

The Westminster Foundation for Democracy Limited
Company Number 2693163

**Minutes of Meeting of the Board of Governors held in Committee Room 19,
Palace of Westminster on Wednesday 4 February 2015**

Present Ann McKechin MP (Vice Chair) – in the Chair
Henry Bellingham MP (Chair) – present for some of the discussions only
Rushanara Ali
Ken Caldwell
Bronwen Manby
John Osmond
Rt Hon Sir Andrew Stunell MP

In attendance Anthony Smith CEO
Paul Naismith Finance Director
Tamara Moluch Minute Taker

1. Apologies for absence were received from Andrew Rosindell MP and Pete Wishart MP.
2. **Conflict of Interest Declarations** - None declared.
3. **Minutes of Board meeting** (*Document 1a*) held on 19 November 2014.

Subject to the following revision: Agenda Item 6.1 – line 2 to read ‘*The CEO shall establish a transparent process and criteria for approval...*’, the Minutes were **APPROVED** and duly signed by the Vice-Chair.

The Board **NOTED** that the action points listed under **Implementation Status of Actions Points Agreed by the Board** (*Document 1b*) were covered elsewhere in the agenda.

TOPICS FOR DISCUSSION AND DECISION

4. **Chief Executive’s Report** (*Document 2*)

Anthony Smith introduced his report, highlighting a number of milestones, including:

- The recently published **Report on Parliamentary Strengthening by the International Development Select Committee** which was very positive towards WFD and the field of parliamentary strengthening as a whole and had recommended that the Government, not only increase its investment in this area, but that the UK community of democracy-strengthening organisations work more closely together. In this respect, Anthony suggested that WFD, being ideally placed, could consider how such a partnership could be established and the form it could take.

ACTION POINT 1: **Anthony Smith to present to the next Board meeting a proposal for the establishment of a partnership of UK democracy-strengthening organisation.**

- Anthony informed the Board that he had recently met with the Lord Speaker and the subject of an official **launch of WFD's new strategic framework** had been discussed. The Board welcomed the Lord Speaker's offer to host the event in the River Room and agreed 11 March as a suitable date. The Board also welcomed the suggestion that Anthony undertake a number of outreach visits aimed at introducing WFD's strategic framework to potential funders and international partners and noted that he would be in Brussels in the coming week and hoped to visit International IDEA in Stockholm and WFD's American counterparts in the coming months.
- As part of the ongoing **staffing review**, an internal WFD staff workshop had recently been organised at which current and future staffing issues had been discussed. A decision on WFD's future staffing needs would be made shortly and Anthony assured the Board that any conclusions reached would not be drastically overtaken by the outcome of the Ministerial statement on WFD's future funding and direction as the conclusions would not only be in line with the Triennial Review draft recommendations but future staffing levels would be required to adapt to available funding resources.

ACTION POINT 2: Anthony Smith to report back to the Board at its June meeting on outcome of WFD's staffing review.

- In drawing attention to the recent Internal Audit report that had raised a number of serious concerns about WFD's **IT security** arrangements, Anthony confirmed that the ongoing IT & Office Review was not only looking at WFD's systems and IT arrangements but also at its IT security. To this effect, IT experts from FCO Services would be supporting WFD in this work.
- Following the bankruptcy of **ERIS**, who had maintained the database of UK election observation monitors and had provided capacity building services overseas, the FCO had decided to put out to tender the maintenance of the database at a cost of £15,000 p.a. - the cost of a part-time officer. Though not directly related to WFD's parliamentary or sister party work, Anthony proposed that WFD bid for this work in the expectation that it might open up new opportunities. In agreeing in principle, the Board asked that clarification be sought from the FCO as to what exactly could be expected so as to avoid being inadvertently required to undertake unaffordable additional services and suggested that a one-year pilot trial might provide the opportunity to ascertain exactly how and if such work fitted in with WFD's business plans.
- As to **quarterly reporting**, Anthony confirmed that this would be in the form of quarterly updates to the Business Plan. These would provide information on progress towards achieving the strategic objectives, updates on the work of individual programmes, budgets, the risk registers/dashboard and governance issues, etc.

ACTION POINT 3: Because of the late scheduling of the next Board meeting, an interim quarterly report to be prepared in May and circulated electronically to the Board for comment.

5. WFD 2015-20

a) Approval of **Strategic Framework 2015-20** (Document 3)

Ann McKechin introduced the final draft Strategic Framework which incorporated comments from the extensive consultation with Governors, WFD staff and FCO and DFID officials. Governors welcomed the text which provided a good sense of the direction WFD was travelling in, and made three main comments:

- Future versions could bring out more clearly what would be different in 2020 as a result of WFD's actions. Ken Caldwell said that he would be happy to contribute to this work.
- The criteria governing the choice of countries earmarked either for closure or for start-up activity were quite open in the strategy but should be clearer in the project approval process. The Programme Quality Committee should discuss how best to tackle this.
- There should be an overarching goal of WFD becoming an increasingly coherent and cohesive organisation without, at the same time, any loss of independence of the political parties. The Board agreed that achieving greater synergy across the whole organisation was one of WFD's greatest challenges and posed a significant risk if not achieved.

The Board **APPROVED** the Strategic Framework subject to minor revision on the understanding that the Board would review the Strategic Framework together with the criteria for country selection later in the year.

b. Approval of **Business Plan 2015-16** and draft **strategic budget 2015-16** (Document 4)

Ann McKechin introduced the draft Business Plan and Strategic Budget 2015-16 which would be aligned with the Triennial Review findings and confirmation of WFD's future funding. The Board noted that the results of work currently being undertaken to strengthen WFD's management, the development of the quarterly reporting format to the Board, finalisation of the Budget and subsequent development of the Risk Dashboard would also be reflected in the Business Plan.

Format of the Business Plan

In welcoming the format, the Board suggested that the Business Plan focus on year-end objectives so that it could better measure progress towards the achievement of WFD's strategic objectives. To this effect, a cut in the total number of indicators to around ten priority and outcome-focused indicators was suggested. In response, Anthony Smith referred to the current DFID grant that had required log frameworks to set out outcomes far in advance. The aim, this time, was to be as clear as possible about the broad strategic outcomes and to track progress rigorously, but not to set unrealistically precise targets several years in advance.

Internally, the Board reiterated the need for WFD to move towards becoming a more coherent organisation and asked that steps to achieve greater synergy across the whole

organisation should not be limited to integrated programmes but should be part of WFD's overall country/regional/thematic programming. Externally, they suggested that regional/country/thematic plans be prepared on an annual basis to provide a better understanding of programme objectives. The individual work plans should also expand on the choice of countries and, in this context, the Board suggested that the development of political context analysis might be tracked as an objective.

Budget

The Board considered the risk posed to the stability of operations should WFD enter the new FY without a finalised budget. It was agreed, therefore, that, as soon as funding levels were confirmed, the draft budget should be finalised and circulated electronically to Governors for approval. Should any point of contention arise, the budget would then be referred to the Audit & Risk Assurance Committee (see (c) below)

Particular concerns were raised about the stability of existing political party programmes as a direct result of the volatility of the UK general election cycle. It was agreed that, should Governors wish to propose any changes to the way WFD implemented the Short Money Formula, political parties should agree - post-election - a revised formula and bring it to the Board for consideration and endorsement. However, in order to ensure WFD-wide stability, Anthony Smith confirmed that the 2015-16 budget, once approved, would protect the full year allocations for both regional and political party teams regardless of the political outcome of the forthcoming UK general election.

Bearing in mind the importance of research, some Governors felt that an annual incremental increase to the research budget line would allow for the necessary expansion of WFD's overall research capabilities. To this end, activities proposed under research as well as security and political party work should be clearly outlined in the Business Plan.

ACTION POINT 4: Content with the format of the draft Business Plan, the Board asked that, in the preparation of the final Business Plan, all changes be tracked for ease of reference.

ACTION POINT 5: Once Ministerial agreement to the Triennial Review has been received, Anthony Smith to immediately ask FCO to start the recruitment process for the one remaining vacancy on the Board.

c. Draft Decision on setting 2015-16 Budget (Document 5)

The Board **AGREED** the following decision regarding WFD management finalising the budget once HMG decisions on the Triennial Review and WFD funding had been made:

'The Board welcomed the draft Business Plan (Document 4) and noted that final allocations would depend on Government decisions on the funding elements of the Triennial Review and on the three year funding proposal submitted by WFD. The Board agreed the approach to the budget and Business Plan, which should be used to finalise the 2015/16 budget once the Government decisions had been taken. A final proposed budget will be submitted to the Board for approval within a stated period. If any aspects of the Government's decisions would require a change to this

approach before the next Board meeting then the Audit & Risk Assurance Committee should be tasked with agreeing with WFD management how best to adjust the proposed budget.'

6. **Board functioning** (Document 6)

Ann McKechin introduce the draft Terms of Reference of the Programme Quality Committee, established to enable the Board gain a better overview of WFD's programmes in light of the Board decision to delegate project approval to the CEO.

Anthony Smith briefed the Board on recent discussions with party officers and regional teams on developing a more strategic approvals process. Whilst welcoming the idea of comprehensive annual plans for political party work and regional /country plans for parliamentary and joined-up work, the Board suggested that we also explore whether these could be combined into single WFD-wide regional strategies. The Board also reiterated the need for clearer criteria for the selection of countries.

The Board encouraged further work in this direction and noted that the Programme Quality Committee could play an important role in helping the Board move away from focusing on project approval to a more useful review of impact, strategy and the move towards greater synergy.

The Board **AGREED** the Terms of Reference of the Programme Quality Committee which, because of the amount of work to be covered, would meet at least three times within the next 12 months – the first meeting scheduled for June. Initial membership would comprise: Ken Caldwell (Chair), Andrew Stunell, Bronwen Manby and CEO; the Director of Programmes would act as Secretary of the Group.

ACTION POINT 6: The Board AGREED the current approval process remain in place until the proposal for the new approvals procedure is considered and approved by the Board at its meeting in June.

7. **Audit & Risk Assurance Committee - Draft Minutes of 22 January 2015 meeting** (Document 7)

John Osmond introduced the draft minutes highlighting:

- the high level risk register had remained unchanged since the Board last met and future risk summary reports would be an integral part of the quarterly reporting system;
- the red flags raised by the Internal Audit report on IT Security were being urgently addressed and work was continuing in response to a number of outstanding health and safety issues, including security training. Additional matters flagged up in the programme risk register would be considered by the Programme Quality Committee.
- a report – including lessons learnt - on the overspend in the Kenya programme was awaited;
- a report on the recently completed ARC self assessment exercise was being finalised and would be circulated to the Board in due course.

Ann McKechin further noted the importance of taking forward work related to security matters and welcomed plans for this.

8. Report on Political Party M&E programme

Iain Gill presented the work currently being undertaken as part of the Political Party M&E Programme, including the publication, later this month, of a cross-party document entitled '*Building Effective Democracies: the Role of UK Political Parties*'. He also touched upon the work of the Liberal Democrats, including the development of a political party ideology barometer aimed at assisting the identification of a party's ideology.

The Board noted that each of the three parties involved – Conservatives, Labour and Liberal Democrats - had developed different approaches in response to their individual M&E needs. However, the Board was very clear about the fundamental importance of strong M&E across all WFD programmes and emphasised the importance of WFD's M&E Adviser working across the whole organisation in order to ensure consistency.

ACTION POINT 7: CEO to report to the Board at its next meeting on how the parties' M&E experience of the past year could be developed and integrated into a permanent WFD-wide M&E component. In this connection, the Political Parties to prepare for the Board's consideration a detailed final report on activities carried out under their M&E Programme

9. Any Other Business – None

10. Date of next meeting: 2015 Calendar to be agreed (Document 8)

The Board **AGREED** the Meeting Calendar 2015. The next Board meeting was scheduled for **9.30-11.30 on 24 June** at which time the logistics of holding three-hour meetings would be discussed.

Chair.....
Date: 24 June 2015