

Minutes of Meeting of the Board of Governors held in Room N, Portcullis House on 22 February 2017

Present	Sir Henry Bellingham MP (Chair) Andrew Rosindell MP Sir Jeffrey Donaldson MP John Osmond Ken Caldwell Rushanara Ali MP Tasmina Ahmed-Sheikh MP Bronwen Manby Simon Walker Anthony Smith (CEO) Paul Naismith (Finance Director)
In attendance	Fulvio Menghini (Head of Communications)

1. Apologies

Dame Margaret Hodge MP

2. Conflicts of interest

None.

3. Matters arising

The Chair noted that this would be the final Board meeting for both Bronwen Manby and Ken Caldwell. On behalf of the entire Board, he thanked them both for their outstanding contributions to WFD's work, including the significant amount of time that they had each devoted to the Board and its sub-Committees over many years. They would be missed.

Minutes of Board Meeting held on 23 November 2016: the Board noted that all previous actions had been taken, and approved the minutes.

Update items

4. CEO's report

The Board noted the points raised in the CEO's report which all related to issues to be covered in other agenda items.

5. Quarterly Progress Report

The Finance Director noted that revenue was on track to reach £10.7 million by the end of financial year 2016-17, with strong prospects for further growth in 2017-18. Compared to financial year 2015-2016, expenditure levels have adhered to forecasts more closely and were spread more evenly. Overheads would be just under 10% of total revenue.

Programmes were performing relatively well, and the tendency was for performance to improve as they matured.

Governors asked for some adjustment to the templates used for both financial and programme performance.

6. Programmes

The CEO invited Sir Jeffrey Donaldson MP and Rushanara Ali MP to report on their recent visits to Colombia and Burma-Myanmar respectively.

Sir Jeffrey said that a group from a combination of Northern Irish political parties and civil society had held a series of meetings with the Congress of Colombia. The aim was to support the peace process with the FARC and other groups in Colombia by sharing the experience of Northern Ireland. The meetings had been well attended and highly appreciated by Colombian stakeholders. There had been requests for follow up engagement which the group will consider along with the British Embassy in Bogota.

Rushanara reported on the visit that she had made to Burma-Myanmar with an official from the secretariat of the Burma APPG. Rushanara began by noting the very good work of the WFD team in Naypyidaw and the very good WFD programme there, including the secondments of Commons Clerks and the English language courses - MPs who can read English texts gain access to a wealth of data and information which they can use to improve their legislative oversight. She noted the strong support for the UK programmes from the State Counsellor.

Rushanara said that her meetings in Naypyidaw, Yangon and in Rakhine State illustrated the depth of the governance challenges that the country faces, including conflicts in a number of regions. The scale and complexity of the challenges were severely testing the capacity of the government to deliver change, and further progress was not guaranteed, especially given the entrenched position of the military.

Governors welcomed Rushanara's visit and her report. They agreed that WFD's programme was providing important help to build capacity in the parliament. Progress would be slow and WFD would need to remain aware of the internal conflicts in the country and avoid being drawn into them.

The CEO gave an update on other opportunities for future programmes, including in Armenia, Georgia, Ghana, Turkey (working with the Turkey APPG) and Lebanon. He would report back to the Board on these, especially where there were political sensitivities.

7. Report on Programme Quality Committee

Ken Caldwell reported on discussion at the Programme Quality Committee (PQC) – because the meeting had been held the previous day there was no written report available.

Ken said that the Committee had welcomed the establishment of WFD's three-person Technical Advisory Unit with Parliamentary, Governance and Gender advisers. The Committee had also welcomed progress made on implementation of programmes. Ken said that the Committee had noted that WFD would be the subject of three significant reviews in the space of six months: two DFID assessments and the FCO's Triennial Review. This would require good coordination and a significant amount of staff time.

Finally, Ken reported that the Committee had reflected on its own procedures and effectiveness and noted that they had asked the CEO and Director of Programmes to provide some options to the Board to strengthen its work, building on helpful proposals that had been made during their discussion. These could be discussed with the Board, including the new members when they are appointed.

Action point 1 – CEO to provide recommendations on the functioning of the PQC in advance of the next Board meeting.

8. Report of Audit and Risk Assurance Committee

John Osmond reported back to the Board on the meeting of the Audit and Risk Assurance Committee (ARC) on 26 January. John said that the discussion covered three main areas.

First, the National Audit Office had noted the pace of growth in WFD and, reflected that WFD's control environment might be challenged to keep pace. Second, the ARC had reviewed four internal audit reports on (i) tenders, where systems for tracking bids were not fully in place, (ii) programme monitoring and evaluation, where new systems were being implemented but were stretched, (iii) Kenya office, where the inability to register the office had required adaptations within normal procedures, and (iv) the Serbia office, where strong controls were in place and no mitigation is necessary. In all cases where mitigations were now in place their progress will be checked early in the new financial year.

The third area was financial performance, where the ARC agreed that the significant growth in WFD revenues meant that the ARC would like in future to receive reports that track impact on cash flow and the balance sheet.

Finally, John noted that the ARC had undertaken a self-assessment which concluded that there needed to be greater clarity on the remit of the committee, including its relationship with the Programme Quality Committee and the Board.

In the discussion, the CEO noted the action that was being taken on WFD systems, with an Action Plan that was already tackling most of the issues raised by the internal audit reports. The Finance Director also noted the specific characteristics of WFD funding, with the vast majority of programmes being funded by grants that provided reliably timed funding from HMG sources. That meant that management of cash flow was less problematic than for many other organisations. On the issue of the financial qualifications of Board members, the CEO noted that while there were usually at least three qualified accountants attending the ARC, none represented the Board. One option to address this would be to recruit a financially qualified member of the ARC that would represent the Board.

9. Risk Management

Governors noted the updated corporate risk management framework.

10. 2017/2018 Budget

The Finance Director noted that, while the levels of the FCO Grant-in-Aid and the DFID Accountable Grant were known, a decision had not yet been taken by FCO on an additional £1m grant. The draft budget therefore reflected both options. The CEO proposed that, given the lack of time for a full discussion, the Board should approve it by e-mail.

Action point 2 – Budget to be circulated to Governors following the meeting for approval. Note – this was done and the budget was approved.

11. Annual Plans

The CEO noted the process for adoption of Annual Plans. Since these would be within the existing strategic framework and operational in nature, his intention was to approve these without clearance from the Board. He noted the very good collective discussion earlier in the month to start the planning process. This took forward the request from the Board to track countries where there were active WFD programmes, whether parliamentary or political party and resulted in a shared table with programme information and the identification of a number of countries where we would explore joint work. Governors warmly welcomed this progress.

12. Update of WFD strategy

The CEO updated on the process to refresh the WFD strategy. A draft has now been shared with HMG partners and political party offices and feedback is being considered. In the context of the 25th anniversary year from the foundation of WFD, the CEO also updated the Board on plans to launch the revised strategy as part of a conference which will also serve to highlight progress made by WFD programmes including research. The conference could include moments to celebrate WFD's achievements which could be presented by former WFD Governors and partners.

Lastly, the CEO consulted the Board on the opportunity to organise an away-day. This would be useful to discuss WFD's strategic direction and to integrate two new

Governors into the works of the Foundation. Governors agreed they would be in favour of organising one before the summer recess.

Action point 3 – CEO to circulate potential dates for an away day.

Next meeting – 7 June 2017