MANAGEMENT STATEMENT FOR THE WESTMINSTER FOUNDATION FOR DEMOCRACY

1. INTRODUCTION

1.1 This document

1.1.1 This Management Statement and its associated Financial Memorandum have been drawn up by the sponsoring department (the Foreign and Commonwealth Office – hereafter ‘FCO’) in consultation with the Westminster Foundation for Democracy (hereafter ‘WFD’), 2nd Floor, 125 Pall Mall, London, SW1Y 5EA, an executive non-departmental public body (NDPB). This replaces the Memorandum of Understanding dated 15 December 1997 which in turn replaced the Financial Memorandum dated 9 March 1992.

1.1.2 Subject to the legislation noted below, the Management Statement sets out the broad framework within which the WFD will operate, in particular:

- the WFD’s overall aims, objectives and targets in support of the FCO’s wider strategic aims and current Public Service Agreements (PSAs);
- the rules and guidelines relevant to the exercise of the WFD’s functions, duties and powers;
- the conditions under which any public funds are paid to the WFD;
- how the WFD is to be held to account for its performance.

1.1.3 However, the Management Statement and Financial Memorandum do not convey any legal powers or responsibilities.

1.1.4 The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which the WFD shall observe.

1.1.5 The document shall be periodically reviewed by the FCO in accordance with the timetable referred to in Section 7 below.

1.1.6 The WFD, or the Secretary of State for Foreign and Commonwealth Affairs (hereafter "Foreign Secretary") may propose amendments to this document at any time. Any such proposals by the WFD shall be considered in the light of evolving FCO policy aims, operational factors and the track record of the WFD itself. The guiding principle shall be that the extent of flexibility and freedom given to the WFD shall reflect both the quality of its internal controls and its operational needs. The Foreign Secretary, after consulting the Board of Governors, shall determine what changes, if any, are to be incorporated in the document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with
the Treasury or Cabinet Office as appropriate. (The definition of “significant” will be determined by the FCO in consultation with the Treasury/Cabinet Office.)

1.1.7 The combined document is to be signed and dated by the FCO and the WFD.

1.1.8 Any question regarding the interpretation of the document shall be resolved by the FCO after consultation with the WFD and, as necessary, with the Treasury and/or the Cabinet Office.

1.1.9 Copies of this document and any subsequent substantive amendments shall be placed in the Libraries of both Houses of Parliament. Copies shall also be made available to members of the public on the WFD’s website.

1.2 Founding legislation and status

1.2.1 The WFD is established under The Companies Act 1985. It is a private Company Limited by Guarantee with no share capital. The constitution of the WFD is set out in the section three of the Memorandum of Association dated 24 February 1992. The WFD does not carry out its functions on behalf of the Crown.

1.3 The functions, duties and powers of the WFD

1.3.1 The Memorandum of Association and Articles of Association set out for the WFD the aim of helping establish and strengthen pluralist democratic institutions, particularly political parties, in countries where these are absent, of recent foundation, or in need of further encouragement and development.

1.3.2 The Foundation receives a grant-in-aid from the FCO provided out of monies voted by Parliament to enable it to achieve agreed objectives. The Foundation may receive private sector and other funds, including other public sector funds, in addition to the grant-in-aid. The Foundation’s priorities and objectives for the grant-in-aid, which shall complement those of the FCO, are established by its Board of Governors, through a strategy agreed by the FCO, and are kept under continuous review.

1.4 Classification

1.4.1 For policy/administrative purposes the WFD is classified as an executive non-departmental public body.

1.4.2 For national accounts purposes the WFD is classified to as belonging to the Central Government Sector.

1.4.3 References to this NDPB include all its subsidiaries and joint ventures that are classified to the Central Government Sector for national accounts purposes. If such a subsidiary or joint venture is created, there shall be a document setting out the arrangements between it and the WFD (paragraphs 53-54 of the Financial Memorandum).
2. AIMS, OBJECTIVES AND TARGETS

2.1 Overall aims

2.1.1 Within the founding legislation, the Memorandum of Association, the Foreign Secretary has defined the overall aims for the WFD as follows:

- To assist, support and encourage the peaceable establishment and development of pluralistic democratic practices and political institutions;
- To provide advice, guidance and practical assistance in support of pluralistic democratic electoral processes; and
- To assist in the formation, organisation and management of democratic political parties committed to non-violent policies and programmes.

2.2 Objectives and key targets

2.2.1 The FCO approves the WFD’s performance framework in the light of the FCO’s wider strategic aims and current PSAs (paragraph 1.1.2). The WFD’s objectives and key targets shall be agreed within its corporate and business planning process (Section 4 below) and shall contribute to the FCO’s wider strategic aims and current PSAs (paragraph 1.1.2).

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1 The Foreign Secretary

3.1.1 The Foreign Secretary is accountable to Parliament for the activities and performance of the WFD. His/Her responsibilities include:

- approving the WFD’s strategic objectives and the policy and performance framework within which the WFD will operate (as set out in this Management Statement and Financial Memorandum and associated documents);
- keeping Parliament informed about the WFD’s performance;
- approving the amount of grant-in-aid to be paid to the WFD, and securing Parliamentary approval;
- carrying out responsibilities specified in the Memorandum of Association and Articles of Association including appointments to the Board, approving the terms and conditions of Board members, approving the appointment by the Board of the Chief Executive, approval of terms and conditions of staff, and laying of the annual report and accounts before Parliament.
3.2 The Accounting Officer of the sponsor department (FCO)

3.2.1 The Permanent Under Secretary, as the department’s principal Accounting Officer, is responsible for the overall organisation, management and staffing of the sponsor department (FCO) and for ensuring that there is a high standard of financial management in the department as a whole. The principal Accounting Officer is accountable to Parliament for the issue of any grant-in-aid to the WFD. The principal Accounting Officer designates the Chief Executive of the WFD as the WFD’s Accounting Officer, and may withdraw the accounting officer designation if he/she believes that the incumbent is no longer suitable for the role.

3.2.2 In particular the principal Accounting Officer of the FCO shall ensure that:

- the WFD’s strategic aims and objectives contribute to the FCO’s wider strategic aims and current PSAs;
- the financial and other management controls applied by the FCO to the WFD are appropriate and sufficient to safeguard public funds and for ensuring that the WFD’s compliance with those controls is effectively monitored (“public funds” include not only any funds granted to the WFD by Parliament but also any other funds generated by approved activities or falling within the stewardship of the WFD);
- the internal controls applied by the WFD conform to the requirements of regularity, propriety and good financial management;
- any grant-in-aid to the WFD is within the ambit and the amount of the Request for Resources and that Parliamentary authority has been sought and given.

3.2.3 The responsibilities of a departmental Accounting Officer are set out in more detail in the annex to Chapter 4 of Government Accounting.

3.3 The sponsoring team in the FCO

3.3.1 Within the FCO, Human Rights Policy Department (HRPD) is the sponsoring team for the WFD. HRPD, in consultation as necessary with the relevant departmental Accounting Officer, is the primary source of advice to the Foreign Secretary on the discharge of his/her responsibilities in respect of the WFD, and the primary point of contact for the WFD in dealing with the FCO. The sponsoring team shall carry out its duties under a senior officer who shall have primary responsibility for overseeing the activities of the WFD. This will be the Director, Global Issues.
3.3.2 The sponsoring team shall advise the Foreign Secretary on:

- an appropriate framework of objectives and targets for the WFD in the light of the
  FCO’s wider strategic aims and current PSAs;

- an appropriate budget for the WFD in the light of the FCO’s overall public
  expenditure priorities;

- how well the WFD is achieving its strategic objectives and whether it is delivering
  value for money.

3.3.3 In support of the departmental Accounting Officer the sponsoring team shall:

**on performance and risk management** -

- monitor the WFD’s activities on a continuing basis through an adequate and timely
  flow of information from the WFD on performance, budgeting, control and risk
  management, including early sight of the WFD’s Statement on Internal Control;

- address in a timely manner any significant problems arising in the WFD, whether
  financial or otherwise, concurrently keeping the Board informed of any
  interventions it makes;

- periodically carry out a risk assessment of the WFD’s activities to inform the
  FCO’s oversight of the WFD; strengthen these arrangements if necessary; and
  amend, in consultation with the WFD Board, the Management Statement
  accordingly. The risk assessment shall take into account the nature of the WFD’s
  activities; the public monies at stake; the WFD’s corporate governance
  arrangements; its financial performance; internal and external auditors’ reports, the
  openness of communications between the WFD and the FCO; and any other
  relevant matters.

**on communication with the WFD** –

- inform the WFD of relevant Government policy in a timely manner; advise on the
  interpretation of that policy; and issue specific guidance to the WFD as necessary;

- bring concerns about the activities of the WFD to the attention of the full Board,
  and request explanations and assurances from the Board that appropriate action
  has been taken.

3.4 The Chairman of the WFD

3.4.1 The Chairman is appointed by the Board of Governors in accordance with the Articles
  of Association, Section 31 (d).
3.4.2 The Chairman is responsible to the Foreign Secretary. However, if conflict between the Chairman's responsibility to the Foreign Secretary and the Board's duty to act in the best interests of the company arose, the latter should prevail. The Chairman shall aim to ensure that the WFD’s policies and actions contribute to the wider strategic policies of the FCO; and that the WFD’s affairs are conducted with probity. The Chairman shares with other Board members the corporate responsibilities set out in paragraph 3.5.2, and in particular for ensuring that the WFD fulfils its aims and objectives.

3.4.3 The Chairman has a particular leadership responsibility on the following matters:

- formulating the Board’s strategy;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Foreign Secretary and/or the FCO;
- promoting the efficient and effective use of staff and other resources;
- encouraging high standards of propriety;
- representing the views of the Board to the general public.

3.4.4 The Chairman shall also:

- ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice and practices in other sectors of the economy;
- advise the Foreign Secretary of the needs of the WFD when Board vacancies arise, with a view to ensuring a proper balance and range of professional and financial expertise;
- on request, assess the performance of individual Board members when they are being considered for re-appointment to the Board.

3.4.5 The Chairman shall also ensure that a Code of Practice for Board Members is in place, based on the Cabinet Office’s model Code of Practice for Board Members of Public Bodies. The Code shall commit the Chairman and other Board Members to the Nolan seven principles of public life, and shall include a requirement for a comprehensive and publicly available register of Board Members’ interests.

3.4.6 Communications between the Board and the Foreign Secretary shall normally be through the Chairman. The Chairman shall ensure that the other Board members are kept informed of such communications.
3.5 The WFD’s Board

3.5.1 The Board consists of 14 Members, of whom eight are nominated by the Westminster political parties and six are independent. All Members of the Board are appointed by the Foreign Secretary. The six independent governors are selected through an open competition in line with the Code of Practice issued by the Commissioner for Public Appointments, in accordance with the procedure set out in the Articles of Association, Section 31 (a-c).

3.5.2 The Board has corporate responsibility for ensuring that the WFD fulfils its aims and objectives as approved by the Foreign Secretary and for promoting the efficient and effective use of its staff and other resources. To this end, and in pursuit of its wider corporate responsibilities, the Board shall:

- establish the overall strategic direction of the WFD within its approved policy and resources framework;
- ensure that the Foreign Secretary is kept informed of any changes which are likely to impact on the strategic direction of the WFD or on the attainability of its targets, and determine the steps needed to deal with such changes;
- ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the FCO, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the FCO;
- ensure that the Board receives and reviews regular financial information concerning the management of the WFD; is informed in a timely manner about any concerns about the activities of the WFD; and provides positive assurance to the FCO that appropriate action has been taken on such concerns;
- demonstrate high standards of corporate governance at all times, including by using the audit committee independently (paragraph 4.6.2) to help the Board to address the key financial and other risks facing the WFD;
- appoint with the Foreign Secretary’s approval a Chief Executive to the WFD and, in consultation with the FCO, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use of public monies.
3.5.3 Individual Board members shall act in accordance with their wider responsibility as Members of the Board – namely to:

- comply at all times with the Code of Practice [paragraph 3.4.5 above] that is adopted by the WFD and with the rules relating to the use of public funds and to conflicts of interest;

- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;

- comply with the Board’s rules on the acceptance of gifts and hospitality, and of business appointments;

- act in good faith and in the best interests of the WFD.

3.6 The Chief Executive’s role as Accounting Officer

3.6.1 The Chief Executive of the WFD is designated as the WFD’s Accounting Officer by the departmental Accounting Officer of the FCO.

3.6.2 The Accounting Officer of the WFD is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the WFD.

3.6.3 As Accounting Officer the Chief Executive shall exercise the following responsibilities in particular:

**on planning and monitoring –**

- establish, in agreement with the Board and FCO, the WFD’s corporate and business plans, which shall contribute to FCO’s wider strategic aims and current PSAs;

- inform the FCO of the WFD’s progress in helping to achieve the FCO’s policy objectives and in demonstrating how resources are being used to achieve those objectives;

- ensure that timely forecasts and monitoring information on performance and finance are provided to the FCO; that the FCO is notified promptly if overspends or underspends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the FCO in a timely fashion;
on advising the Board –

- advise the Board on the WFD’s performance compared with its aims and objectives;

- advise the Board on the discharge of its responsibilities as set out in this document and in any other relevant instructions and guidance that may be issued from time to time;

- ensure that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed as far as this is practical;

- take action as set out in paragraphs 14-18 of the WFD Accounting Officer Memorandum if the Board, or its Chairman, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration or efficiency or effectiveness;

on managing risk and resources -

- ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;

- ensure that an effective system of programme and project management and contract management is maintained;

- ensure that all public funds made available to the WFD [including any approved income or other receipts] are used for the purpose intended by Parliament, and that such moneys, together with the WFD’s assets, equipment and staff, are used economically, efficiently and effectively;

- ensure that adequate internal management and financial controls are maintained by the WFD, including effective measures against fraud and theft;

- maintain a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations;

- ensure that effective personnel management policies are maintained;

on accounting for the WFD’s activities -

- sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Foreign Secretary;

- sign a Statement of Accounting Officer’s responsibilities, for inclusion in the annual report and accounts;
sign a Statement on Internal Control regarding the WFD’s system of internal control, for inclusion in the annual report and accounts;

ensure that effective procedures for handling complaints about the WFD are established and made widely known within the WFD;

act in accordance with the terms of this document and with the instructions and guidance in Government Accounting and other instructions and guidance issued from time to time by the FCO, the Treasury and the Cabinet Office - in particular, the Treasury documents The Responsibilities of an WFD Accounting Officer and Regularity and Propriety, both of which the Chief Executive shall receive on appointment. Section IX of the attached financial memorandum refers to other key guidance;

give evidence, normally with the Accounting Officer of the FCO, when summoned before the Committee of Public Accounts on the use and stewardship of public funds by the WFD.

3.7 The Chief Executive’s role as Consolidation Officer

3.7.1 For the purposes of Whole of Government Accounts the Chief Executive of the WFD is normally appointed by the Treasury as the WFD’s Consolidation Officer.

3.7.2 As the WFD’s Consolidation Officer the Chief Executive shall be personally responsible for preparing the consolidation information that sets out the financial results and position of the WFD, for arranging for its audit and for sending the information and the audit report to the Principal Consolidation Officer nominated by the Treasury.

3.7.3 As Consolidation Officer the Chief Executive shall comply with the requirements of the Consolidation Officer Memorandum and shall, in particular:

- ensure that the WFD has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process;

- prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions [“Dear Consolidation Officer” (DCO) and “Dear Consolidation Manager” (DCM) letters] issued by the Treasury on the form, manner and timetable for the delivery of such information.

3.8 Delegation of duties

3.8.1 The Chief Executive may delegate the day-to-day administration of his/her Accounting Officer and Consolidation Officer responsibilities to other employees in the WFD. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.
3.9 The Chief Executive’s role as Principal Officer for Ombudsman cases

3.9.1 The Chief Executive is the Principal Officer for handling cases involving the Parliamentary Commissioner for Administration. As Principal Officer he/she shall inform the Permanent Secretary of the sponsor FCO of any complaints about the WFD accepted by the Ombudsman for investigation, and about the WFD’s proposed response to any subsequent recommendations from the Parliamentary Ombudsman.

4. PLANNING, BUDGETING AND CONTROL

4.1 The corporate plan

4.1.1 Consistent with the timetable for public spending reviews the WFD shall submit annually to the FCO a draft of the WFD’s updated corporate plan covering three years ahead. The WFD shall have agreed with the FCO the issues to be addressed in the plan and the timetable for its preparation.

4.1.2 The plan shall reflect the WFD’s statutory duties and, within those duties, the priorities set from time to time by the Foreign Secretary. In particular, the plan shall demonstrate how the WFD contributes to the achievement of the FCO’s PSA targets.

4.1.3 The corporate plan shall set out:

- the WFD’s key objectives and associated key performance targets for the three forward years, and its strategy for achieving those objectives;

- a review of the WFD’s performance in the preceding financial year together with comparable outturns for the previous three years, and an estimate of performance in the current year;

- alternative scenarios to take account of factors which may significantly affect the execution of the plan but which cannot be accurately forecast;

- other matters as agreed between the FCO and the WFD.

4.1.4 The main elements of the plan - including the key performance targets - shall be agreed between the FCO and the WFD in the light of the FCO’s decisions on policy and resources taken in the context of the Government’s wider public expenditure plans and decisions.

4.1.5 In reaching annual decisions on the WFD’s rolling corporate plan and in monitoring progress, the FCO shall aim to give the WFD as much planning certainty as possible by observing the principles set out in paragraph 15 of PES (2000) 25 concerning three year planning and end year flexibility (EYF). These principles are summarised in paragraph 21 of the financial memorandum.
4.2 The business plan

4.2.1 The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the FCO.

4.3 Publication of plans

4.3.1 Subject to any commercial considerations the corporate and business plans shall be published or made available on the Internet or both. A summary version shall be made available to staff.

4.4 Reporting performance to the FCO

4.4.1 The WFD shall operate management information and accounting systems which enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in its agreed corporate and business plans.

4.4.2 The WFD shall take the initiative in informing the FCO of changes in external conditions which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives set out in the corporate or business plans.

4.4.3 The WFD’s performance in contributing to FCO policies and objectives in fulfilment of the WFD strategy shall be reported to the FCO through the Board of Governors on a three-monthly basis.

4.4.4 The WFD’s performance against key targets set out in the corporate plan shall be reported in the WFD’s annual report and accounts [see Section 5.1 below].

4.5 Budgeting procedures

4.5.1 The WFD’s budgeting procedures are set out in the financial memorandum.

4.6 Internal audit

4.6.1 The WFD shall establish and maintain arrangements for internal audit in accordance with the Treasury's Government Internal Audit Standards. The WFD shall consult the FCO to ensure that the latter is satisfied with the competence and qualifications of the internal auditor and the requirements for approving appointment in accordance with Government Internal Audit Standards (GIAS) 5.2.

4.6.2 The WFD shall set up an audit committee as a committee of its Board in accordance with the Cabinet Office’s Guidance on Codes of Practice for Public Bodies and the Treasury’s Audit Committee guidance. This audit committee shall act independently to help the Board to address key financial and other risks facing WFD.
4.6.3 The WFD shall arrange for periodic quality reviews of its internal audit in accordance with the GIAS. The FCO shall consider whether it can rely on these reviews to provide assurance on the quality of internal audit. However, the FCO reserves a right of access to carry out independent reviews of internal audit in the WFD.

4.6.4 The FCO’s Internal Audit Service shall also have a right of access to all documents prepared by the WFD’s internal auditor, including where the service is contracted out. The audit strategy, periodic audit plans and annual audit report, including the WFD’s internal auditor’s opinion on risk management, control and governance shall be forwarded as soon as possible to the sponsoring team who shall consult the FCO's Head of Internal Audit as appropriate.

4.6.5 In addition, the WFD shall forward to the FCO an annual report on fraud and theft suffered by the WFD; notify any unusual or major incidents as soon as possible; and notify any changes to internal audit’s terms of reference, the audit committee’s terms of reference or the WFD’s Fraud Policy and Fraud Response Plan.

4.7 Additional departmental access to the WFD

4.7.1 In addition to the right of access referred to in paragraph 4.6.3 above, the FCO shall have a right of access to all the WFD’s records and personnel for purposes such as sponsorship audits, operational investigations, etc. The FCO shall have the right to attend all Audit Committee meetings. Any recommendations made by the FCO’s Internal Audit service or in Management Letters submitted to the WFD by its Internal Audit Service should be acted upon by the WFD in consultation with the FCO.

5. EXTERNAL ACCOUNTABILITY

5.1 The annual report and accounts

5.1.1 After the end of each financial year the WFD shall publish an annual report of its activities together with its audited annual accounts. A draft of the report shall be submitted to the FCO two weeks before the proposed publication date.

5.1.2 The report and accounts shall comply with the Treasury document “Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance”. The accounts shall be prepared in accordance with the relevant statutes and the specific Accounts Direction issued by the FCO.

5.1.3 The report and accounts shall outline the WFD’s main activities and performance during the previous financial year and set out in summary form the WFD’s forward plans. Information on performance against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit.

5.1.4 The report and accounts shall be laid before Parliament and made available on the Internet, in accordance with the guidance on the procedures for presenting and laying the combined annual report and accounts as prescribed in Chapter 13 of the NDPB Annual Reports and Accounts Guidance.
5.2  **External audit**

5.2.1  The WFD’s accounts are audited by auditors appointed by the WFD Board. The accounts of the WFD shall be open to the inspection of the Comptroller and Auditor General (C&AG). The WFD shall submit the audited accounts to the Foreign Secretary, who shall lay the accounts, together with the annual report, before Parliament in the Library of the House of Commons and, if provided for by legislation, in the Library of the House of Lords.

5.3  **VFM examinations**

5.3.1  The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the WFD has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the WFD shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

6.  **STAFF MANAGEMENT**

6.1  **General**

6.1.1.  Within the arrangements approved by the Foreign Secretary the WFD shall have responsibility for the recruitment, retention and motivation of its staff. To this end the WFD shall ensure that:

- its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;

- the level and structure of its staffing, including gradings and numbers of staff, is appropriate to its functions and the requirements of efficiency, effectiveness and economy;

- the performance of its staff at all levels is satisfactorily appraised and the WFD’s performance measurement systems are reviewed from time to time;

- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the WFD’s objectives;

- proper consultation with staff takes place on key issues affecting them;

- adequate grievance and disciplinary procedures are in place;
whistleblowing procedures consistent with the Public Interest Disclosure Act are in place;

- a code of conduct for staff is in place based on the Cabinet Office document *Model Code for Staff of Executive Non-Departmental Public Bodies*.

7. REVIEWING THE ROLE OF THE WFD

7.1 The WFD shall be reviewed every five years in accordance with the Cabinet Office guidance on “lighter touch” reviews. The next review of the WFD shall take place in 2004.

7.2 This Management Statement and Financial Memorandum will be valid until 14 July 2009.

Signed in duplicate at the Westminster Foundation for Democracy Board meeting on 14 July 2004

Jon Benjamin
FOR THE FOREIGN AND COMMONWEALTH OFFICE

Michael Gapes MP
FOR THE WESTMINSTER FOUNDATION FOR DEMOCRACY