

The Westminster Foundation for Democracy Limited
Company Number 2693163

Minutes of Meeting of the Board of Governors (Parts A and B) held in Committee Room 11, Palace of Westminster, on Wednesday, 25 June 2014

Present	Henry Bellingham MP (Chair)	
Parts A & B	Ann McKechin MP (Vice Chair)	
	Rushanara Ali MP	
	Ken Caldwell	
	Tina Fahm	
	Bronwen Manby	
	John Osmond	
	Andrew Rosindell MP	
	Rt Hon Sir Andrew Stunell MP	
	Pete Wishart MP	
	Paul Naismith (Acting CEO)	
	Anthony Smith (CEO Designate)	
In attendance	George Kunnath	Head of Europe Team
Part B only	Romana Janku	Programme Officer, Europe Team
	Sarah Leigh-Hunt	Programme Officer, MENA Team
	Philippa Broom	Conservative Party
	Nabila Sattar	Labour Party
	Iain Gill	Liberal Democrats
	Chris Levick	Smaller Parties
	Nigel Dickerson	Head, Human Rights & Democracy Department, FCO
	Nerys Jones	Deputy Head, Human Rights & Democracy Department, FCO
	Emma Kouki	Desk Officer, Democracy & Elections, HRDD, FCO
	Aislin Baker	Political Governance Adviser, DFID
	Tamara Moluch	Minute Taker

Decisions taken and/or Actions agree by the Board in Part A

- The Board AGREED the Terms of Reference of the **Task Group Reviewing the Functioning of the Board** (Document A1)
- The following appointments were made to Board Committees:
 - Bronwen Manby Member Audit Committee
 - Andrew Rosindell MP Member Terms & Conditions Committee

In addition, John Osmond would be appointed Chair of the Audit Committee in succession to Tina Fahm upon her retirement as a Governor in August 2014.

Part B

5. **Apologies for absence** - None
6. **Conflict of Interest Declarations** - None declared.
7. **Minutes of Board meetings** (Document B1)

The minutes of the Board meeting held on 9 April 2014 were **APPROVED** and duly signed by the Chair.

8. **Matters arising** (not covered elsewhere on the agenda) (Document B1a)

Agenda Item 8: FCO Triennial Review – Further to a draft recommendation circulated to Governors for comment, Nerys Jones confirmed that FCO and DFID were keen to work together on introducing a democracy strengthening strategy plan and that Ministers were expected to endorse this action shortly.

ACTION POINT 3/APR.14: Paul Naismith confirmed that a review of the system and administration process for reporting open / closed projects and programmes would be carried out in July and a report on recommended action would be circulated to the Board.

9. **Approve Programme Proposals** (Documents B2: E1 & M1)

Nabila Sattar thanked the Board for its comments on the two draft proposals. She noted that, whilst political parties and regional teams were moving towards joined-up programming, work needed to continue if current funding requirements were to be met. Without advice to the contrary, Labour has continued to develop multi-year programmes. However, following discussion with Paul Naismith, Labour would only seek funding for activities to March 2015. Accordingly, the two proposals had been presented in a way to ensure that the first nine months of activities were stand alone; and activities for Year 2 and 3 would be reviewed at a later date and be subject to the planned strategy review. Paul Naismith confirmed that work towards joined-up programming was now moving forward at a pace and that a joined-up programme proposal would shortly be presented to the Board for consideration.

The Board **APPROVED** the following funding:

E1. Western Balkans: Strengthening the Social Democratic Left
The sum of **£155,695** for activities to **March 2015 only**

M1. MENA-wide: Strengthening the Social Democratic Left
The sum of **£183,144** for activities to **March 2015 only**

10. **Annual Report and Accounts for the FY 2013-14**

Paul Naismith noted that the Annual Report and Accounts for FY 2013-14 were not being tabled at the Board meeting in the usual way. The FCO had asked for an unsigned copy of the final Report and Accounts by 23 June so as to have assurance of WFD's accounts in order to comply with their own audit deadlines. Accordingly, following their inspection and recommendation by the Audit Committee on behalf of the Board, the proposed Accounts had been circulated electronically to the Board and approved accordingly to meet this deadline. The Accounts had now been signed and were awaiting the approval of the Foreign Secretary for them to be laid in Parliament.

The Board **NOTED** the approved Annual Report and Accounts for the FY 2013-14.

11. **Annual Review of WFD's work against M&E Framework**

Paul Naismith reported that it was a requirement of DFID's accountable grant that WFD prepare an **annual review of its work against the M&E framework**. The review for the second year of work was due end-June. Paul said that this would be finalised by the end of the week and would be circulated later to Governors for information and comment. As in the first year, DFID would use the review to prepare a scored assessment of WFD's work.

Aislin Baker confirmed that the final version of each DFID review became a public records document and was posted online, as with all DFID reports and publications. Ken Caldwell suggested that the Board take the opportunity provided by DFID's annual report to review the effectiveness of WFD's work over the last year, both as part of its own review responsibilities and in considering how the findings might influence forward planning.

Paul added that **FCO's Triennial Review** draft recommendations had now been discussed by the Board. Nerys Jones expected the final version of the Triennial Review to be presented to Ministers by the end of the week though time would then be needed for Ministerial sign-off. She also confirmed that she would pass on WFD's recommendation that ownership of each recommendation be clearly attributed.

Aislin Baker said she expected **DFID's External Mid-Term Review** to be finalised within the next few weeks and that WFD would have advance notice of its release date in order to prepare a Management Response if required. Philippa Broom raised concerns that some of the analysis of sister party work presented in the Review risked damaging sister-party trust-based relationships if published. In response, Aislin said that DFID automatically removed references that put partners at risk. Although findings could not be altered, terminology of relevant findings could be revisited and she would pass these concerns on.

Pending Ministerial sign-off, the Board supported work to begin on the development of the Business Plan 2015-16 using the information already available in the draft reviews. Despite possible delays in the sign-off, Anthony Smith suggested that work begin on a plan of action for implementation of the recommendations which could then be discussed with the Board to ensure that all issues were covered. The Board welcomed this suggestion.

Reports for Information

12. COMMITTEE REPORTS

a) Audit Committee (Document B3a-b)

Minutes of 17 June 2014 Audit Committee meeting: Audit Committee 2014 Annual Report to the WFD Board - Tina Fahm introduced the **Minutes of the Audit Committee** meeting. She was pleased to announce that the NAO had provided an unqualified audit opinion which, as far as she was aware, continued WFD's unbroken record of unqualified opinions. The considerable amount of work that had been accomplished to achieve this success could not be underestimated and she asked that her thanks to Committee members, Philippa Broom (political party representative), Paul Naismith and Tamara Moluch (Committee Secretary) for their support be put on record. Tina also welcomed Henry Bellingham's comment that reporting was becoming more transparent. In recognising the work that remained to be done, she was confident that WFD was on the right trajectory. In her introduction of the **Audit Committee Annual Report to the Board**, she highlighted the Audit Committee's objectives for 2014-15.

The Board **NOTED** the Minutes of the 18 March 2014 meeting of the Audit Committee and the Committee's Annual Report 2014.

b) Terms & Conditions Committee (Document B4)

Minutes of the 30 April 2014 Terms & Conditions Committee meeting - Ann McKechin introduced the Minutes of the Terms & Conditions Committee meeting which she noted had not met for some time. She highlighted the Internal Audit recommendation relating to WFD's regulatory compliance in the area of health & safety and the subsequent Committee recommendations. These included the requirement for a draft health & safety policy to be placed in a prominent place for the guidance of staff, which had now been done. The health & safety policy was expected to be finalised by October and would be presented to the Board for approval at its November meeting.

In line with WFD's pay policy which mirrored FCO settlements, the Committee noted the management's plans to increase base pay for UK staff by 1% from 1 April 2014 and would await official announcement of FCO's pay and reward policy before implementation. The pay of overseas staff would also be reviewed with the aim to follow UK policy but, where appropriate, take into consideration local factors.

The Board **NOTED** the Minutes of the April 2014 meeting of the Terms & Conditions Committee.

13. OTHER REPORTS

- a) **Chief Executive's report** (Document B5) - Paul Naismith referred to his earlier comments on the external reviews and the implementation of recommendations of the external reviews (see Agenda Item 11 above). He reported that collaborative work amongst political parties and regional teams was beginning to bear fruit and a first innovative joined-up programme for Bosnia and Herzegovina to be funded by the Capacity Building and Innovation Fund, was expected to be presented to the Board for approval under the Urgency procedure in July. A second joined-up programme was in an earlier stage of development. Planned for Tunisia, this was required to demonstrate original ways of joined-up working and expressly not a rebranding of the cancelled APF programme. It was hoped to present the proposal to the Board for approval at its September meeting.

Initial work on developing a business plan for FY 2015-16 had started. In this context, Andrew Stunell foresaw serious timing issues should there be lengthy delays in Ministerial sign-offs of the reviews and asked that FCO and DFID keep WFD informed of timing.

Access to DFID training, offered during discussions on the Mid-Term Review, has resulted in WFD having four places on a training course on Political Economic Analysis in Action (PEA). Two Heads of Programmes and two party officers would be attending the course, which was also expected to help improve collaborative working and any immediate benefits would be disseminated promptly.

Following a setback, a new M&E Adviser would join WFD on 9 July. The recruitment of a Director of Programmes had also now started and the CEO Designate, Anthony Smith, has been fully involved. Submission of a business case for FCO approval forms part of the recruitment process.

The Board **NOTED** the report.

- b) **Quarterly Progress Reports – Q4** (Document B6a) - John Osmond noted that the reports covered the period January to March 2014 which meant they were too historic to be useful to the Board in its oversight responsibilities. He suggested that future Board meetings be scheduled to fall in line with such reporting.

In response to a point raised by John Osmond, Paul Naismith said that the recent high level of turnover of field staff was not perceived as a serious problem as it mainly applied to new starters; established field offices had loyal and competent staff and steps were now being taken to ensure higher standards of new appointees to mitigate this occurrence in future. He further noted that the current senior and experienced field managers had been responsible for the smooth programme start-ups that had resulted in a number of the successes highlighted in the reviews and which had been achieved as a result of the current staffing structure. In light of these successes, John questioned the findings of the Mid-Term Review which had criticised the heavy weighting towards London staff load as opposed to field staff and suggested that this was in fact a strong counter-argument to their finding.

The Mid-Term Review had also highlighted a number of problems in the work of WFD's support to the East African Legislative Assembly and Andrew Stunell suggested that this may have been alleviated had regional teams drawn on party relationships. He did accept that, in this particular case, this may have had little effect on the outcome, however he strongly urged that WFD regional teams and political parties facilitate each other's work in order to maximise each other's added value.

The Board **NOTED** the reports.

- c) **External funding proposals at bidding / concept stage** (Document B6b) - The Board **NOTED** the report.

- d) **Programmes approved since April 2014 meeting of the Board** (Document B6c) - The Board **NOTED** the report.
- e) **Summary of all programme commitments from April 2012 to date** (Document B6d) – The Board **NOTED** the report and welcomed John Osmond and Paul Naismith taking forward the work on how best this information could be presented in future.
- f) **List of open / closed projects and programmes** (Document B6e) – The Board **NOTED** the report.
- g) **Finance Director's report** (Documents B7a) – Paul Naismith introduced the **Management Accounts – Review of 2013-14** which he said were consistent with the statutory accounts. Ken Caldwell reiterated concerns that as overall programme spend had fallen in 2013-14, overall overheads costs had increased. He suggested Paul Naismith build in checks and balances that would allow the situation to be monitored. Paul said this imbalance had been the result of one-off expenditures and would not be repeated. Ken also noted the continued underspend under the Capacity Building and Innovation Fund and felt that priority be given to identifying and developing activities that could benefit from this funding and welcomed the work being undertaken on developing two joined-up proposals. In introducing the **Management Accounts - two months to May 2014** that summarised activities in the first two months of the FY, Paul noted the perennial concern of maintaining spend levels throughout the year but felt that at this early stage it was too difficult to read anything into the figures.

The Board **NOTED** the report.

- h) **Risk Dashboard to June 2014** (Documents B7b) – At the request of the Audit Committee, Paul Naismith flagged up risks posed by capacity issues. This followed concerns raised by the Committee that current staffing shortages risked an adverse shift in WFD's risk profile. In Paul's view, current staff vacancies did not risk such an adverse shift, however, to facilitate future monitoring, relevant capacity measures (staffing, skills, financial, etc.) would be included in the Risk Dashboard.

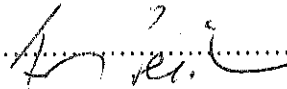
The Board **NOTED** the report.

- i) **Communications Update – June 2014** (Document B8a) – Paul Naismith said that this Update was one example of improving external communications. Others included the relaunch of WFD's quarterly newsletter, the updating of reports on the website etc. John Osmond noted the lack of sister party reports in the Update and asked that these be included to help balance reporting. Bronwen Manby highlighted the wealth of experience to be found in political party programmes, some of which had been shared with the Board. This could easily be prepared for wider distribution together with in-depth analysis of their work. Philippa Broom confirmed that the preparation of such reports had already begun as part of the work plan of the Conservative, Labour and Liberal Democratic Joint Innovation Bid that had been approved by the Board in February 2014.
 - j) **Freedom of information requests – May to June 2014** (Document B8b) - The Board **NOTED** the report.
 - k) **Closed political party programmes for publication on website** (Document B8c) - The Board **NOTED** the report.
9. **Any other business** – The Board **AGREED** to reschedule the planned Away Day for late October. Henry Bellingham took the opportunity to thank Tina Fahm – who would be stepping down as Governor in August - for her outstanding contribution to the work of WFD. He also warmly welcomed Anthony Smith to his first Board meeting. Anthony would be taking up his duties as CEO in August.

ACTION POINT 1/JUN.14: Henry Bellingham/Paul Naismith/Anthony Smith/ to find a suitable date for an October Away Day

10. **Date of next meeting:** Because of scheduling problems, the Board agreed to reschedule the 10 September 2014 meeting.

ACTION POINT 2/JUN.14: Tamara Moluch to canvass Board members for a suitable date as near as possible to 10 September for the next Board meeting

Chair..........
Date: 11 September 2014