Babington</i>	Chair
<i>Khalid Hamid</i>	Co-opted Member
<i>Simon Walker</i>	Board Member
<i>Brendan O'Hara MP</i>	Board member

Personal data

In 2021-22, there were no personal data related incidents that required reporting to the Information Commissioner's Office.

Registered office

WFD moved its registered office to 22-26 Whitehall, a building operated by the Foreign, Commonwealth and Development Office, effective 1 April 2021. This building closed on 31 March 2022 to facilitate the commissioning of urgent repair and refurbishment works. WFD vacated 22-26

Whitehall on 31 March 2022 and completed a move to its new registered office at Clive House, 70 Petty France, which is operated by the Ministry of Justice, ready for the commencement of its formal occupation on 1 April 2022.

Statement of Directors' and Accounting Officer's responsibilities

In accordance with Company Law and Articles of Association, the Directors (who are also the governors of the Westminster Foundation for Democracy) are responsible for preparing an annual report and financial statements in accordance with the Companies Act 2006 and the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards.

Within the terms and conditions of a Framework Agreement signed on behalf of the (then) Foreign and Commonwealth Office and the Directors of WFD in 2020, the Directors, through the Chief Executive, are required to prepare financial statements for each financial year on an accruals basis which give a true and fair view of the state of affairs of WFD and of the incoming resources and application of resources, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the financial statements, the Directors and the Accounting Officer are required to comply with the requirements of the Companies Act and then, secondly, the *Government Financial Reporting Manual* and to:

- a. observe the Accounts Direction issued by the Secretary of State for Foreign, Commonwealth and Development Affairs, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- b. make judgements and estimates on a reasonable basis;
- c. state whether applicable financial reporting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- d. prepare the financial statements on a going concern basis.

The Directors and the Accounting Officer are responsible for ensuring:

- proper accounting records are kept that disclose with reasonable accuracy at any time the financial position of WFD and to enable them to ensure the financial statements comply with the Companies Act 2006 and

the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards;

- the assets of WFD are safeguarded and for taking reasonable steps for the prevention and detection of fraud and other irregularities;
- sound financial systems and management controls are in place to safeguard public funds;
- funds from the Foreign, Commonwealth and Development Office are used only for the purposes for which they have been given and in accordance with the Framework Agreement and the relevant Accountable Grant; and
- funds from all other grants are used only for the purposes for which they have been given.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on WFD's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Accounting Officer

Section 5 of the Framework Agreement defines the Permanent Under-Secretary for Foreign, Commonwealth

and Development Affairs as Principal Accounting Officer. The Principal Accounting Officer has appointed the Chief Executive as Accounting Officer of WFD.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding WFD's assets, are set out in Managing Public Money published by the HM Treasury.

As Accounting Officer, I hereby confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Statement of disclosure to our auditors

In so far as the Directors and the Accounting Officer are aware at the time of approving our Directors' annual report:

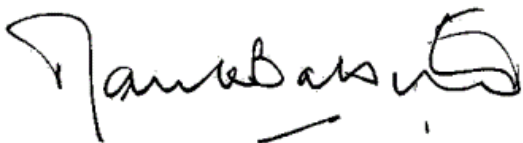
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which WFD's auditor is unaware
- the Directors and the Accounting Officer, having made enquiries of fellow directors and WFD's auditor that

they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The Comptroller and Auditor General is the statutory auditor for the accounts of WFD.

Approved and signed on behalf of the Board on 6th October 2022.



Mark Babington

Director



Anthony Smith

Chief Executive and
Accounting Officer

Accountability report

Governance Statement

Scope of responsibility

As Accounting Officer of the Westminster Foundation for Democracy Limited, I have responsibility for maintaining a sound system of internal control that supports the achievements of WFD's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am therefore responsible for ensuring that WFD is administered prudently and economically and that resources are applied efficiently and effectively to deliver our agreed goals.

In addition, I am accountable to the Principal Accounting Officer of the Foreign, Commonwealth and Development Office (FCDO) to enable him to discharge his overall responsibility for ensuring that WFD as an FCDO executive non-departmental public body has adequate financial systems and procedures in place. WFD's multi-year Strategic Framework, Annual Plan, priorities, and associated risks are discussed regularly in my meetings with the FCDO.

The Governance Framework

As noted above, the relationship between WFD and the FCDO is specified in the *Framework Agreement* signed on behalf of the (then) Foreign and Commonwealth Office and WFD in May 2020. The new Framework Agreement replaced the 2013 Management Statement and provided an updated framework for the governance relationship between WFD and the FCDO founded on clear expectations, structured oversight accountability processes and improved collaboration. This oversight function is exercised by the Open Societies and Human Rights Directorate on behalf of the FCDO, with the support of a new Arms-Length Body Hub located in the Strategic Finance Directorate, which in turn is guided by an FCDO/ALB Forum of which WFD is an active member and co-convenor. A copy of the Framework Agreement is published and available on WFD's website. In accordance with the provisions of *The Transfer of Functions (Secretary of State for Foreign, Commonwealth and Development Affairs) Order 2020*, this document remains valid and, with effect from 30 September 2020, all references in the Framework Agreement to the Secretary of State for Foreign and Commonwealth Affairs or the Foreign and Commonwealth Office are deemed to be references to the Secretary of State for Foreign, Commonwealth and

Development Affairs and the Foreign, Commonwealth and Development Office. As noted in the performance report, during the period, WFD commenced discussions with FCDO officials about a new supplementary, strategy and partnership document that will describe the strategic alignment between WFD's work and the Government's international priorities as reflected in the Integrated Review. WFD is guided by the principles published in the UK Corporate Governance Code and HM Treasury's Audit Committee Handbook. The "Corporate governance in central government departments: code of good practice 2017", published by HM Treasury and the Cabinet Office, is intended for the boards of government departments, rather than arms-length bodies. The composition and role of a government department's board, which includes ministers, senior civil servants, and non-executives, differs from that of a board of an arms-length body such as WFD, comprised of unremunerated Governors serving with two ex-officio executive members. As such, WFD complies with the principles of the central government code, except that, rather than arranging a formal and rigorous annual board performance evaluation, management periodically arranges Board effectiveness reviews and, during the reporting period, Board members completed a self-assessment questionnaire. The results of the questionnaire were

subject to in-depth review and discussion at the Board's away day in summer 2022. The results were generally positive, and the Board is likely to focus its attention moving forward on the results which suggest there is opportunity for further improvement, such as the balance of Board time between strategy and implementation, Board diversity and skills/expertise, relations with partners and assurance on governance/programme delivery, and risk appetite. In addition, all Board members are asked to complete an individual appraisal with the Chair at least once in each three-year term. The company and its directors also act in accordance with the requirements of company law.

Accountability within WFD is overseen and exercised through the Board and its three committees (see sections below), each chaired by a governor and including co-opted members who bring additional expertise and experience. The Board met four times formally during the year, together with an away day. The average attendance by Board members at meetings they were entitled to attend during the period was over 92%. At each meeting, the Board received and agreed reports that demonstrated satisfactory approaches to managing risk and monitoring governance, operations, programmes, and resourcing matters. Throughout the year, they tracked delivery of organisational

objectives, in line with the Strategic Framework, and received regular progress reports on the implementation of the Annual Plan and budget.

WFD is party to multi-year Partnership Agreements with the Conservative Party, Labour Party, and SNP Westminster Parliamentary Group in relation to their political party programmes. In addition, WFD hosts a Multi-Party Office, representing the interests of a consortium of other smaller parties represented in Parliament.

The Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee supports the Board to discharge its fiduciary, risk control and governance responsibilities by monitoring and providing advice to me in the exercise of my duties, and by promoting a climate of financial discipline and control within the organisation. The Committee performs the key role of reviewing and monitoring the systems of internal control and receives regular reports on the work and findings of the internal auditors, Crowe LLP, and the external auditors, the National Audit Office. The Committee provides assurance on the full range of WFD systems and processes and reviews any notifiable incidents in relation to our key corporate policies. For this year, the internal auditors were able to provide an overall opinion of reasonable assurance in respect of governance, risk management, and internal

controls. Minutes are prepared following each meeting and a report provided to the Board, together with an annual report from the internal auditors.

The Committee is chaired by Mark Babington and includes members with a range of audit and risk management experience.

During the year, the Committee met six times. Its principal activities over the year included:

- reviewing the proposed funding settlements arising out of the one-year spending round for FY 2021-22 and the Spending Review for FY 2022-23 to FY 2024-25, budget scenarios, and considering matters related to WFD's sustainability as a going concern, and challenging financial projections to ensure that we can demonstrate this to our auditors;
- scrutinising management's plans for, and implementation of, a review of its operating model;
- reviewing management information on organisational performance and the Corporate Risk Register, and periodic deep dives on specific risks;
- overseeing an internal audit programme to examine key risks and business practices, including reviewing audit reports during the period on core costs, values and code of conduct, and systems adoption and benefits

realisation (relating to the *Building for the Future* change programme completed in the prior period), and supervising the re-tendering process for the outsourced internal audit contract;

- reviewing the work of the external audit to confirm the independence of the auditor and the effectiveness of the work done to ensure a high-quality audit; and
- receiving the auditors' communications, monitoring audit recommendations, and ensuring follow-up.

The Programme Quality Committee (PQC)

The Programme Quality Committee maintains an overview of all WFD programmes to assess the overall quality of WFD's work and help shape and monitor initiatives to strengthen its impact. The Committee is chaired by Thomas Hughes. During the period, Atish Gonsalves resigned as a co-opted Committee member.

During the year, the Committee met four times. The Committee:

- considered the regular outputs of WFD's Programme Performance Review process, scrutinising progress in delivering outputs and outcomes across the programme portfolio and relevant mitigation plans;

- discussed challenges and opportunities for specific programmes, notably the Bangsamoro programme in the Philippines;
- drew on learning to scrutinise WFD’s relationships with key stakeholders and its approach to adaptive programming developed as part of the Western Balkans Democracy Initiative;
- started to examine, in depth, the different aspects of the programme quality cycle; and
- discussed the implications of the Integrated Review, Spending Review, and proposed operating model changes for WFD’s programming.

The People Committee

The People Committee assists the Board to discharge its responsibilities relating to the terms and conditions of employment of WFD staff and employee engagement. The Committee reviews WFD policies relating to terms and conditions of service (which are linked to those of the FCDO), health and safety, safeguarding, and security. The Committee meets twice per year. The Committee is kept regularly informed on matters relating to staff, including relevant issues identified by the Audit and Risk Assurance Committee. The Committee was chaired, during the period, by Rt Hon. Maria Miller MP.

At its two meetings during the period, the Committee:

- discussed WFD's work to protect and promote health, wellbeing, and engagement with staff – including in light of the shift to agile working for UK staff;
- considered matters relating to pay and benefits, including gender pay; and
- scrutinised the people aspects of the development and implementation of a new operating model for WFD, including through a restructure process.

The committee structures reporting through to the Board have been clearly defined and the terms of reference, membership, and reporting arrangements are reviewed annually as part of the Governance Handbook. The Governance Handbook also covers the role of the Leadership Team (LT), chaired by the CEO and consisting of WFD's leadership and senior managers. The LT provides strategic leadership to the Foundation and is accountable to staff for WFD's strategic direction, risk management, planning and resources, performance, people, external affairs, and assurance. The LT has the wellbeing of WFD and its staff as its primary focus and its membership aims to have an in-depth understanding of WFD's effectiveness and WFD's people.

Board and subcommittee attendance (1 April 2021 to 31 March 2022 inclusive)

Board members' attendance presented as: Actual attendance/Possible attendance

Board Member	Board	Audit and Risk Assurance Committee	Programme Quality Committee	People Committee
Rushanara Ali MP	3/3		0/4	
Mark Babington	4/4	6/6		2/2
Richard Graham MP	4/4			
Harriet Harman MP	3/3	0/1		

Thomas Hughes	2/4		4/4	
Susan English	4/4			
Christine Jardine MP	4/4		2/4	
Joyti Mackintosh (ex-officio) *	1/1	3/3		
Rt Hon Maria Miller MP	4/4			2/2
Brendan O'Hara MP	3/4	1/3		
Anthony Smith (ex-officio)	4/4	6/6	4/4	2/2

Simon Walker	3/4	6/6		
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*Joyti Mackintosh resigned as Finance Director, and therefore as an ex-officio Board member, in July 2021. Femi Otukoya, WFD’s replacement as Finance Director, attended all meetings of the Board and ARC following her appointment in September 2021, but was only formally appointed as an executive, ex-officio Board member by ministers after the reporting period on 28 July 2022.

During the period, Atish Gonsalves (co-opted member) left the Programme Quality Committee (November 2021).

Key risks

During the year, the Board and Audit and Risk Assurance Committee (ARC) regularly reviewed WFD’s key strategic risks in the form of a Corporate Risk Register and the Committee also received a more detailed update on individual risks on a rolling basis through the year. The Corporate Register comprised nine risks during the period, including a new risk added in the third quarter of the year relating to loss of staff capacity as a result of the restructuring programme and related uncertainty, although risk ratings and mitigation activities varied throughout. During the period, WFD’s management also monitored four

operational risk sub-registers covering Governance, Operations, Resourcing, and Programmes, and a bespoke risk register for each WFD-funded programme.

Throughout the year, WFD primarily focused on four of the strategic risks in the Register: **funding**; delivering **quality and impact**; **health, safety and security**; and **loss of key capacity due to uncertainty or coronavirus**.

Due to the unprecedented challenges presented by the pandemic, and the impact on UK public finances, WFD's core **funding** was reduced in both FY 2020-21 and FY 2021-22 from its pre-pandemic levels. WFD was notified of its core funding allocation for the period 2021-22 in May and the Board approved a budget in June 2021. Whilst WFD has successfully secured some significant third-party funding during the period, this revenue stream was generally lower than pre-pandemic projections. WFD addressed the funding challenge through further reducing corporate costs, exercising pay restraint, rationalising its network, and temporarily scaling back programme implementation in some locations, whilst protecting its core capabilities in London and strategic locations around the world to support an anticipated up-scale of programming in future periods. Due to a combination of a slightly higher (albeit still lower than pre-pandemic) core funding allocation, following the Spending Review, for the next

three years and the implementation of an operating model review and restructuring, WFD has now lowered its assessment of the funding risk from high to medium.

Notwithstanding the challenges presented by COVID-19, political disruption, and other contextual shocks across WFD's network, WFD has adapted its programmes to maintain the high levels of **quality and impact** associated with the organisation. It has successfully used tools such as political economy analysis and methodologies such as problem-driven iterative adaptation to ensure its programme offer remains relevant and delivers results. Whilst international travel has remained constrained, WFD has used digital platforms to facilitate international engagement with our programme work and has managed risks to deploy several election observation and advisory missions. In Ukraine, WFD has continued to deliver programme activities with its partners following the invasion by Russia in February 2022.

During the period, management has endeavoured to respond to the health risks associated with COVID-19 or working from home, the wellbeing issues generated by high workloads and prolonged periods of isolation, and the security risks presented to staff and experts in higher risk locations such as Myanmar, Philippines, Kenya, Lebanon, and latterly Ukraine. WFD has engaged with specialists in

physical and mental wellbeing and elections-related security risk management to ensure that we are doing all we can to keep our staff and partners **healthy, safe and secure**.

In view of the funding uncertainty and the challenges presented by any major change process – and the emergence of the highly infectious Omicron variant – management added an additional risk to the Corporate Risk Register to focus efforts on mitigation and contingency planning for the **short-term or long-term loss of key staff capacity**. It is anticipated that this risk will reduce over time and be removed from the Risk Register in mid- 2022-23.

Strategic risk	Key risk management
Governance	

Lack of effective leadership and oversight by the Board and its committees governing strategic direction, internal leadership, or risks assessment and management, could undermine FCDO and donor confidence and expose the organisation and its Governors to

- 5-year Strategic Framework adopted by Board.
- Annual Plan and Budget for 2022-23 adopted, with regular reporting at quarterly Board, ARC and Programme Quality Committee (PQC) meetings, to be reviewed at mid-year point in light of new strategy.
- Monthly Leadership Team (LT) meeting and quarterly LT strategic stand-back, to provide coherent strategic direction to WFD.
- Framework Agreement in place with FCDO and strategic relationship discussions (on new Strategy and Partnership Framework) ongoing.
- Governance Handbook adopted and provides improved clarity on governance roles/responsibilities.
- Board business adapted to online environment.

reputational harm.

- PQC, People Committee, and ARC membership expanded with additional co-opted members.
- Induction and Code of Conduct/Safeguarding orientation delivered to the Board.
- New annual Board collective self-assessment exercise initiated and individual appraisal process for Board members established.
- Quarterly FCDO/WFD oversight meetings to review progress, relationship, and governance.
- FCDO to consider commissioning a Public Body Review to evaluate WFD as an ALB, including governance, once in every parliament.

WFD's reputation is materially damaged by a failure to monitor for or respond to unexpected events.

- Communication strategy adopted to aid informed awareness of WFD's activities within stakeholders, which focuses on outcomes and key programme deliverables in its messaging, in event of adverse publicity either directly or across our sector.
- Maintain relations with network of media contacts to ensure quick notification of adverse issues, and develop interim holding responses.
- Crisis Management Plan and Business Continuity Plan adopted and updated annually.
- Pandemic Response Plan developed and implemented to address coronavirus related issues and business continuity planning.

- Orientation for business continuity response group delivered.
- ARC scrutinises management action on business continuity/crisis management.
- Internal audit completed on Business Continuity Plan and actions agreed and implemented.
- Cross-HMG Working Group assessed WFD's Pandemic Response Plan and provided positive assurance, with all actions implemented.

Operational

Loss or misuse of funds under WFD management could expose WFD to reputational harm, legal/regulatory action, and/or a deterioration in its reserves.

- Key policies adopted and promoted, via Policy and Practice Hub, with guidance, toolkits, templates, and incident management procedures.
- Vetting checks and due diligence carried out on all new staff, consultants, suppliers, and partners.
- Basic orientation and annual refresher provided to all staff on key policies.
- Standard financial controls implemented, incorporated into draft Minimum Operating Standards, and checked via controls self-assessment, control improvement plans, and targeted internal audit.
- Pre-paid charge cards used to mitigate cash handling risks.

- Code of Conduct introduced for all staff, experts, partners, and event participants, plus Reporting Concerns Policy.
- WFD Counter Fraud Strategy and counter-terrorism guidance adopted.
- Revised bank and cash policy implemented to manage risks.
- Business Central provides robust document-storage and approval processes.
- Standard template contracts include a pack of key policies and recommended online training for partners/suppliers.
- IT security upgrades implemented to address phishing, infiltration, and data breaches.

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| | <ul style="list-style-type: none">• Office Opening and Closure Taskforces provide close supervision of higher risks of incidents during any opening or closure process.• Compliance Working Group monitors organisation-wide Compliance Tracker, Annual Declarations, and Annual Self-Assessment.• ARC reviews the risk register on a quarterly basis and key risks via internal/external audit, including substantial assurance via internal controls audit. |
|--|---|

WFD's reputation amongst stakeholders suffers material damage owing to poor control over the behaviour and standards of the organisation, including in relation to safeguarding staff and beneficiaries and compliance with applicable laws.

- Code of Conduct, Safeguarding Policy, Reporting Concerns Policy, and Incident Response procedures adopted.
- Rigorous staff selection processes and vetting/due diligence carried out on all experts/critical suppliers/partners.
- PPO Partnership Agreements and all third party contract templates ensure partners/experts/suppliers are bound to comply with WFD Code of Conduct, Reporting Concerns Policy, key policies, and complete recommended e-learning.
- New Political Activity Policy adopted.
- Board orientation on safeguarding and Code of Conduct.

- Senior staff workshops on safeguarding prevention and response.
- All Leadership Team members completed diversity and inclusion e-learning.
- Learning Essentials sessions on safeguarding and unconscious bias delivered to all staff.
- Safer Events Risk Assessment and Safer Events Checklist required for events/activities involving young people or vulnerable adults.
- All programme risk registers include safeguarding risks as standard.
- Compliance Working Group monitors organisation-wide Compliance Tracker, Annual Declarations, and Annual Self-Assessment.

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| | <ul style="list-style-type: none">● Safeguarding Working Group monitors progress in implementing plans.● People Committee, including safeguarding specialist, reviews management action on safeguarding.● Internal audit on safeguarding policy positively benchmarked against sector standards and further audit on Code of Conduct by Crowe completed, providing substantial assurance. |
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Inadequate or insecure systems and processes reduce productivity and efficiency, which can lead to reduced staff morale, poor value for money, and increased exposure to business disruptions, thereby reducing our impact.

- All core processes mapped and Building for the Future programme completed, with implementation of Evidence and Impact Hub (programme data), World Check One (vetting), Policy and Practice Hub, PeopleHR (HR, recruitment, and performance/induction), MS Teams (communications and collaboration), Business Central (finance), Key Travel portal (travel management) and PAIS (programme approvals and information).
- Multi-factor authentication, advanced threat protection, and mobile device management implemented to protect WFD systems.
- Managing Organisational Change Policy adopted.
- Change Approach and Toolkit introduced.
- Expert Roster and procedures adopted.

	<ul style="list-style-type: none"> ● Agile working policy adopted in UK and London office move completed. ● Completed implementation of recommendations of business continuity and cyber security internal audits. ● New, more secure and effective website launched. ● Detailed cyber risk assessment completed. ● ARC scrutinises management action on systems improvement. ● Internal audit on new systems implementation and benefits realisation provided substantial assurance.
<p>Threats to the general health, safety, security, and wellbeing of</p>	<ul style="list-style-type: none"> ● Safe and Sustainable Travel Policy, Safety and Security Policy and Guidelines adopted and implemented.

WFD staff, contractors, or participants could lead to individuals suffering mental or physical harm, damage to WFD's reputation, legal action, and breach of donor agreements.

- Threat Tracker regularly updated based on changing threat assessment of all WFD locations.
- All Local Security Plans updated annually and Welcome Packs as required.
- Comprehensive business travel and emergency and disaster evacuation insurance in place and health insurance for staff in countries with poor quality local provision.
- Crisis response consultants in place.
- Domestic and Overseas Traveller Information Forms to capture staff health data/emergency contacts.
- Collaboration with FCDO in London and Posts in key high threat locations.

- United Nations Department of Safety and Security e-learning course adopted as basic training offer for staff and experts, training for all staff on WFD security, and Hostile Environment Awareness Training offered for high-risk travel.
- Orientation completed for crisis management team and business continuity group delivered.
- Pandemic Response Plan adopted and special guidance on coronavirus issued (safer offices, meetings, events, travel) introduced, including wellbeing materials.
- All international travel subject to Safe and Sustainable Travel Policy.
- New physical and mental wellbeing support services for staff implemented.

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| | <ul style="list-style-type: none">● Key Travel platform/service includes Riskline traveller tracking, security alerts, and Mobile Messenger for travellers.● New elections security partner (ILS) procured and onboarded.● Security cooperation and information sharing protocol agreed with FCDO.● Security Working Group provides coordination of security management.● People Committee and ARC review management action on health, safety, and security.● Pandemic Response Plan assessed by Cross-HMG Working Group, providing positive assurance. |
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	<ul style="list-style-type: none"> • Internal Audit on safety and security by Crowe completed, providing substantial assurance.
Programming	
WFD fails to deliver programmes of sufficient quality and relevance, or inadequately monitors, measures, and evidences impact.	<ul style="list-style-type: none"> • External effort towards political engagement, stakeholder management, thematic initiatives, strong research partnerships with respected institutions, strengthened communications strategy. • Rigorous political economy analysis, outcome mapping, and monitoring of progress markers, together with case studies. • Evidence and Impact Hub and Programme Management Hub provide access to data, guidance, and learning pathways.

- Digital Action Plan developed to guide online engagement and digital delivery, including establishment of Digital Partner Panel and new digital learning (Moodle) platform "WFD Learn" launched.
- L&D strategy and performance management process to drive focus on core competencies required by WFD and continuous learning to support development of those competencies.
- Programme approvals and information system (PAIS) implemented to improve visibility/sign off of bids/proposals and visibility of portfolio.
- Operating model review completed, restructure implemented, and high-level budget agreed, including decisions on sustainable network presence and bridging.

- Impact and Innovation Awards introduced to recognise and encourage innovative practice and share learning.
- Programme Performance Review process ensures quarterly review of all programmes across the portfolio, with mitigation plans introduced where necessary.
- Programme Quality Committee (PQC) provides further scrutiny of programme implementation/discussion of underperforming programmes, and if necessary reports upwards to Board meetings.
- FCDO reviews and external evaluations commissioned by programme.

Resourcing

Inability to maintain adequate funding over the short, medium or long term (3 years), could result in liquidity or sustainability challenges, undermining our ability to achieve impact.

- Three-year, Spending Review funding settlement agreed.
- Maintain active participation in key HMG Framework Agreements (such as CSSF, International Multi-Disciplinary Programme (IMDP)).
- New Opportunities Policy adopted and promoted internally.
- Preliminary regional Business Development/engagement plans developed.
- Proactive Business Development activities in priority WFD locations, including enhanced collaboration with selected Posts.

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| | <ul style="list-style-type: none">● Expanding Business Development function and tracking system supports planning, monitoring, and coordination of prospecting and quality proposal/bid writing.● New finance system supports more efficient donor billing and dynamic forecasting and reporting.● Strategic engagement with HMG on development of Government policy and strategy following Integrated Review.● Operating model review completed, restructure implemented, and high-level budget agreed, including decisions on sustainable network presence and bridge funding.● Monthly Leadership Team oversight and quarterly ARC and Board scrutiny of financial performance. |
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	<ul style="list-style-type: none"> ● Geographic Presence Steering Group periodically reviews sustainability of WFD network. ● Core Cost Review completed by internal auditors to provide assurance on WFD's overhead cost base and costing methodology for grants/contracts.
<p>Short-term or long-term loss of critical staffing capacity due to COVID-19 (sickness or self-isolation) or the uncertainty around or consequences of</p>	<ul style="list-style-type: none"> ● COVID-19 safety guidance in place for offices, events/activities, and meetings. ● UK and network staff equipped to work remotely. ● Regular line management check-in chats. ● Wellbeing programme and employee assistance programme. ● Three-year SR funding settlement agreed and communicated to all staff.

**delays
in/withdrawal of
funding and/or the
implementation of
new target
operating model.**

- Revisited and updated key person risk matrix and contingency plans.
- Operating model review completed, restructure implemented, and high-level budget agreed, including decisions on sustainable network presence and bridge funding.

Risk management

WFD recognises that its Governors and employees have a duty to identify, assess, and manage the risks faced by the organisation in its strategic decision making and day-to-day operations. These risks are managed by WFD having a robust and documented risk management process in place. The purpose of risk management is to preserve and protect WFD's assets, reputation, and staff; strengthen corporate governance by integrating risk management with operational systems and internal controls; and improve business performance. Integral to WFD's approach is the identification of opportunities, not just challenges, and the risks of not trying things which could help us to achieve our ambitions. WFD believes that risk management is about taking conscious positive risks, as well as mitigating negative risk. This relies on creating a culture of risk awareness and transparency within the organisation, facilitating regular, open, and honest discussions across WFD about risk. It is also about proactive engagement of all leaders and senior managers in risk oversight and management.

Overall responsibility for the management of risk lies with me as the Accounting Officer and I am assisted in this task by the Director of Operations. The WFD Board has responsibility to ensure that robust systems of internal

control and management are in place. To this end, WFD will:

- identify, assess, manage, and review the nature and extent of the risks facing WFD;
- agree the extent and categories of risk which it regards as acceptable for WFD to bear;
- analyse the likelihood and impact(s) of the risks concerned materialising;
- regularly document the organisation's ability to reduce the incidence of risks, and the impact on WFD of risks that do materialise;
- review the costs of operating controls relative to the benefit thereby obtained in managing the related risks; and
- always endeavour to adhere to relevant donor policies and requirements, legislation, and applicable regulations.

A framework for risk control is provided by the Risk Management Policy and Risk Management Procedures. One element of this is the Corporate Risk Register that is reviewed by the Leadership Team (LT) and Board at each of its meetings. The Corporate Risk Register reports the current strategy for managing each strategic risk, the relative strength of that risk control, and the net risk

outcome – whether low, moderate, high, or severe. This is a standing item on the monthly LT agenda. The four sub-registers, covering Governance, Operations, Programmes and Resourcing, are reviewed periodically by risk owners. The Board’s responsibility is supported through the sub-committees of the Board, with appropriate membership or input from members of the LT. Risk is considered on the agenda at all meetings of the Audit and Risk Assurance Committee (ARC). The ARC members review the action plans presented for each risk and the progress made towards reducing risk to the tolerance level set on an individual risk basis.

WFD also regularly reports to the FCDO in relation to risk, its Strategic Framework for 2017-22, and its Annual Plan and Budget; and to its donors on programme-related risks as required.

The LT ensures a consistent focus on operational risk management. This includes:

- Developing an Annual Plan, with key deliverables and key performance indicators linked to an aligned budget approved by the Board.
- Reviewing monthly Management Reports, including dashboards to report progress on the Annual Plan. This is provided together with management accounts providing analysis on programme and project

expenditure and income with variance analysis. This ensures that we deliver our corporate and programme activities on time and within a balanced budget. These reports are reviewed by the ARC and approved by the Board.

- Scrutinising a monthly Critical Programme Dashboard and the results of a quarterly, comprehensive Programme Performance Review (PPR) process ensuring all programmes across the WFD portfolio are subject to detailed review, risk-assessed, and actively performance managed.
- Enforcing a requirement for all new programme proposals to include a risk assessment and, following mobilisation, for programme risk registers to be reviewed on a quarterly basis as part of the PPR. All programme risk registers consider several standard risk categories, namely Context, Delivery, Safeguarding, Operational, Fiduciary, Reputational, with clear escalation routes to designated risk focal points for each standard risk category. The programme risks are constantly monitored and effectiveness of mitigation actions are reviewed regularly using the "*three lines of defence*" methodology.
- Ensuring that all staff are trained in the identification and management of risk appropriate to their authority

and duties and that the senior responsible officer for each office is responsible for compliance with all applicable laws, policies, and procedures and signs a certificate of assurance annually.

- Establishing informal working groups, from time to time, to ensure a coordinated, multi-disciplinary approach to tackling key risk areas, such as office restructures or closures, local compliance, and security. As at the end of the period, this largely informal approach is in the process of transitioning to a more structured model for decision making involving a series of internal boards and clear senior responsible officers.
- Adopting and regularly updating bespoke risk assessments, preparedness and contingency plans for key risk areas such as cyber security, business continuity, and local safety and security plans.
- Commissioning a risk-based programme of internal audit work, to provide assurance and suggestions for improvement across a number of areas.

During the period, as one of its three corporate priorities for the year, management has been working to build a more resilient and high-performing organisation. This has involved prioritising staff health, wellbeing and engagement; and consolidating operational improvements that enable delivery and promote standards. A series of

business optimisation projects have been launched to realise systems efficiencies, namely: information management, management reporting, recruitment and deployment of experts, and cost recovery. In addition, a series of critical processes have been mapped, streamlined, subject to a RACI (Responsible-Accountable-Consulted-Informed) approach to articulate roles and responsibilities for all key tasks.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing and reporting the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and senior managers within WFD who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their annual management letter and other reports.

Internal audit

WFD has an internal audit function provided by an independent firm of auditors, which operates to standards defined in the Government Internal Audit Standards. This service was provided during the relevant period by Crowe LLP. In the fourth quarter of the financial year,

management re-tendered for the internal audit and assurance contract, with a view to selecting a supplier for the next three-year period. Following a rigorous process, Crowe LLP was selected and signed a new contract in March 2022.

The work of internal audit is informed by an analysis of the risks to which WFD is exposed. An internal audit plan is proposed on an annual basis. I am responsible for approval of the analysis of risk and internal audit plans. The Audit and Risk Assurance Committee reviews these plans and they are endorsed by WFD's Board of Governors. The rolling programme of internal audit provides me with regular reports on effectiveness of controls in WFD. Reports are also provided to the WFD's Board of Governors and to the Internal Audit Department of the FCDO.

In each internal audit report, a level of assurance is normally provided for the overall system subject to review, and prioritisation of individual findings according to their relative significance depending on their impact on the risk environment. Assurance provided in the reports is classified as: Full Assurance, Substantial Assurance, Partial Assurance, and No Assurance. Each report contains detailed findings categorised as having high, medium, or low priority.

During this year, building on previous audit work and guided by a risk-based approach, internal audit efforts focused on providing a review of our core costs and two audits on values and code of conduct and systems adaptation and benefits realisation relating to WFD's *Building for the Future* programme. Both audit reports indicated "*Substantial Assurance*".

I am pleased to report that for the current year the Internal Auditors were able to provide an overall opinion of reasonable assurance in respect of governance, risk management, and internal controls during the period 1 April 2021 to 31 March 2022.

Overall, Crowe LLP considered that there is a generally sound system of internal control, risk management and governance designed to meet the organisation's objectives, and controls are generally being applied consistently. However, some weaknesses in the design or inconsistent application of controls put the achievement of particular objectives at risk. In response to the various internal audit reports, management committed to implementing a range of actions to address the Internal Auditors' recommendations, some of which were implemented during the period, some in the next period.

I am satisfied that an effective system of internal control has been in place at WFD throughout the year ended 31

March 2022 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.



Anthony Smith

Chief Executive and Accounting Officer

6th October 2022

Directors' remuneration report

This report provides details of the remuneration, service contracts, and pensions for WFD's senior civil servants ("SCS") and Governors in 2021-22.

WFD entered into a Service Agreement with Anthony Smith, Chief Executive, on 18 August 2014 and this remained in effect throughout the year to 31 March 2022.

In-year, SCS remuneration for the Chief Executive, the Director of Programmes and the Director of Strategy was reviewed. It is reviewed annually and is determined by reference to the recommendations of the Senior Salaries Review Body. WFD was required to observe the cross-HMG "pay pause" in 2021-22 resulting in no consolidated pay increase for SCS staff. In line with WFD's annual performance appraisal process, performance objectives are set for the succeeding year and these are reviewed on an iterative basis through the year, to assess performance. A performance-related bonus can be paid dependent on performance in line with Civil Service guidelines.

The Director of Programmes and Director of Strategy each received non-consolidated performance-related payments (PRPs) of £2,055 in 2021-22, based on their performance in the prior year, 2020-21. Directors' PRPs are consistent with all UK staff and are non-contractual. WFD has an

established annual performance pay pot equivalent to 4% of the annual UK pay bill. PRP values are set proportionately based on the distribution of performance ratings awarded that year.

Governor and SCS remuneration and pensions

The following table has been subject to audit. During the year, the single total figure of remuneration is as below

	Salary £000		Bonus Payment £000		Pension Benefit (to nearest £000)		Total £000	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Anthony Smith (CEO)	100-105	100-105	-	0-5	-10	48	90-95	150-155
Devin O'Shaughnessy (Director of Strategy)	75-80	80-85	0-5	0-5	32	32	110-115	115-120
Shannon O'Connell (Director of Programmes)	75-80	50-55 (75-80)	0-5	0-5	30	19	105-110	75-80 (105-110)

Joyti Mackintosh (Finance Director – left 30 July 2021)	20-25 (65- 70)	20-25 (65- 70)	-	-	7	12	25-30 (70-75)	35-40 (100- 105)
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Joyti Mackintosh left WFD on 30 July 2021. Femi Otukoya was appointed as Finance Director on 1 September 2021, replacing Joyti Mackintosh, but has not yet been formally appointed as a member of the Board.

Salary figures above are pro-rated to reflect the period that each individual was a member of the Board (or at SCS grade). Full year equivalents are shown in brackets. There were no benefits-in-kind paid to staff in the year (2020-21: £Nil).

Governors did not receive any remuneration or benefits-in-kind in respect of their roles during the period 2021-22.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation at the reporting period end date, and the median, lower and upper quartile of remuneration of the organisation's workforce.

The following table is subject to audit.

	2021-22	2020-21	Percentage change (%)
Mid-point of band of highest paid employee's total remuneration £000 ¹	102.5	102.5	0
Median Salary (£)	43,835	43,059	1.8
Median (total pay and benefits) (£)	44,151	44,770	1.38
Ratio	2.3	2.3	0

Lower quartile (salary) £	32,000	33,108	-3.3
Lower quartile (total pay and benefits) £	33,600	33,108	1.48
Ratio	3.1	3.1	0
Upper quartile (salary) £	64,500	63,240	1.99
Upper quartile (total pay and benefits) £	66,400	64,840	2.4
Ratio	1.5	1.6	-6.25

In 2021-22 no employees (2020-21: £Nil) received remuneration in excess of the highest paid director. Remuneration ranged from £23,250 to £102,500 (2020-21: £25,000 to £102,500).

Total remuneration includes salary and non-consolidated performance-related pay but excludes severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Change in ratio relates to proportional increase in headcount.

Percentage change in total salary and bonuses for the highest paid director and staff average

2021-22	Salary	Performance related pay
Staff average	3.3%	-0.7%
Highest paid director	0%	0%

Compensation for loss of office

The following table is subject to audit.

WFD conducted an organisation-wide restructuring in 2021-22 and established a new target operating model. UK staff impacted by the restructure exercise were offered the option of applying for voluntary redundancy, which resulted in 3 UK staff at delegate grades leaving WFD on Civil Service Compensation Scheme terms in 2021-22. There were no exits in 2020-21.

Exit package and cost band	Number of voluntary redundancies
<£10,000	1
£10,000 - £25,000	
£25,000 - £50,000	1

£50,000 - £100,000	1
£100,000 - £150,000	
£150,000 - £200,000	
Total number of exit packages	3
Total cost /£	127,693

Pension benefits at 31 March 2022

The following table is subject to audit.

	Accrued Pension at pension age as at 31st March 2022 and related lump sum	Real change in pension and related lump sum at pension age	CETV at 31st March 2022	CETV at 31st March 2021	Real change in CETV
Anthony Smith	45-50 plus a lump sum of 135-140	0 plus a lump sum of 0	1028	1023	-10
Devin O'Shaughnessy	10-15	0-2.5	145	121	15
Shannon O'Connell	5-10	0-2.5	106	81	17

Joyti Macintosh	15-20 plus a lump sum of 30-35	0-2.5 plus a lump sum of 0	321	315	3
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CETV is the Cash Equivalent Transfer Value and is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. As the Principal Civil Service Pension Scheme (PCSPS) is a multi-employer fund, the CETV values will include accumulated accrued benefits from any previous employers that operate the PCSPS.

Real change in CETV reflects the increase/(decrease) in CETV that is funded by WFD. It does not include the increase in accrued pension due to inflation or the contributions paid by the employee and uses common market valuation factors for the start and end of the period.

Devin O'Shaughnessy CETV as at 31st March 21 is restated.

Governors

Governors are appointed by the Secretary of State for Foreign, Commonwealth and Development Affairs for a term of three years. Appointments can be renewed for a maximum of two consecutive terms (six years). As noted above, Governors are not remunerated and WFD does not pay allowances and benefits-in-kind to Governors. Details of the dates of appointments of new Governors and the dates that appointments end are shown in the Governors' Report on page 80.

Staff report

Staff numbers and composition

The breakdown of each gender (Full Time Equivalent (FTE)) as at 31 March 2022 was as follows:

	Female 2021-22	Female 2020-21	Male 2021-22	Male 2020-21
Governors	3	4	6	4
Senior civil service staff	1	1	2	2
UK staff	35.3	30.5	19.7	16.7
Rest of world staff	60.9	57.6	42.4	48.6

Organisational structure

UK-based staff are organised into regional operational teams covering Africa, Europe and Central Asia, Middle East and North Africa (MENA), Asia, and Latin America. These teams are led by Regional Directors responsible for strategy, policy, business development, and high-level engagement with strategic partners and stakeholders.

Programme management, communications, monitoring and evaluation, finance, HR, and operational team support, as well as specialist technical advice are provided by WFD's London office.

As at 31 March 2022, WFD employed 56 full-time equivalent staff in the UK (2021: 50.2), of whom 30.83 (2021: 33.5) were directly responsible for the design, management and delivery of programmes and for managing local and UK partnerships. The average UK FTE for 2021-22 was 53.7, with 29.07 working in direct programme roles.

As noted above, during the reporting period, WFD carried out a review of its operating model and has adjusted its operational structure effective 2022-23.

Overseas arrangements are continually assessed and determined by the scale and complexity of the programming. Most follow the model of a Country

Representative leading a country team. Where programmes can be managed effectively from local hubs or the UK, this alternative model is used.

In countries where WFD is represented, WFD engaged local staff either on WFD-agreed local contract of services terms or contract for services terms, as determined by the local circumstances, registration status and labour law requirements. As at 31 March 2022, there were 103.8 full-time equivalent appointments overseas (2020-2021: 106.2). The average country-based staff FTE for 2021-22 was 92.1.

WFD conducted office closure exercises in Myanmar and Uzbekistan during the reporting period. In both locations, there was a requirement for staff reductions (15 FTE), but there was no legal obligation for severance payments. WFD was not registered in these locations, so there were no obligations around deregistration. In addition, WFD closed some programme offices in other locations at the end of the relevant programmes.

For additional information on staff numbers and costs, including the Remuneration and Staff Report, please see:

- The Finance Review on p33
- Note 4 of the financial statements

Performance management and engagement

Each member of staff has their performance appraised annually against agreed objectives, behavioural competencies and WFD's organisational values (People focus, Excellence, Integrity and Accountability, and Mission Oriented). An integral part of this review is the identification of learning and development needs. Staff can access internal knowledge sharing and learning initiatives. They are also encouraged to pursue professional studies and learning opportunities, which will support their career development and benefit WFD by improving performance. Staff meetings held during 2021-22 afforded the opportunity for consultation. This was by providing information to employees on operational delivery and organisational improvement projects and encouraging views to be expressed. Meetings between management and WFD's (PCS) union representatives also provided opportunity to receive feedback from staff on a range of organisational matters. Additional staff meetings and PCS union meetings were held for formal consultation on the UK restructuring exercise and related UK redundancy process. WFD's internal communications agenda continues to be integral this year. This further contributes to stronger engagement with staff on WFD programme achievements and organisational progress.

Expertise

WFD's Technical Advisory Unit (TAU) provided in-house expertise on parliaments, governance, gender and inclusion, human rights, elections, transparency, and environmental democracy. The TAU also enhances programme design, directly delivering aspects of WFD programmes and contributing to WFD's research programme.

In 2021-22 WFD's Research programme followed several strands aligned with TAU themes: studying the opportunities and barriers to supporting women's political leadership, with a special focus on women, peace, and security; exploring the role of parliaments in overseeing public debt management; delving deeply into how anti-corruption work can be done democratically; understanding how and in what circumstances the UK can make positive contributions to the management and observation of elections; identifying the key skills and qualities required for inclusive leadership; and opening up new areas of research into environmental democracy and deliberative democracy.

Access to UK political parties' expertise and trainers, and the ability to draw on specialist expertise in Parliament and the devolved UK Assemblies, provides WFD with an extensive network of skills and knowledge as well as a

unique selling point. During this period WFD has continued to invest in its internal expert roster, growing the pool of registered experts in key thematic areas and strengthening our due diligence and deployment systems and procedures.

Learning and development

WFD's three-year learning and development strategy was launched in 2019-20 providing a more focused and inclusive learning agenda. Phase one (October 2019 – September 2020), phase two (October 2020 – June 2021) and phase three (July 2021 – June 2022) of the strategy targeted skills and knowledge development on our six core behavioural competency areas, as well as programme management, safeguarding, management development, equality, diversity and inclusion, staff safety, security and wellbeing, and a range of development opportunities to support staff in the shift to digital delivery.

Staff policies

Organisational values and behavioural policies

WFD's established set of core organisational values aim to guide the way in which we work and make decisions internally. Also, they make clear what our donors and partners can expect when working with WFD. These values are Excellence, People Focused, Integrity and

Accountability, and Mission Oriented. Our values have been embedded in a number of key HR policies and procedures, including recruitment and selection and performance management. These are being promoted through a new values charter and staff learning and engagement activities. WFD's Code of Conduct and safeguarding policies set out the expected standards of behaviour for all WFD staff, contractors, and partners. WFD's reporting concerns policy and complaints process (which includes our whistleblowing policy) and response procedures are expected to be used by staff if they witness or experience any unethical or inappropriate behaviour by colleagues or external stakeholders. Based on feedback from staff, management is confident that staff are broadly aware of the reporting concerns policy and procedures, including whistleblowing protection, and that the reporting channels are accessible and effective. WFD remains committed to ensuring that third parties with whom WFD works and programme beneficiaries are fully aware of the policy.

Equal opportunities

WFD observes all aspects of the Equality Act 2010 and is committed to be an equal opportunities employer. Our aim is there will be no discrimination of any kind against any person on the grounds of age, colour, disability, ethnicity,

gender, marital status, nationality, race, religion, belief, or lack of religion or belief, sexual orientation, being or becoming a transsexual person, or any other personal characteristics. We will make reasonable adjustments for people with disabilities and should a member of staff become disabled while working with us, we will do everything possible to ensure they can continue working with us.

Equality of opportunity and remuneration are priorities for WFD. To ensure this, rates of pay by gender are monitored at regular intervals. This is undertaken even though WFD is not required to report on gender pay gaps under statutory requirements because of our size.

As of 31 March 2022, the figures showed that women slightly out-earned men in two out of six delegated pay grades. There was no comparison with one grade, as a spot rate salary is applied for all staff. At an overall level, the gender pay gap on 31 March 2022 was calculated with men out-earning women. This is inclusive of all WFD staff at delegated grades and SCS positions.

Recruitment and selection

WFD also complies with the principles set out in the Civil Service Commissioners' Recruitment Code. We manage our recruitment and selection processes based on openness, fairness, and appointment on merit. This

ensures there is no unlawful direct or indirect discrimination and enables the development of good employment practices. WFD's application process for externally advertised vacancies is designed to ensure that applications from candidates with disabilities are given full and fair consideration.

General

WFD's management and staff policies are maintained, reviewed, and updated on a regular basis and made available to all staff. They are also subject to internal audit to ensure compliance with legislation and best practice.

WFD has a grievance procedure to be used by staff if they believe they may have been subject to unfair treatment, including perceived cases of discrimination.

WFD has implemented a range of operational actions following the outbreak of COVID-19 and the management of the pandemic, to ensure it continues to meet its duty of care requirements for its staff. This included the introduction of a new agile working model and supporting policies and procedures in the UK. WFD continued to monitor risks associated with staff safety and wellbeing, enforcing office closures internationally where required, and compliance with local public health advice such as social distancing measures and restricted travel and shifting to remote working.

Sickness absence

WFD recorded 212.5 days (2020-21: 128.5) of staff sickness absence across UK and overseas offices in 2021-22, including 44.5 days of staff absence relating to COVID-19 which WFD has been tracking separately. This equated to 1.3 days (2020-21: 0.8) of average recorded sickness absence per FTE.

Staff turnover

WFD's annual staff turnover for the reporting period across all UK and overseas offices was 17% (2021: 18.1%).

Off-payroll workers and consultancy

WFD engaged 2.8 FTE agency workers in 2021-22 at a total cost of £108,000. In addition, WFD hired one consultant for a period of 10 days, at a cost of £4,000.

Expenditure on temporary staff

During the year, WFD employed an average of 2.28 UK temporary full-time equivalent staff. The total cost was £129,000.

Change in untaken holiday entitlement: £7,000.

Time spent on trade union activities: 3.3 weeks (across 3 staff representatives.)

Direct expenditure on WFD projects includes overseas locally engaged staff £1.9 million (2021: £2.6 million) and is included in Note 3.

The Governors did not receive any remuneration for their services. Travel costs of £Nil (2021: £Nil) were reimbursed in the year.

Staff numbers (audited)

The average number of employees (excluding Governors and vacancies) during the year was:

	2022	2021
Permanent – UK	53.7	49.4
Temporary – UK	2.28	2.2
Rest of world	92.1	101.5
Total	148.1	153.1

Pension commitments

As a publicly funded body listed in Schedule 1 to the Superannuation Act 1972, WFD is included in Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes. As multi-employer schemes, it is not possible for WFD to obtain sufficient

information to identify its share of the underlying assets and liabilities. Therefore, they are accounted for as defined contribution schemes. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

For 2021-22, employers' contributions of £615,000 were payable to the PCSPS and CSOPS and the partnership scheme (2021: £572,000) at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The Scheme Actuary usually reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners. The report on the actuary valuation as at 31 March 2016 was released during 2018-19. As a result, employer contributions increased from 1 April 2019. The full valuation report can be found in the "scheme valuations" section of the Civil Service Pensions website.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. For 2021-22, employers' contributions of £82,000 were payable (2021: £80,000). Employer contributions are age-related and range from 8.0% to 14.75% of pensionable pay. WFD

also matches employee contributions up to 3% of pensionable pay.

During the year, contributions of £8,000 were paid to other personal money purchase pension schemes (2021: Not reported).

Parliamentary accountability and audit report

Parliamentary accountability disclosures

Losses and special payments (audited)

There were net realised foreign exchange losses totalling £45,733 in the year 2021-22 (£98,666 in 2020-21). There were no special payments made during the year, save as disclosed above in respect of voluntary redundancy payments made to five staff. These payments were approved under a Cabinet Office scheme.

Fraud

Information on fraud, loss and error is submitted, via the FCDO, to the Cabinet Office on a quarterly basis through the Consolidated Data Return. This information is then published in the cross-government fraud landscape annual report. During the reporting period WFD experienced no material losses due to fraud.

Gifts and hospitality (audited)

During the reporting period, no WFD Board member or employee reported any gifts or hospitality valued at over £25.

Indemnities or guarantees (audited)

WFD did not enter into any agreements to provide an indemnity or guarantee during the reporting period.

Remote contingent liabilities (audited)

WFD does not have any material remote contingent liabilities.



Anthony Smith

Chief Executive and Accounting Officer

6th October 2022

The Certificate and Report of the Comptroller and Auditor General to Members and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Westminster Foundation for Democracy for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The financial statements which comprise the Westminster Foundation for Democracy's

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of the Westminster Foundation for Democracy's affairs as at 31 March

2022 and its net expenditure for the year then ended;
and

- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards

relevant to listed entities. I am independent of the Westminster Foundation for Democracy in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Westminster Foundation for Democracy's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Westminster Foundation for Democracy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the Strategic Report and the Directors' Report been prepared in accordance with applicable legal requirements; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Westminster Foundation for Democracy and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- a corporate governance statement has not been prepared by the parent; or
- I have not received all of the information and explanations I require for my audit;

Responsibilities of the Directors and Accounting Officer for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer's responsibilities, the Directors' and Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as directors determine are necessary to enable the preparation of financial statement to be

free from material misstatement, whether due to fraud or error.

- assessing the Westminster Foundation for Democracy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors' and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to certify, audit and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- The nature of the sector, control environment and operational performance including the design of the Westminster Foundation for Democracy's accounting policies and key performance indicators.
- Inquiring of management, the Westminster Foundation for Democracy's head of internal audit and those charged with governance, including obtaining and

reviewing supporting documentation relating to Westminster Foundation for Democracy's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Westminster Foundation for Democracy's controls relating to the compliance with the Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money, the Framework Agreement with the Foreign, Commonwealth and Development Office, employment law and tax legislation;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Westminster Foundation for Democracy for fraud and identified the greatest potential for fraud in the following

areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Westminster Foundation for Democracy's framework of authority as well as other legal and regulatory frameworks in which the Westminster Foundation for Democracy operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Westminster Foundation for Democracy. The key laws and regulations I considered in this context included Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money, the Framework Agreement with the Foreign, Commonwealth and Development Office, employment law and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

- in addressing the risk of fraud through revenue recognition, testing a sample of revenue from contracts with customers (including contract assets and liabilities) to supporting documentation; testing the bases and assumptions made in the calculation of contract assets and liabilities; reviewing the accounting treatment and disclosure for revenue; and
- review of new transaction streams to confirm they are regular

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

10th October 2022

Comptroller and Auditor General (Statutory Auditor)

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial statements for Westminster Foundation for Democracy (WFD) 2021-22

Statement of Comprehensive Net Expenditure (SoCNE) for the year ended 31 March 2022

		31 March 2022	31 March 2021
		Total	Total
	Notes	£	£
Income			
Revenue from contracts with customers	2	8,248,038	11,293,936
Total income		8,248,038	11,293,936
Direct expenditure			
Direct expenditure on WFD projects	3	(7,881,868)	(9,976,167)
		366,170	1,317,769

Other expenditure

Staff costs	4	(3,668,705)	(3,409,105)
Depreciation	5	-	(12,160)
Amortisation of right-of-use-assets	5	(140,440)	(244,328)
Property costs	6	(59,897)	(146,062)
Office consumables		(64,472)	(101,938)
IT and systems	7	(301,714)	(290,126)
Other employee costs	8	(372,029)	(126,621)
Professional fees		(51,013)	(44,166)
Audit fees	5	(39,000)	(28,000)
Total other expenditure		(4,697,270)	(4,402,506)
Net operating expenditure		(4,331,100)	(3,084,737)
Finance interest		1,233	90
Finance expense	5	(21,860)	(3,085)

Net expenditure for the year	(4,351,727)	(3,087,732)
Total other comprehensive expenditure	-	-
Comprehensive net expenditure for the year	(4,351,727)	(3,087,732)

Income does not include grant-in-aid received in year of £4.67 million (2020-21: £3.243 million) as it is accounted through reserves.

Notes to the accounts are included on pages 187-212

Statement of Financial Position (SoFP) at 31 March 2022

		31 March 2022	31 March 2021
		Total	Total
	Not es	£	£
Non-current assets			
Property, Plant and Equipment	9	9,371	-
Right-of-use assets	10	-	-
Total non-current assets		9,371	-
Current assets			
Trade receivables and other current assets	11	2,559,449	1,387,889
Cash at bank and in-hand		1,239,895	2,291,936

Total current assets		3,799,344	3,679,825
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Current liabilities

Trade payables and other current liabilities	12	(2,556,969)	(2,807,613)
Provisions	13	(66,756)	(7,151)
Lease Liability	10	-	-
Net current liabilities		(2,623,725)	(2,814,764)
Total net assets		1,184,990	865,061

Taxpayers' equity

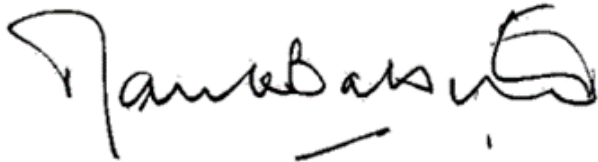
General fund	15	1,184,990	865,061
Total		1,184,990	865,061

Notes to the accounts are on pages 187-212.

These accounts are exempt from the requirements of Part 16 of the Companies Act 2006 by virtue of section 482

(non-profit-making companies subject to public sector audit) of that Act.

The accounts were approved and authorised for issue by the Board on 6th October 2022.



Mark Babington

Chair Audit and Risk
Assurance Committee



Anthony Smith

Chief Executive and
Accounting Officer

Statement of Cash Flows for the year ended 31 March 2022

		31 March 2022	31 March 2021
		Total	Total
	Notes	£	£
<hr/>			
Cashflows from operating activities			
Net operating expenditure for the year		(4,331,100)	(3,084,737)
Adjustment for depreciation	9	-	12,160
Adjustment for amortisation of leases		140,440	244,328
Adjustment for non-cash transactions		12,971	-

Adjustment for loss on disposal of fixed assets	9	-	8,868
Decrease/(increase) in trade receivables and other current assets	11	(1,171,560)	801,291
Increase/(decrease) in trade payables and other current liabilities	12	(250,644)	103,553
Increase/(decrease) in provisions	13	59,605	(25,250)

Net cash outflow from operating activities		(5,540,288)	(1,939,787)
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Cashflow from operating activities

Purchase of non financial assets	9	(9,371)	-
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Net cash inflow/(outflow) from investing activities		(9,371)	-
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Cash flow from financing activities

Grant-in-aid from FCDO	4,671,656	3,243,000
Capital element of payments of lease liability	(153,411)	(244,328)
Interest received	1,233	90
Interest expense on lease liabilities	(21,860)	(3,085)
Net cash inflow from financing activities	4,497,618	2,995,677
Net increase/(decrease) in cash and cash equivalents in the period	(1,052,041)	1,055,890
Cash and cash equivalents at the beginning of the period	2,291,936	1,236,046

**Cash and cash
equivalents at the
end of the period**

1,239,895 2,291,936

Notes to the accounts are on pages 187-212

Statement of Changes in Taxpayers' Equity (SoCTE) for the year ended 31 March 2022

General Fund	Total £
Balances at 31 March 2020	709,793
Comprehensive net expenditure during the year	(3,087,732)
Grant-in-aid from FCDO	3,243,000
Balances as at 31st March 2021	865,061
Comprehensive net expenditure during the year	(4,351,727)
Grant-in-aid from FCDO	4,671,656
Balances as at 31st March 2022	1,184,990

Notes to the accounts are on pages 187-212

Notes to the financial statements

1. Accounting policies

1.1 Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards as applied in accordance with the provisions of the Companies Act 2006. The financial statements are prepared under the historical cost convention, and in accordance with those parts of the Government Financial Reporting Manual (FReM) that do not conflict with the Companies Act 2006. The format of the Statement of Comprehensive Net Expenditure (SoCNE) has been adapted from that prescribed by the Companies Act to better reflect the nature of WFD's activities.

WFD are responsible for preparing an annual report and financial statements in accordance with the Companies Act 2006 and the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In application of WFD's accounting policies, Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not

readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

There is an ongoing review of estimates and underlying assumptions. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or recognised both in the period of the revision and in future periods, if the revision affects the current and future periods.

The following areas involving judgment, estimations and assumptions are considered to have the most significant effect on the amounts recognised in the accounts:

- Accrued income / contract assets – this requires a judgement to determine the likelihood that income will be received; and
- Deferred income / contract liabilities – this requires a judgement to defer the recognition of income already received for the future period(s).

These areas are considered further in note 1.4 below. WFD does not consider the value or useful economic life of tangible fixed assets to be a significant issue for judgements, estimation, or assumption for WFD due to the low volume and value of such assets.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the SoFP date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1.3 Going Concern

The Board has reviewed WFD's financial position based on known information and has concluded that WFD has sufficient access to resources to remain sustainable and that it is appropriate for the Foundation to adopt the going concern basis of accounting.

In March 2022, the FCDO confirmed a core grant to WFD of £6.5 million per annum for the next 3 years – 2022-23, 2023-24 and 2024-25. WFD's draft budget for the next 3 financial years has incorporated the funding advised and are balanced budgets across each year. Programmes have been recalibrated and redesigned to take account of the changing environment that WFD operates in. WFD have also ended the year 2021-22 with a surplus financial position. This has been partially due to effects of the pandemic on programme delivery.

1.4 Income

Contract assets and liabilities as defined under IFRS have been recognised in replacement for accrued and deferred income.

WFD meets its obligations mainly through funding received from the Foreign and Commonwealth Office (FCDO) and the European Union (EU).

In accordance with the FReM, FCDO grant-in-aid received in the year is accounted for through the reserves in the year to which it relates.

Other income is recognised when:

- WFD has entitlement to the funds;
- Any conditions attached to the item(s) of income have been met;
- It is probable that the income will be received; and
- The amount can be measured reliably.

WFD's portfolio includes various grants provided by institutional donors, such as the FCDO, for democracy assistance activities, some of which are paid in advance, with others paid in arrears. Grants received in advance of expenditure are recognised as income or carried forward at year-end as a contract liability (in accordance with IFRS 15) and released to the net expenditure account in the period in which costs are incurred, and performance

obligations are satisfied. Grants awarded, but received after costs are incurred, are recognised as income or as a contract asset (in accordance with IFRS 15) in the period in which the costs are incurred.

WFD is also party to several contracts for services, including with the FCDO, under which funders pay against invoices, in connection with the delivery of agreed democracy assistance services by WFD. Work undertaken has no alternative use for WFD and the contracts require payment to be received for the time and effort spent on progressing the contracts. In the event of the customer cancelling the contract prior to completion for any reason other than WFD's failure to perform its obligations under the contract payment covering work to date would be receivable.

On partially complete contracts, WFD recognises revenue based on stage of completion of the project which is estimated by comparing the number of hours actually spent on the project with the total number of hours expected to complete the project (i.e.m an input-based method). This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours to complete the projects and therefore also represents the amount to which WFD would be entitled based on its performance to date.

Within the Statement of Financial Position, a contract asset and contract liability have been recognised:

- Contract asset – the difference between the amount invoiced to the customer and the latest milestone achieved. An accompanying receivable will be recognised if the customer has yet to pay the invoice. This balance will also include recognition of a receivable for costs which have been incurred to support milestones that have not yet been fully achieved. Any impairment relating to this balance will be measured, presented, and disclosed in relation to IFRS 9.
- Contract liability – the difference between the invoiced income and the latest achieved contracted milestone. An accompanying receivable will be recognised if they customer has yet to pay the invoice.

1.5 Expenditure

Expenditure is recognised in adherence to IFRS 9, once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Grants Payable

WFD has no liability for claims for grants that are not received by the end of the financial year.

1.7 Pension costs

Pension contributions incurred by WFD in respect of employees to a defined contribution scheme are charged to the SoCNE when they become payable. Differences between contributions payable in the year and contributions paid are shown in 'Trade payables and other current liabilities' in the SoFP.

Pension contributions paid by WFD in respect of employees to a defined benefit, multi-employer scheme are charged to the SoCNE when they become payable. This is in line with IAS 19 requirements for multi-employer schemes where the assets are co-mingled for investment purposes and the benefits are paid out of the scheme's total assets. Please see note 4 for further details.

1.8 Foreign exchange transactions

Foreign currency transactions are translated at the rate of exchange ruling at the date of the transaction. Foreign currency balances are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the SoCNE.

1.9 Taxation

WFD is not liable to Corporation Tax on grants received as WFD is not a trading entity but is liable to tax on investment income. WFD has no investment income.

WFD is VAT exempt.

1.10 General fund

Core funds represent the unspent balances of income received, for use by WFD in the future at its discretion. Designated funds relate to grants received for specific purposes which may be spent only on those purposes. Grant in Aid is received from FCDO and recognised directly in the General Fund.

1.11 Non-current assets and depreciation

Non-current assets costing more than £2,000 are capitalised and included at cost, including any incidental expenses of acquisition, on the Statement of Financial Position (SoFP). All such tangible assets are owned in full.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives on a straight-line basis as follows:

Computer equipment	3 years
Furniture and fittings	5 years
Right of use assets	Over the life of the lease

1.12 Reserves policy

WFD has recently agreed with its sponsor department, the FCDO, that it is appropriate to retain limited reserves to ensure the stability and sustainability of the organisation. This includes an assessment of current and future working capital requirements to support the delivery of programme activity where funding and delivery may be in different financial years. WFD has adopted a Reserves Policy based on the following principles in compliance with HM Treasury rules, risk-based, justified and appropriate, current, and good governance and is subject to regular consultation and review.

1.13 Financial Instruments

IFRS 9 includes requirements for classification recognition and measurement, impairment, derecognition and general hedge accounting. WFD's financial instruments are trade receivables and payables. Receivables are shown net of expected credit loss. WFD holds receivables with customers with low credit risk (central government departments, overseas governments and organisations and other well-respected organisations), and other receivables are simple trade receivables held for collecting cash in the normal course of business.

WFD has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost).

Financial assets held at amortised cost comprise cash at bank and in hand and trade and other receivables, excluding prepayments and accrued income and contract assets.

Financial liabilities held at amortised cost comprise trade and other payables, excluding accrued expenditure and deferred income and contract liabilities.

No discounting has been applied to these financial instruments on the basis that the periods over which

amounts will be settled are such that any discounting would be immaterial.

1.15 IFRS in issue but not effective

IFRS 17 (a standard for insurance contracts) will be effective from the financial years 2022-23. However, this standard has no impact on WFD's reporting in the financial year 2022-2023.

2. Revenue

In 2021/22, WFD received total income (excluding core grant) of £8.2 million. The breakdown is shown on the table below:

	2022	2021
	£	£
European Union	290,724	650,596
IAP	797,523	3,289,226
FCDO Myanmar	303,841	1,179,113
Other FCDO	966,139	462,794
Commonwealth (CEP and CP4D)	4,972	1,085,213
CSSF	3,993,017	3,570,608
UK PACT	158,919	-

Global Equality Project	634,572	-
Third Party	1,098,330	1,056,386
Total	8,248,038	11,293,936

3. Direct expenditure on WFD projects

In the opinion of the Board, owing to the scale of activity there is a single segment of business activity which is strengthening pluralist democratic institutions, particularly political parties. Financial reporting to the Management Board does not identify operating segments within the business.

Programmes directly implemented by WFD costs include expenditure in respect of EU grants received totalling £290,724 (2021: £650,596).

	2022	2021
	£	£
*Programmes directly implemented by WFD	6,642,631	8,188,765
Conservative Party	430,000	661,614
Labour Party	411,232	686,500
Scottish National Party	156,790	156,173
Multi parties	234,780	239,483

Travel & subsistence	6,435	43,632
Total	7,881,868	9,976,167

*In addition to their statutory audit work, the NAO was paid fees of £10,000 related to services delivered to the SAI of Montenegro.

4. Staff costs

	2022	2021
	£	£
Wages and salaries	2,660,347	2,468,598
Temporary staff	108,040	106,719
Social security costs	284,608	261,863
Pension costs	615,710	571,925
Total	3,668,705	3,409,105

Direct expenditure on WFD projects includes overseas locally engaged staff £1.9 million (2021: £2.6 million) and is included in Note 3.

The Governors did not receive any remuneration for their services. Travel costs of £nil (2021: £Nil) were reimbursed in the year.

Further details are included on the remuneration report beginning on page 135.

Staff numbers

Details as reported on page 147 under the Staff Report.

Pension commitments

As a publicly funded body listed in Schedule 1 to the Superannuation Act 1972, WFD is included in Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” - are unfunded multi-employer defined benefit scheme. For further details about pension arrangements please refer to the pension commitments section above on page 144.

5. Other operating charges

	2022	2021
	£	£
Auditor's remuneration	39,000	28,000
Finance costs	21,860	3,085
Depreciation and amortisation	140,440	256,488
Total	201,300	287,573

6. Property costs

	2022	2021
	£	£
Rent	-	70,298
Service charges	26,778	51,618
Business rates	33,119	24,146
	59,897	146,062

7. IT & Systems

	2022	2021
	£	£
Other IT costs	35,464	33,474
IT support contracts	75,821	81,593
IT licenses	145,200	128,884
IT hardware (non-capital)	37,189	1,339
IT disaster recovery	8,040	44,836
	301,714	290,126

8. Other employee costs

	2022	2021
	£	£
Compensation for loss of office	320,498	-
Recruitment	18,620	19,989
Others	32,911	106,632
	372,029	126,621

9. Property, Plant and Equipment

	Leased Equipm ent £	Compute r Equipme nt £	Furniture and Fittings £	Total £
Cost				
At 1 April 2020	6,987	81,787	59,929	148,703
Additions	-	-	-	-
Disposals	(6,987)	(81,787)	(59,929)	(148,703)
as at 31 March 2021	-	-	-	-

At 1 April 2021	-	-	-	-
Additions	-	9,371	-	9,371
Disposals	-	-	-	-
as at 31 March 2022	-	9,371	-	9,371

Depreciation

At 1 April 2020	4,192	70,165	50,887	125,244
Charge in year	2,795	6,782	2,583	12,160
Disposals	(6,987)	(76,947)	(53,470)	(137,404)
as at 31 March 2021	-	-	-	-
At 1 April 2021	-	-	-	-
Charge in year	-	-	-	-

Disposals	-	-	-	-
as at 31 March 2022	-	-	-	-
Net book value				
At 31 March 2022	-	9,371	-	9,371
At 31 March 2021	-	-	-	-

Addition was Microsoft surface hub, bought March 2022.

10. Leases

	£
On application of IFRS 16 on 1 April 2021	702,201
Interest accrued	23,388
Payments	(153,411)
Lease Liability in the period ending 31 March 2022	572,178

On termination of Lease Liability	(561,510)
Interest adjustment on termination of Lease Liability	(10,668)
Termination of Lease Liability in the period ending 31 March 2022	(572,178)
Lease Liability at 31 March 2022	-

WFD has applied IFRS 16 in the creation of a right-of-use asset and a corresponding lease liability in the Statement of Financial Position. WFD's five-year lease was terminated by the Landlord. As a result of the termination, the asset and liability at 31 March 2022 has a nil impact on the financial statements.

On 1 April 2022 WFD signed a new 5 year licence agreement to occupy Clive House 70 Petty France, London. The lease will be accounted for in the 2022-23 financial statements.

11. Trade receivables and other current assets

	2022	2021
	£	£
Trade receivables and other current assets	617,074	689,288
Deposits and advances	95,526	110,974
Prepayments	18,491	71,873
	1,828,3	
*Contract assets	58	515,753
	2,559,4	1,387,8
Total	49	89

- Higher in current year due to program delivery delay due to COVID so activity started later in the year resulting in higher accrual levels.

All amounts included in the above table fall due within one year. Contract assets and trade receivables at 31 March 2022 include £41,369 (2021: £271,000) relating to EU grants.

12. Trade payables and other current liabilities

	2022	2021
	£	£
Trade payables	904,737	882,608
Pension contributions payable	61,391	62,357
Accruals	1,191,814	1,059,035
Contract liabilities	399,027	803,613
Total	2,556,969	2,807,613

All amounts included in the above table fall due within one year. Contract liabilities at 31 March 2022 include £7,402 (2021: £27,000) relating to EU grants.

13. Provisions

	2022	2021
	£	£
Other provisions	66,756	7,151
Total	66,756	7,151

Other provisions represents UK exit costs, Cost in lieu of notice (CILON); £49k; a potential tax liability for staff in WFD Tunisia office, £7k, WFD Georgia, £5.8k and a severance payment of £5k in Jordan.

14a. Financial exposure

As the cash requirements of WFD are substantially met through grant-in-aid provided by the Foreign and Commonwealth Office, financial instruments play a more limited role in creating and managing risk than would apply to a non-departmental public body. WFD, therefore, has low exposure to credit, liquidity, or market risk. WFD operates in many foreign countries, as a result, it is necessary to use foreign currency to run operations abroad. Foreign exchange risk is kept to a minimum by holding the least required cash in foreign bank accounts.

14b. Legal status

WFD is a company limited by guarantee, not having share capital. The liability of the two members, being the Secretary of State for Foreign, Commonwealth and Development Affairs and the Treasury Solicitor, is limited to £1 each.

15. General fund

The balance of Designated Funds at 31 March 2022 represents a donation designated for a specific purpose. As in previous years, the bank balance is held in a commercial bank.

	Core	Designat ed	Total
	£	£	£
COST			
At 1 April 2020			
Property, Plant and Equipment	-	-	-
Right of use assets	-	-	-
Trade and other receivables	1,387,889	-	1,312,707
Cash and cash equivalents	2,281,377	10,559	2,291,936
Trade and other payables	(2,814,764)	-	(2,739,582)
as at 31 March 2021	854,502	10,559	865,061

At 31 March 2021

Property, Plant and Equipment	9,371	-	9,371
Right of use assets	-	-	-
Trade and other receivables	2,559,448	-	2,559,448
Cash and cash equivalents	1,229,336	10,559	1,239,895
Trade and other payables	(2,623,724)	-	(2,623,724)
as at 31 March 2022	1,174,431	10,559	1,184,990

16. Related party transactions

WFD is a non-departmental public body sponsored by the Foreign, Commonwealth and Development Office (FCDO). The FCDO is regarded as a related party. Core funding of £4.67 million was received from the FCDO as grant-in-aid.

In addition, FCDO provided funding of £3.9 million from the Conflict, Stability and Security Fund (CSSF), £0.6 million towards the Global Equality Project (GEP) Programme and other programme specific funding of £1.3 million.

Income was also received (via FCDO) for funding which historically had been provided by the Department for International Development (DFID).

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions. No board member, key manager or other related parties has undertaken any material transactions with the WFD during the year.

Government Property agency (GPA) is regarded as a related party. During the year, WFD has had its lease for the offices at 22 Whitehall with GPA.

17. Events after the reporting period

WFD undertook an operational review during 2021-22 which resulted in some voluntary redundancies. The majority of staff exits were in 2021-22, however 3 members of staff who took voluntary redundancy stayed for a transition period and left in the first quarter of 2022-23. The relevant payment /(costs) in lieu of notice (PILON) will be paid in 2022-23. The total cost is £49,000.

WFD received the final Grant in Aid (GIA) payment of £253,000 for 2021-22 in April 2022, this does not form a part of the GIA reflected in the accounts, since GIA is accounted for on a cash basis.

The accounting officer authorised these financial statements for issues on the same date as the Comptroller & Auditor General's Audit Certificate. The accounts do not reflect events after this date.

Westminster Foundation for Democracy (WFD) is the UK public body dedicated to supporting democracy around the world. Operating internationally, WFD works with parliaments, political parties, and civil society groups as well as on elections to help make political systems fairer, and more inclusive and accountable.

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