



Westminster Foundation for Democracy

Company number: 2693163

Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy in W3, Westminster Hall on 5 September 2018

Present: Richard Graham MP (Chair)
Rushanara Ali MP (Vice Chair)
Sir Jeffrey Donaldson MP
Dame Margaret Hodge MP
Patrick Grady MP
Thomas Hughes
Sue English
Simon Walker
Anthony Smith (CEO)
Louise Collings (Head of Finance)

In attendance: Kerrie Doogan-Turner (Board Secretary), Romana Janku (Board Secretary), Tom Warwick (Project Consultant, Foreign and Commonwealth Office (FCO) Task Force leading Tailored Review of Westminster Foundation for Democracy (WFD)).

1. Apologies

Andrew Rosindell MP sent his apologies.

2. Declarations of interest

Anthony Smith declared his intention to join the Peace Direct Board. He did not anticipate any conflicts of interest. The Board raised no objections.

3. Matters arising

Minutes of meetings held 28 February and 10 May 2018 were approved without amendment.

Oversight and Performance Monitoring

4. Report of Audit and Risk Assurance Committee (ARC), 4 July (including annual report of the ARC)

For information

Louise Collings provided an overview of the management accounts. The main points included:

- The Department for International Development (DFID) grant had been confirmed with a start date of 01 August 2018.

- On third party funding, revenue was exceeding budget forecasts and there was potential for further growth. Increased cost recovery was anticipated as a result. Louise noted the conservative approach to forecasts.
- Spending had been slowed while waiting for confirmation of the DFID accountable grant, but planning had taken place to ensure programme implementation was not delayed.
- Responding to a query on reserves, Louise explained that the Foundation was not allowed to build reserves as part of our grant agreement with the FCO. This restriction felt outdated and we would therefore raise it with the FCO.

Thomas Hughes presented the ARC report:

- The WFD 2017-18 audit had been completed successfully with the National Audit Office (NAO) reporting a significant improvement on internal process and timelines for the audit this year. Thomas noted the significant impact Louise's work and the increased capacity of the central Finance Department had on this result.
- Thomas praised Mark Babington's input into the governance statement and the Chair thanked him on behalf of the Board.
- Crowe Clark Whitehill (Crowe UK) replaced BDO as internal auditors. Nine internal audit actions remain but good progress was made in 2017-18 and the number will be reduced by Crowe UK for the coming year.
- Selection and implementation of a new finance software system will be an important task for the coming year. We would like to update the Board for information in due course.
- WFD's risk register will change to focus on eight risks.
- Overall the Foundation is in a strong position with a lot of work to do over the next year.

Action point 1: Anthony Smith to outline WFD's reserve policy in a paper for the Board to consider in November.

5. Quarterly Progress Report

For review

Anthony Smith presented the Quarterly Progress Report, noting plans to improve the format in the coming year. He welcomed comments or discussions with Governors' on the best format.

Anthony noted that WFD staff numbers now exceed 100 people. There will be further growth but, as a percentage, overheads remain at a reasonable level (about 11 per cent).

Following up discussion at the board away day, Governors noted the need for the Board to engage with party political offices.

Action point 2: Anthony Smith to prepare a paper outlining options for political party office engagement with the WFD Board.

6. Corporate Risk Register

Anthony Smith presented the risk register, noting Paul Naismith's (former WFD Finance Director) work to streamline it. The register now covers seven areas of risk relating to funding, the misuse of money, delivery and impact of programmes, reputational damage, governance issues and security systems.

Anthony proposed selecting two risk areas to focus on at future Board meetings, in the absence of any urgent issues, to allow for a more focused discussion.

Reputational risk was proposed as a potential topic for the November Board meeting. Governors also asked for a note on who WFD used when assessing countries for potential programmes.

Action point 3: Anthony to present a paper on reputational risk to November Board

Governance

7. Chief Executive's Report

For discussion

The Chief Executive's Report followed up on action points from the Board Away Day held on 11 July, including Governor visits to WFD programme countries, the Board self-assessment process and engaging with the FCO and DFID. Regarding visits to WFD programme countries, Anthony Smith provided further information on arrangements for Governors' to visit Bahrain.

Action Point 4: WFD's Senior Programme Manager, MENA to liaise with Sir Jeffrey Donaldson MP, Dame Margaret Hodge MP and Rushanara Ali MP offices on a convenient time after the November elections in Bahrain for the visit.

Action point 5: Richard Graham MP to approach Sir Martin Davidson (Chair of Great Britain-China Centre) to check availability for conducting the review.

8. Relations with FCO and DFID

For discussion

The Board agreed that seeking a meeting with the new Foreign Secretary was a priority. More in-depth discussions on the relationships could be deferred to the November Board meeting given the overlap with the FCO Tailored Review agenda item.

9. FCO Tailored Review

Tom Warwick, Project Consultant, FCO Task Force leading Tailored Review of WFD joined the meeting to present the Terms of Reference, timetable and working methods for the Tailored Review. The main points included:

- The Review will answer two questions:
 - 1) Should WFD continue to exist and, if so, what is the Foundation's role in delivery of government objectives

2) How effective and cost efficient is WFD as an agency?

- The Review will be completed by the end of the calendar year. Emerging recommendations will be presented in mid-October for feedback followed by a challenge panel in early November.
- The team will consult similar organisations, diplomatic missions overseas and members of the Board.

The Board had questions on how the terms of reference were developed and the timeline but overall all agreed to make time available to speak with the review team.

10. Myanmar (Burma) programme update

For discussion

Anthony Smith updated the Board on options for the future of WFD's programme in Myanmar (Burma). The discussion took place in the context of the initial reports from the independent fact-finding mission being submitted to the UNHRC suggesting that genocide had taken place. The final version of the report would be published on 18 September and would be discussed during the UN General Assembly meetings at the end of September. These discussions would have implications for the UK's attitude to engaging in Myanmar and the future of the WFD programme.

The Board agreed with the bulk of the second and third recommendations in the paper, namely to consider the implications of the report for our programme in parallel to the deliberations by the government and the international community over the next few weeks. There was a recognition that the draft report had changed the political landscape, and that this had been reflected in the Foreign Secretary's public comments so far. The Board agreed that a strategic discussion, bringing in a range of experts, was needed to shape WFD's approach and feed into decisions about a future WFD programme. A further Board meeting might be needed in October. The Board did not support the idea of a visit to Myanmar and wanted to avoid political level engagement.

11. Any other business

Simon Walker flagged that party conference season was approaching. He wanted assurances that the branding issue that occurred last year at the Conservative Party conference would not be repeated.

Anthony Smith confirmed that the political party programmes were subject to vetting during the approval stage and that arrangements for this year had been reviewed.

12. Date of next meeting

29 November 2018