



WILTON PARK EXECUTIVE AGENCY - FRAMEWORK DOCUMENT 2019

This Framework Document has been drawn up by the Foreign and Commonwealth Office in consultation with Wilton Park. It sets out the broad framework within which Wilton Park will operate.

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WILTON PARK EXECUTIVE AGENCY
 FRAMEWORK DOCUMENT: CONTENTS

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This Framework Document has been drawn up by the Foreign and Commonwealth Office in consultation with Wilton Park. This document sets out the broad framework within which Wilton Park will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the Foreign and Commonwealth Office and Wilton Park. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on Wilton Park’s website.

1. Purpose

1.1. Wilton Park is a non-profit making Executive Agency of the Foreign and Commonwealth Office (FCO). It was established in 1946 to help restore peace and democracy in Europe as part of an initiative inspired by Winston Churchill. It was re-located in 1951 to Wiston House, a sixteenth-century Grade 1 listed building located at the foot of the South Downs in West Sussex. It became an Executive Agency on 1 September 1991. Wilton Park organises around 70 events a year, some overseas, all of which attract high-level speakers and participants from around the world.

1.2. Wilton Park remains at the forefront of British foreign policy, working to support the Government’s vision of a more secure and prosperous United Kingdom with global reach and global influence – a major player on the world stage, tackling threats to our security and prosperity, protecting British interests, and upholding British values. For over 70 years, it has provided a neutral and discreet environment for “off the record” discussions on the most pressing of global problems. It brings together opinion formers, stakeholders and policy makers from around the world to create and strengthen links between ideas, policy and the delivery of practical results. These activities build networks for the future from the current and successor generation of decision and policy makers. Wilton Park promotes independence of views and inquiry rather than advocacy of any particular position.

Section One: Governance and accountability

2. Overall aims

2.1. As an Executive Agency of the FCO, Wilton Park's aim is to identify, convene and facilitate discreet and effective dialogue on the UK's strategic foreign policy priorities (and those of its friends and allies). As a front-line resource for the FCO, Wilton Park's purpose over the next five years is to support the strategic priorities identified in the FCO's Single Departmental Plan for 2015 - 2020 (published in December 2017). Wilton Park will also develop and run events to support the work of other government departments.

2.2. Wilton Park will cover its operating costs through a combination of core grant from the FCO, UK and overseas stakeholder sponsorship, charges raised from events and additional revenue-generating activity.

2.3. The core objectives of Wilton Park are to:

- i. Contribute to analysing, understanding and advancing the agenda on international issues;
- ii. Contribute to the achievement of HMG priorities and inform the policy-making of HMG and the international community; and
- iii. Support the FCO in pursuit of its objectives (to protect our people, project our global influence and promote our prosperity).

2.4. Wilton Park will:

- i. Help achieve HMG's strategic foreign policy priorities by bringing together policy makers, opinion formers and expert practitioners to focus on practical challenges and policy delivery;
- ii. Build the UK's reputation for resolving international problems through dialogue;
- iii. Build and enhance the UK's ability to engage with a network of governments, civil society organisations, and the private sector;
- iv. Maintain contact with and develop networks of alumni, engaging with the current generation of opinion formers and policy makers and identifying and engaging with those likely to become the successor generation of opinion formers and policy makers; and
- v. Create and foster a strong and diverse community of investors and sponsors drawn from the private and not-for-profit sectors.

3. Ministerial responsibility

3.1. The Secretary of State for Foreign and Commonwealth Affairs is responsible for all matters concerning Wilton Park. He/she appoints the Chair of the Wilton Park Board. The Secretary of State allocates core funding to Wilton Park via the FCO's Communication Directorate, who oversee the FCO / Wilton Park relationship.

4. The Foreign and Commonwealth Office's accounting officer's specific accountabilities and responsibilities as Principal Accounting Officer (PAO)

4.1. The FCO Permanent Under-Secretary (PUS) is the Principal Accounting Officer (PAO) of the FCO and has designated the Chief Executive as Wilton Park's Accounting Officer.

4.2. The PAO is accountable to Parliament for the issue of core funding to Wilton Park. The PAO is also responsible for advising the responsible Minister on:

- i. An appropriate framework of objectives and targets for Wilton Park in the light of the FCO's wider strategic aims and priorities;
- ii. An appropriate budget for Wilton Park in the light of the FCO's overall public expenditure priorities; and
- iii. How well Wilton Park is achieving its strategic objectives and whether it is delivering value for money.

4.3. The PAO is also responsible for ensuring arrangements are in place in order to:

- i. Monitor Wilton Park's activities;
- ii. Address significant problems in Wilton Park, making such interventions as are judged necessary;
- iii. Periodically carry out an assessment of the risks both to the FCO and Wilton Park's objectives and activities;
- iv. Inform Wilton Park of relevant government policy in a timely manner; and
- v. Bring concerns about the activities of Wilton Park to the full Wilton Park Board, and, as appropriate, to the Departmental board requiring explanations and assurances that appropriate action has been taken regarding Wilton's Park expenditure and performance.

4.4. The Secretary of State will assign a senior member of staff (usually the Director of Communication) to act as Senior Departmental Officer (SDO) as the primary contact for Wilton Park. The SDO has the responsibility of ensuring that the FCO and Wilton Park have a clear understanding of each other's objectives, methods of working, and effective collaboration. The SDO will keep the Chair and Chief Executive informed of any central policy developments that might affect Wilton Park. The SDO will also be responsible for

advising Ministers on the strategic direction of the Agency and also support the PAO on his or her responsibilities toward Wilton Park.

5. Responsibilities of Wilton Park's Chief Executive as Accounting Officer

General

5.1. The Chief Executive is appointed by the FCO PUS for a fixed-term on the basis of a 3-year contract, with the possibility of extension or permanent appointment with the agreement of all parties under the usual Senior Civil Service terms. The Chief Executive is appointed by the PUS / PAO as Accounting Officer (AO) for Wilton Park.

5.2. The Chief Executive as AO is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for day-to-day operations and management of Wilton Park. In addition, he or she should ensure that Wilton Park as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of [Managing Public Money](#).

Responsibilities for accounting to Parliament

5.3. The accountabilities include:

- i. Signing the accounts and 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 Secretary of State;
- ii. Preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- iii. Ensuring that effective procedures for handling complaints about the Arms Length Body (ALB) are established and made widely known within the ALB;
- iv. Acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- v. Giving evidence, normally with the PAO, when summoned before the Public Accounts Committee (PAC) on the ALB's stewardship of public funds; and
- vi. Putting into effect any recommendations of the PAC or other Parliamentary Select Committees if they are accepted by the Government.

Particular Responsibilities to the FCO PUS/PAO

5.4. The Chief Executive / AO must be able to provide the PUS / PAO with assurance concerning Wilton Park's stewardship of public funds and that Wilton Park is meeting its objectives.

Responsibilities to Soft Power and External Affairs Department, Communication Directorate

5.5. Particular responsibilities to Soft Power and External Affairs Department (SPEAD) include:

- i. Establishing, in agreement with the Department, Wilton Park's corporate and business plans in the light of the Department's wider strategic aims and agreed priorities;
- ii. Informing the Department of progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- iii. Ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over or under spends 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 Department in a timely fashion.

Responsibilities to the Wilton Park Board

5.6. The Chief Executive is responsible for:

- i. The day to day operations and administration of Wilton Park and for the leadership of its staff;
- ii. Advising the Board on the discharge of Wilton Park's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- iii. Advising the Board on Wilton Park's operation and performance compared with its aims and objectives;
- iv. Ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- v. Taking action as set out in paragraph 3.8.6 of *Managing Public Money* if the Board, or its Chair, 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, efficiency or effectiveness, is of questionable feasibility, or is unethical.

5.7. Other specific duties of the Chief Executive include:

- i. Leading and developing an effective Senior Management Team;
- ii. Motivating all staff at Wilton Park to deliver to priorities and targets;
- iii. Developing and maintaining a strong relationship with Wilton Park customers and stakeholders in the FCO, the rest of Whitehall and key international stakeholders (including other governments and institutions);
- iv. Leading and co-ordinating fund-raising strategies, including opening up new funding streams from non-FCO sources;
- v. Exploring new partnerships and business opportunities for Wilton Park consistent with the organisation's goals;
- vi. Developing the integration of digital into the business to ensure delivery in the digital age;
- vii. Ensuring that the commercial activities of Wiston House is run to a high business standard and in a way that provides the maximum benefit to Wilton Park; and
- viii. Ensuring that Wilton Park is run in a way that conforms to the values of the FCO and the standards laid down in the Civil Service Code.

6. Senior Management Team and sponsorship arrangements with the FCO

6.1. In line management terms, the Chief Executive reports to the Chair, who will work closely with the SDO on the strategic direction of Wilton Park in the context of wider FCO or cross-governmental policy priorities, objective-setting and personnel issues such as recruitment and appraisals. The Chief Executive will appoint the Senior Management Team (SMT) which will provide a forum to consult senior staff on performance and strategy; help in resolving management issues; contribute to financial and business planning, and develop fundraising and marketing strategies.

6.2. The Wilton Park SMT will consult closely with FCO Directorates, Posts and other Government Departments in the course of developing relevant programmes and will propose events that are closely aligned to the HMG's foreign policy, and to respective departmental priorities. Where appropriate, FCO posts will also help to identify and recruit speakers and participants, to disseminate event publicity material and support when events are held in-country. The SMT will inform the FCO Directorates, Posts and Departments of the results, and the participants in attendance. The SMT will share with Posts information drawn from their alumni database so Posts can better build on these relationships.

6.3. The FCO will also help develop and maintain institutional links and promote co-operation with overseas organisations. Where appropriate, Other Government

Departments may be asked to help develop and maintain institutional links and promote cooperation with relevant organisations or bodies. SPEAD within Communication Directorate will be the principal Department within the FCO responsible for managing the overall FCO relationship with Wilton Park. Wilton Park staff will liaise directly with FCO Directorates and Posts over specific programmes, and conferences.

7. The Wilton Park Board

7.1. The role of the Wilton Park Board is to oversee the leadership and direction of Wilton Park. The Board, whose Chair and members are expected to act in accordance with The 7 principles of public life, is specifically responsible for:

- i. Establishing and taking forward the strategic aims and objectives of Wilton Park, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- ii. Ensuring that the responsible FCO Minister is kept informed of any changes which are likely to impact on the strategic direction of Wilton Park or on the attainability of its targets, and determining the steps needed to deal with such changes;
- iii. Ensuring 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 sponsor Department, 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 sponsor Department;
- iv. Ensuring that the Board receives and reviews regular financial information concerning the management of Wilton Park; is informed in a timely manner about any concerns about the activities of Wilton Park; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
- v. Demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks;
- vi. In consultation with the Department, setting performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilisation of public resources;
- vii. Agreeing strategy and objectives, including the strategic plan, and annual financial and other performance targets;
- viii. Monitoring and evaluating Wilton Park's delivery of its strategic objectives and performance targets, including continuous risk assessment;
- ix. Advising on the allocation of financial and human resources, and the management of risk;

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- x. Ensuring that the planning, performance and financial management of Wilton Park is carried out efficiently and effectively;
- xi. Overseeing the process of change, encouraging innovation, and enhancing Wilton Park's capacity to deliver;
- xii. Ensuring that Wilton Park is run in a way consistent with FCO values and the Civil Service Code;
- xiii. Agreeing Wilton Park's Annual Reports and Accounts;
- xiv. Agreeing, together with the FCO, any appointments and term extensions for Members of the Wilton Park Advisory Council; and
- xv. Proposing or agreeing any amendments to the Framework Document.

7.2. The Wilton Park Board should also ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Wilton Park Board has established an Audit and Risk Assurance Committee (ARAC) as a Committee of the Board, chaired by an independent Non-Executive member to provide independent advice. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.

The Chair's personal responsibilities

7.3. The Chair is responsible to the named FCO Minister. Communications between the Wilton Park Board and the responsible Minister should normally be through the Chair. He or she is responsible for ensuring that policies and actions support the Minister's (and where relevant other Ministers') wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout Wilton Park.

7.4. The Chair's primary duty is to chair and lead the Wilton Park Board and Advisory Council in the successful performance of their functions. Other leadership responsibilities include:

- i. Formulating the Board's strategy and shaping the annual meeting agendas for the Wilton Park Board and Advisory Council;
- ii. Ensuring the Wilton Park Board provides appropriate advice, support and constructive challenge to the Chief Executive whilst taking account of guidance provided by the responsible Minister or the Department;
- iii. Promoting the efficient and effective use of staff and other resources;
- iv. Delivering high standards of regularity and propriety;
- v. Representing the views of the Board to the general public;
- vi. Providing an Annual Report to the FCO PUS on the work and impact of Wilton Park over the previous twelve months;
- vii. Ensuring members of the Wilton Park Board and Advisory Council receive the necessary information to enable them to perform their duties;

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- viii. Helping shape Wilton Park Board and Advisory Council composition and making provision to evaluate Board / Council performance;
- ix. Networking at the highest level, developing and sustaining new strategic partnerships; promoting and explaining the aims and policies of Wilton Park to the outside world;
- x. Identifying new funding opportunities for Wilton Park in order to broaden the funding base; and
- xi. Providing continuity of oversight and direction for Wilton Park.

7.5. The Chair also has an obligation to ensure that:

- i. The work of the Board and its members are reviewed and are working effectively;
- ii. The Board has a balance of skills appropriate to directing Wilton Park's business, as set out in the Government Code of Good Practice for Corporate Governance;
- iii. The Board's membership is diverse;
- iv. Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- v. He or she, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- vi. The responsible Minister is advised of Wilton Park's needs when Board vacancies arise;
- vii. He or she assesses the performance of individual Board members when being considered for re-appointment;
- viii. There is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance; and
- ix. The Board acts in accordance with the principles set out in the Cabinet Office Code of Conduct for Board Members of Public Bodies.

Individual Board members' responsibilities

7.6. Individual Board members should:

- i. Comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
- ii. Maintain Wilton Park's reputation as a neutral convenor and facilitator of dialogue;

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- iii. 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;
- iv. Comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments; and
- v. Act in good faith and in the best interests of Wilton Park.

The Audit and Risk Assurance Committee

7.7. The Audit and Risk Assurance Committee (ARAC) consists of up to three Non-Executive Directors who provide independent advice. One member of ARAC, who is suitably financially qualified and experienced, will Chair the Committee. The Wilton Park Chief Executive, other members of the SMT, and representatives from the FCO, FCO Internal Audit and the NAO will be invited to attend as appropriate in accordance with best practice. The Committee should be run in accordance with the Code of Good Practice for Corporate Governance and the *Audit and Risk Assurance Committee Handbook*.

7.8. The ARAC will meet at least three times a year. The Chair may convene additional meetings as necessary. Full terms of reference are available at: <https://www.wiltonpark.org.uk/about-us/overseeing-wilton-park/audit-committee/>

7.9. The role of the ARAC is to:

- i. Review the comprehensiveness of assurances in meeting the Board / AO's assurance needs;
- ii. Review the reliability and integrity of these assurances, including reports from the NAO, FCO Internal Audit Department and Wilton Park's business continuity plans;
- iii. Provide an opinion on how well the Board and AO are supported in decision making, and in discharging their accountability obligations (particularly in respect of Financial Reporting); and
- iv. Scrutinise Wilton Park financial reporting and business and financial plans.

7.10. The Chair of the ARAC can be remunerated with a proportionate honorarium agreed by the Chair of the Board and the SDO. This honorarium should be reviewed on new appointments, extension of appointments or any wider reviews of Wilton Park.

8. Wilton Park Advisory Council

As per recommendation 1/6 of the 2018 Tailored Review of Wilton Park, a review of the Wilton Park Advisory Council (WPAC) will be undertaken in late 2019. Further changes may be made to this section following this review.

8.1. The [WPAC](#) is led by the Chair of the main Wilton Park Board. Its task is to ensure that Wilton Park meets the highest intellectual standards and maintains its reputation as a global centre of excellence.

8.2. The WPAC should ideally consist of a diverse range of experienced individuals drawn from parliament, the academic world, the media, trade unions, business, non-governmental organisations, the wider public sector and institutions concerned with international relations. Members are appointed for three years, with the possibility of a second three year term. WPAC membership is not remunerated, but reasonable travel and other expenses are reimbursed.

8.3. Open advertisements will normally be placed in appropriate media to attract a diverse range of new Council members. Wilton Park runs the appointment and extension process and will share shortlists for new appointments, and discuss term extensions with the sponsor team in SPEAD. The FCO reserve the right to shortlist candidates for the selection panel. The Chair of the Wilton Park Board, after consulting Board colleagues, will discuss their final recommendations on who to appoint with the FCO SDO, who will agree the Board's recommendation.

8.4. The FCO will be involved at the following stages of recruitment:

- i. At the beginning, the FCO can put forward names of any potential candidates who will be invited to apply through the normal process;
- ii. At the shortlisting stage, the FCO can provide views on the quality and diversity of candidates and ask the panel to look again if they are not satisfied; and
- iii. At the final decision stage, the FCO SDO can elect to meet appointable candidates before making a decision on whether to agree the recommendation of the Wilton Park Board.

8.5. The WPAC meets formally at least once a year. Members are also expected to be available for individual discussions, and may attend relevant conferences.

8.6. The collective role of the WPAC is to:

- i. Advise the Chief Executive and their senior staff on the selection of themes, speakers, participants;

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- ii. Provide practical experience and advice on partnerships with other organisations and on fundraising; and
- iii. Provide advice and challenge to the FCO as necessary.

8.7. The role of individual members is to:

- i. Advise the Chief Executive and the Programme Directors on issues relevant to the Advisory Council member's experience and expertise;
- ii. Participate in appropriate conferences; and
- iii. Promote awareness and support for Wilton Park within their professional networks; assisting in the identification of speakers and participants for individual events and help identify sources of funding.

9. Responsibility to Parliament

9.1. The Secretary of State accounts for Wilton Park's business in Parliament. The FCO PUS / PAO is accountable to Parliament for general oversight of Wilton Park, for ensuring Wilton Park is meeting its objectives and has appropriate systems in place for the proper management of the resources under Wilton Park's control. Both the PUS / PAO and the AO may be required to give evidence before the Public Accounts Committee.

9.2. The Secretary of State decides who should appear at hearings of Departmental Select Committees. In practice, where a Committee's interest is confined to Wilton Park's day-to-day operations, the Secretary of State will normally regard the FCO PUS, the SDO and the Chief Executive as the people best placed to appear on his / her behalf.

9.3. Members of Parliament are encouraged to write directly to the Chief Executive on individual cases or operational issues. They may also raise matters of concern with FCO Ministers if they so wish. The Secretary of State will usually ask the Chief Executive to write to MPs in response to written Parliamentary Questions and individual letters about matters delegated to him. The Chief Executive's letters in reply to Parliamentary Questions will be published in the Official Report.

9.4. The Chief Executive also needs to ensure that an effective [Complaints Policy](#) and procedure is in place.

10. Annual Report and Accounts

10.1. Wilton Park must publish an annual report of its activities together with its audited accounts after the end of the financial year.

10.2. The annual report and accounts must:

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- i. Comply with the Treasury's Financial Reporting Manual (FreM);
- ii. Outline main activities and performance during the previous financial year and set out in summary form forward plans; and
- iii. Include information on performance against key financial targets within the scope of the audit should be included in the notes to the accounts.

10.3. The Chief Executive must prepare the annual report and accounts in accordance with the FCO consolidated accounts production timetable, and sign on a date which precedes that on which the FCO PUS signs the consolidated FCO accounts. The Chief Executive is responsible for ensuring proper records are kept relating to the accounts.

10.4. The Chief Executive is responsible for ensuring that the annual report and accounts is laid before Parliament, in accordance with the relevant guidelines, before the summer recess. The draft report and accounts should be submitted to the Comptroller & Auditor General (C&AG) within a timetable agreed with the FCO for the purposes of external audit.

10.5. A copy of the annual report and accounts must be made available on the Wilton Park website as soon as possible after laying before Parliament.

11. Internal Audit and Counter Fraud

11.1. Internal Audit and Counter Fraud services will be provided by the FCO, in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS)
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>.

11.2. The Head of FCO Internal Audit will produce an annual plan of proposed audit areas for agreement by the Wilton Park ARAC. Wilton Park shall keep records of, and prepare and forward to the Department, an annual report on fraud and theft suffered by Wilton Park and notify the sponsor Department of any unusual or major incidents as soon as possible. Wilton Park will ensure that FCO Internal Audit and Counter Fraud has complete access to all relevant records.

12. External Audit

12.1. The C&AG audits Wilton Park's annual accounts and passes them to the Chief Executive, for consolidation into the FCO's annual accounts.

12.2. The C&AG:

- i. Will consult the Department and Wilton Park on whom – the NAO or a commercial auditor – shall undertake the audit on their behalf, though the final decision rests with the C&AG;

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- ii. Has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments from Wilton Park;
- iii. Will share with the sponsor Department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within Wilton Park; and
- iv. Will, where asked, provide Departments and other relevant bodies with Regulatory Compliance reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

12.3. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which Wilton Park 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, Wilton Park shall provide, in conditions to contracts, for the C&AG to exercise such access to documents held by contactors 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.

Right of access

12.4. The FCO has the right of access to all Wilton Park records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

Section Two: Management and financial responsibilities

13. Managing Public Money and other government-wide corporate guidance and instructions

13.1. Unless agreed by the Department and, as necessary, HM Treasury, Wilton Park shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exemptions to SPEAD in the FCO in the first instance. A list of guidance and instructions with which Wilton Park should comply is in Annex A. Furthermore, Wilton Park should comply with FCO Human Resources procedures including conduct and discipline, attendance management, equal opportunities and health and safety policies, and observe any general guidance issued by HM Treasury and Cabinet Office e.g. requirements on data handling.

13.2. In all other areas not covered by the above, the Chief Executive should ensure Wilton Park either follows FCO guidance or puts in place suitable alternative procedures, clearing these, where necessary, with the sponsor team in SPEAD and FCO Human Resources Directorate before implementation.

13.3. Once the budget has been approved by the FCO, and subject to any restrictions imposed by the responsible Minister's instructions and this document, Wilton Park shall have the authority to incur expenditure approved in the budget without further reference to the FCO, on the following conditions:

- i. Wilton Park shall comply with *Managing Public Money* regarding novel, contentious, repercussive proposals;
- ii. Inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
- iii. Wilton Park shall provide SPEAD with such information about its operations, performance individual projects or other expenditure as the FCO may reasonably require; and
- iv. Wilton Park does not make any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resource required.

13.4. Wilton Park shall comply with the following delegations, whereby the Chief Executive will seek approval from the Wilton Park Board for:

- i. Any single item of administration cost expenditure in excess of £50,000 which is not included the annual budget; Any capital expenditure project in excess of £10,000 which is not included in the agreed annual budget;

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- ii. Any single asset disposal in excess of £10,000 net book value; Any costs associated with initiatives outside business as usual in excess of £20,000;
- iii. Making any significant change in the scale of the operation or funding or any initiative or particular scheme previously approved by the Wilton Park Board; and
- iv. Carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

13.5. Annex C gives detailed information on external approval policies and processes that need to be followed by Wilton Park. Paragraph 10.2 is the default process in circumstances not specifically covered by existing guidance.

14. Corporate governance

Board appointments – the Chair and Board members

14.1. The Non-Executive Chair is appointed by the Secretary of State for an extendable five year term and heads both the Wilton Park Board and WPAC, and ensures that the Board sets, implements and monitors Wilton Park's delivery against its purpose and specific targets. The Chair is paid by the FCO as a fee paid officer the equivalent to 0.2 FTE of an SMS 1 officer.

14.2. The Wilton Park Board is appointed by the Secretary of State to advise the FCO and Ministers on the management and finances of Wilton Park. The Board will meet five times per year. The Chair may convene additional meetings as necessary.

14.3. In line with the government's [Code of Good Practice](#), the Board will comprise:

- i. The Non-Executive Chair;
- ii. The Chief Executive;
- iii. Up to four additional Non-Executive members who have a balance of skills and experience appropriate to directing Wilton Park's business; and
- iv. A maximum of three senior FCO officials, one of whom is the SDO.

14.4. The Board will ensure Non-Executive Board members, one of whom chairs the ARAC are supported and constructively challenged in their roles.

14.5. The Chief Executive will represent Wilton Park, with other members of the SMT attending. Additional members of the FCO may be appointed as observers.

14.6. At the invitation of the Chair, the Wilton Park Board may also be attended by Senior Civil Servants from other Government Departments involved in Wilton Park's work.

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14.7. Through open competition, on the advice of Ministers, the Secretary of State appoints Non-Executive members of the Board for three years, renewable for a further three years. Renewal for a third and final term would be in exceptional circumstances only.

14.8. Wilton Park is not regulated by the Office of the Commissioner for Public Appointments (OCPA). However, it follows the principles of the *Governance Code on Public Appointments* for recruitment of its Chair and Non-Executives. The recruitment processes are run by officials in the sponsor team on behalf of FCO Ministers. There is the possibility of using an external recruitment agency if there is a sound business case to support this.

14.9. An Advisory Assessment Panel, including an independent panel member and a senior member of the FCO, assists Ministers in their decision making by objectively deciding who meets the published selection criteria for the roles. The Advisory Assessment Panel invites Ministers to provide views on the quality and diversity of candidates at the following stages:

- i. At the beginning, Ministers can put forward names of any potential candidates who will be invited to apply through the normal process;
- ii. At shortlisting stage, Ministers can provide views on the quality and diversity of candidates and ask the panel to look again if they are not satisfied; and
- iii. At the final decision stage Ministers can meet appointable candidates before making a decision on who to appoint, should they wish to do so.

14.10. The Chair and Non-Executive members of the Board appointments' will comply with the [guidance to departments](#) provided by the Centre for Appointments to Public Bodies.

14.11. Non Executive-Director positions are unpaid, other than the Chair of the ARAC. Reasonable costs of travel within the UK to attend Board meetings are reimbursed.

14.12. See section 6 for the format to be used for appointments to WPAC.

15. Risk management

15.1. Wilton Park shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the HMT [Orange Book](#) guidance.

15.2. Wilton Park should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's [guidance](#) on tackling fraud:

15.3. Wilton Park should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.

16. Strategic and financial plans

16.1. The SMT will draw up a [strategic plan](#) covering three years ahead, to be agreed by the Wilton Park Board, and informed by the FCO's Single Departmental Plan. Wilton Park will

submit the strategic to the FCO by the end of March y each year. Wilton Park shall agree with the Department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect Wilton Park's duties and, within those duties, the priorities set from time to time by the responsible FCO Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how Wilton Park contributes to the achievement of the FCO's priorities.

16.2. The first year of the strategic plan, amplified as necessary, shall form the business and financial plan. The business plan shall be updated to include key targets and milestones, including financial, 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 Department. The Wilton Park financial plan will not be published, as it contains commercially sensitive information. Targets agreed in the financial plan will be included in the annual report and accounts and separately be made available to staff. Measurement of performance against these targets will be undertaken using a robust monitoring and evaluation system.

16.3 The strategic plan will include:

- i. Key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
- ii. Key non-financial performance targets;
- iii. Detailed income and expenditure budgets;
- iv. Staffing levels;
- v. A review of performance in the preceding financial year, together with comparable outturns for the previous 3 years, and an estimate of performance in the current year;
- vi. Alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- vii. Other matters as agreed between the FCO and Wilton Park.

16.4. Wilton Park shall have a business continuity / contingency plan, which includes details of the FCO's role. This will be shared with the sponsor team on an annual basis.

Pricing Policy

16.5. Wilton Park's pricing policy, as determined by the Chief Executive, will reflect the need for the Agency to achieve its financial targets set out in the annual business and financial plan as well as longer-term business strategy.

16.6. Prices, including appropriate discount structures, will be determined for conferences and commercial events to reflect competitive forces in these market places.

17. Budgeting Procedures

17.1. Each year, in the light of decisions by the Department on the updated draft strategic plan, the FCO will send to Wilton Park by end March:

- i. A formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the FCO. Wilton Park will be free to conduct its affairs within the terms of this Framework Document and the strategy set out in its Business Plan; and
- ii. A statement of any planned change in policies affecting Wilton Park.

17.2. The approved annual business and financial plan will take account both of approved funding provision and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of FCO core funding and use of the Accountable ODA grant. These elements form part of the approved business plan for the year in question.

18. Reporting performance to the Department

18.1. Wilton Park shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. Wilton Park shall inform the FCO of any changes that make achievement of objectives more or less difficult.

18.2. Wilton Park shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives at Wilton Park Board meetings.

18.3. Wilton Park's performance shall be formally reviewed by the FCO twice a year, by means of an annual meeting between the Chair and the responsible Minister and an annual meeting between the Chief Executive and the PUS.

Providing monitoring information to the FCO

18.2. As / at a minimum, Wilton Park shall provide the FCO with monthly progress reports including management accounts, balanced scorecard and projected financial performance for the relevant financial year that will enable the Department satisfactorily to monitor:

- i. Progress against agreed targets;
- ii. Wilton Park's draw-down of the core FCO grant and use (and forecast) of any Accountable ODA grant;

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- iii. Forecast outturn by income and expenditure categories; and
- iv. Other data required by Finance Directorate.

Wilton Park / FCO working level liaison arrangements

18.3. Officials from SPEAD in the FCO will liaise regularly with Wilton Park officials to review financial performance against plans, achievement against targets and expenditure. SPEAD will also take the opportunity to explain wider policy developments that might have an impact on Wilton Park. The sponsor team in SPEAD will meet formally with the Chief of Staff and other employees of Wilton Park on a monthly basis.

18.4. The financial targets for Wilton Park are included within the financial settlement for Communication Directorate within the FCO. Wilton Park's financial performance, and forecast results is included within the monthly Communication Directorate contribution to the FCO Key Performance Report.

18.5. FCO Communication Directorate and Wilton Park agree a Financial Memorandum of Understanding, which specifies arrangements for intercompany accounting arrangements. The Memorandum includes cash management, financial reporting and management accounting information. The Memorandum, modified for publication, is shown at Annex B.

18.6. Wilton Park will maintain such internal financial controls and management accounting systems as will enable its management readily to review performance (including sales, costs, profitability, cash flow and staffing) against agreed budgets.

18.7. Wilton Park will distinguish between costs and revenues of Wilton Park conferences, and those incurred and received in respect of general commercial business.

18.8. The SMT will carry out appropriate investment appraisal of all major projects, normally in the process of preparing its business and financial plan, and submit proposals to the Wilton Park Board on significant investments as required.

19. Delegated Authorities

19.1. Wilton Park's delegated authorities are set out in 13.4. Wilton Park shall obtain the FCO's prior written approval before incurring expenditure outside the conditions set out.

20. Wilton Park Staff

20.1. All Staff at Wilton Park are Civil Servants with Civil Service terms and conditions of employment. The Chief Executive is responsible for all human resource matters in respect of Wilton Park staff, including the pay and grading of posts and the recruitment and promotion of staff. The Chief Executive in exercising these responsibilities will have regard to guidance and regulations issued by the FCO, Cabinet Office, HM Treasury and the Civil Service Commissioners. This function may be delegated to a Human Resource Manager, but the overall responsibility remains with the Chief Executive.

Broad responsibilities for staff

20.2. Within the arrangements approved by the responsible FCO Minister and the Treasury, Wilton Park will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities towards its staff are to ensure that:

- i. The rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, age; being or becoming a transsexual person; being married or in a civil partnership; being pregnant or on maternity leave; race, including colour, nationality, ethnic or national origin; religion, belief or lack of religion or belief; sex; and sexual orientation;
- ii. The level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- iii. The performance of its staff at all levels is satisfactorily appraised and Wilton Park performance management systems are reviewed from time to time;
- iv. Its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve Wilton Park's objectives;
- v. Proper consultation with staff takes place on key issues affecting them;
- vi. Adequate grievance and disciplinary procedures are in place;
- vii. Whistle-blowing procedures consistent with the Public Disclosure act are in place; and
- viii. A code of conduct for staff is in place based on the Cabinet Office's *Model Code for Staff of Executive Non-departmental Public Bodies*:

Staff costs

20.3. Subject to its delegated authorities, and within its responsibility to cover its costs, Wilton Park shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

20.4. The Chief Executive may, subject to the agreement of the Wilton Park Board, introduce local pay and grading arrangements best suited to Wilton Park activities.

20.5. Payment in respect of travel expenses or other allowances, should be made in accordance with the [Civil Service Management Code](#): except where prior approval has been given by the FCO to vary such rates.

20.6. Staff terms and conditions should be set out in a Summary Terms and Conditions of Service document, supplemented by an Induction Handbook, which should both be provided to the FCO together with subsequent amendments.

20.7. Wilton Park shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the FCO or the general pay structure approved by the FCO.

20.8. The travel expenses of Board members shall be tied to the rates allowed to senior staff of Wilton Park. Reasonable actual costs shall be reimbursed.

20.9. Wilton Park shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

Pensions, redundancy and compensation

20.10. Wilton Park staff are eligible to join the Principal Civil Service Pension Scheme (PCSPS). Staff may opt out of the PCSPS. Employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.

20.11. Any proposal by Wilton Park to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the FCO. FCO Human Resources Directorate will be consulted on any proposals, and for each staff case, concerning dismissal, early retirement or redundancy. The Trade Union side will be consulted on any proposals concerning redundancy. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

Recruitment

20.12. Recruitment of staff will be carried out by fair and open competition by Wilton Park in accordance with the recruitment principles specified by the Civil Service Commissioners. For recruitment at D6 level and above, selection boards should include either an FCO representative or an external HR professional.

Training and Career Development

20.13. Wilton Park has been accredited as an Investor in People and is committed to maintaining this status. Arrangements will be made to ensure that staff have the training to ensure their personal development and professional expertise enable Wilton Park to achieve its objectives and annual targets. Staff will have the option of participating in career development training by attending courses, job-shadowing, on the job training within Wilton Park or the FCO, and via eLearning available on FCO GLO, on the Civil Service Learning Platform or elsewhere. FCO training may be funded jointly or by agreement.

Promotion

20.14. Staff may, where appropriate, be considered for progression, promotion or posting to other jobs within the FCO or in Wilton Park.

Appeals

20.15. Wilton Park staff have a right to the standard appeal process if security clearance is withdrawn or renewal refused.

Employee Records

20.16. The Chief Executive will make available to FCO Human Resources Directorate such employee information as is reasonably required, taking account of the provisions of the Data Protection Act 2018.

Employee Relations

20.17. The Chief Executive is responsible for good employee relations and will ensure there are suitable and lawful procedures for regular communication with employees and meetings with their representatives, including the Trade Union side.

21. Advice and Services provided by the FCO to Wilton Park

Estates

21.1. Wilton Park will seek the advice of FCO Estates and Security Department on significant estate matters. Wilton Park will manage the leasehold estate in compliance with arrangements and obligations within the lease on Wiston House. Maintenance work will comply with relevant building rules and regulations.

Legal Services

21.2. Wilton Park may use the FCO's legal services as required.

Payroll Services

21.3. Wilton Park payroll services will be provided by the FCO.

Dealing with the Media

21.4. The Chief Executive may deal directly with the media on subjects relating to Wilton Park activities. Where media enquiries may raise issues concerning the FCO, the Chief Executive will consult with the FCO Head of Media Office and Digital Transformation Unit.

22. Review of the role of the Agency

22.1. In line with Cabinet Office guidance, a tailored review of Wilton Park will take place once per Parliament. The most recent review took place in 2018.

22.2. Should a decision be made to dissolve the Agency following any such review, FCO Ministers will seek formal approval from the Chief Secretary to the Treasury and the Minister for the Cabinet Office. Such a request would be accompanied by:

- i. Details of the processes and outcomes considered in reaching this decision;
- ii. Proposals detailing how the FCO would take this forward e.g. what will happen to staff, the work of the Agency etc; and
- iii. Details of any presentational issues of which they should be aware.

23. Arrangements in the event that Wilton Park is wound up

23.1. In the event of the decision being made to wind up Wilton Park, Wilton Park will be required to wind-up its affairs in accordance with the timetable agreed with the FCO and to put in place a plan for its closure. This will include arrangements for the handover of its residual business and assets and liabilities.

23.2. The draft wind-up plan should be forwarded to the FCO in accordance with the agreed timetable.

23.3. The FCO shall put in place arrangements to ensure that, when Wilton Park is wound up, this shall be done in an orderly manner. In particular the FCO should ensure that where Wilton Park is wound up, the assets and liabilities of the body are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to the FCO. To this end, the FCO, in conjunction with Wilton Park, shall:

- i. Ensure procedures are in place in Wilton Park to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residual body;
- ii. Specify the basis for the valuation and accounting treatment of Wilton Park's assets and liabilities;
- iii. Where Wilton Park is audited by the NAO; ensure arrangements are in place to prepare closing accounts and pass to the C&AG for external audit and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts; and
- iv. Arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the FCO inherits the role, responsibilities, assets and liabilities, the PUS should sign.

23.4. Wilton Park shall provide the Department with full details of all agreements where Wilton Park or its successors have a right to share in the financial gains of developers. It should also pass to the FCO details of any other forms of claw-back due to the FCO.

24. Framework Document

Amendments and Frequency of Review

24.1. The Framework Document and its operation will be reviewed by the FCO, in consultation with Wilton Park, as part of each tailored review and within a maximum of

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three years after the last tailored review. The review should include an assessment of Wilton Park's track record in achieving its objectives.

24.2. The FCO or Wilton Park may propose changes to this Framework Document at any time. Changes must be approved by the FCO and the Wilton Park Board. The FCO will be responsible for consulting all those concerned with proposals for amendments, including Cabinet Office and HM Treasury.

Publication

24.3. The FCO will place copies of this Framework Document and any subsequent versions in the Libraries of both Houses of Parliament.

The Framework Document will be published on the Wilton Park website: www.wiltonpark.org.uk.

LIST OF APPENDICES TO THIS DOCUMENT

- Annex A List of government-wide corporate guidance instructions
- Annex B Financial Memorandum of Understanding
- Annex C External Approval Policies and Processes

Signed



**Director of Communication
Foreign and Commonwealth Office**

Date 15.4.19

Signed



**Chief Executive
Wilton Park**

Date 17.4.19

SECTION THREE – ANNEXES

ANNEX A – Compliance with government-wide corporate guidance and instructions

Wilton Park complies with the following general guidance documents and instructions:

- This **Framework Document**;
- The government financial reporting manual (FReM):
<https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>
- **Managing Public Money** (MPM), including *Chapter 6: Fees, Charges and Levies*;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742188/Managing_Public_Money_MPM_2018.pdf
- Relevant “**Dear Accounting Officer**” letters:
<https://www.gov.uk/government/collections/dao-letters>;
- Appropriate adaptations of sections of **Corporate Governance in Central Government Departments: Code of Good Practice**:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>;
- **Code of Conduct for Board members of Public Bodies**:
<https://www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct>
- **The 7 principles of public life**:
<https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>
- **Public Sector Internal Audit Standards**
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- **Management of Risk - Principles and Concepts**:
<https://www.gov.uk/government/publications/orange-book>;
- **HM Treasury Guidance on Tackling Fraud**:
https://webarchive.nationalarchives.gov.uk/20120906143131/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf

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- **Regularity, Propriety and Value for Money:**
- [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/212460/Regularity Propriety and Value for Money.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/212460/Regularity_Propriety_and_Value_for_Money.pdf)
- **The Parliamentary and Health Service Ombudsman's Principles of Good Administration**
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples>;
- Relevant **Freedom of Information Act** guidance and instructions (Ministry of Justice);
- Departmental Banking: A Manual for Government Departments, annex 5.6 of *Managing Public Money*;
- Other relevant instructions and instructions issued by the Treasury in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments;
- Specific instructions and guidance issued by **FCO**; and
- Recommendations made by the **Public Accounts Committee**, or by other Parliamentary authority, that have been accepted by the Government and relevant to the ALB.

ANNEX B – FINANCE: MEMORANDUM OF UNDERSTANDING

This Memorandum sets out the way in which intercompany accounting arrangements are intended to work and formalises the way in which Wilton Park handles and agrees specified transactions and balances with the FCO, including cash.

Agreement of the Memorandum

This Memorandum is intended to support the governance and control arrangements within the Wilton Park Framework Document.

This Memorandum is for the Director of Finance and Corporate Services of Wilton Park and the Finance Manager of FCO Communication Directorate to agree amendments or variations.

The Memorandum applies to the financial year 2019 - 20 and thereafter, as amended.

Intercompany accounting arrangements

1. Accounts Consolidation:

The assets and liabilities, and operating results of Wilton Park are consolidated into the FCO accounts in full. The consolidated WP surplus/deficit (excluding non-cash) is reflected against the FCO Communication Directorate budget, as is core sponsorship provided by the FCO to Wilton Park. Financial reporting arrangements are described below.

2. Net Parliamentary Funding:

Wilton Park elects to use the payroll services of the FCO for its permanent staff in line with the Wilton Park Framework Document. In order to minimise transfer of cash funding between Wilton Park and the FCO, the FCO does not require Wilton Park to reimburse the FCO monthly for pay disbursements made on behalf of Wilton Park. Conversely, the FCO does not transfer cash to Wilton Park for the value of agreed core sponsorship of the Wilton Park conference programme or for the agreed capital funding. Instead the FCO will record the payroll charges attributable to Wilton Park as a receivable balance and the core sponsorship and capital funding as a payable balance within its accounts. Wilton Park, in effect mirroring the FCO position, will record these as a payable and receivable balance respectively. Wilton Park is required to transfer excess cash balances held to the FCO on a regular basis and these receipts will be received against the pre-existing receivable balance, thereby reducing the amount owed by Wilton Park to the FCO. At the end of the financial year the FCO will net the remaining receivable and payable balances and then initiate a transfer of cash to reconcile the outstanding balance in the new financial year.

3. Intercompany account controls:

The Wilton Park accounting system shows Net Parliamentary Funding (i.e. core sponsorship and capital funding) as a movement in Reserves, with separate account codes to show: FCO Payables and FCO Receivables. Corresponding balances are reflected in the FCO accounting system as Wilton Park Receivables and Wilton Park Payables.

These balances will be eliminated in the FCO Group when the Wilton Park financial statements and notes are fully consolidated within the FCO Accounts.

4. Agreement of Intercompany balances:

The FCO Finance Directorate reconciles the balances held between the FCO and Wilton Park on a quarterly basis, liaising with Wilton Park directly to resolve any queries.

5. Quarterly reporting:

The Wilton Park Director of Finance and Corporate Services should provide management accounting information to the FCO Communication Directorate on a quarterly basis to a pre-agreed timescale and format. The information provided should enable the FCO Communication Directorate to appreciate the actual and forecast financial position and performance of Wilton Park and to make effective decisions concerning budget cover and funding etc. based on the relevant figures.

Deadlines to complete the FCO Consolidation template and provide Wilton Park near final draft accounts for Q3 and Q4 will be communicated as per the relevant plan produced by the FCO Corporate Accounting Team.

Specified transactions and balances

6. Provisions:

Any provisions created in the Wilton Park accounts relating to transactions or balances with the FCO should be agreed between Wilton Park and the FCO before being recognised in the Wilton Park accounts. Agreements on any such provisions should specify how the provision will be cleared through respective accounts.

7. FCO intercompany accruals:

Any exceptional and/or unforeseen circumstances that require intercompany accruals must be agreed between Wilton Park and the FCO prior to being recognised in the Wilton Park accounts.

8. Other intercompany debtor and creditor balances:

Wilton Park will agree the process for completion of VAT returns, and the payment of VAT balances, with the FCO Corporate Service Centre.

For all other transactions with the FCO, the presumption is that Wilton Park will invoice relevant FCO Directorates for the agreed value of conference, venue hire or other services provided. Equally, any services provided by the FCO to Wilton Park should be invoiced to Wilton Park, with the exception of non-cash charges reflected in the Wilton Park accounts as notional charges, covering for example, payroll and internal audit services.

9. Capital funding

As part of its budget setting process, the FCO provides Wilton Park with capital investment funding. This capital funding is included within the FCO Communication Directorate budget baseline. The FCO will advise Wilton Park of the amount of capital funding approved, and which Wilton Park will include in its business and financial plan.

Wilton Park will pay for capital investments from its overall cash balances. Capital investment spending will feature in the FCO accounts through the value of Property, Plant and Equipment additions in-year.

Cash Balances

10. Cash management:

Wilton Park operates its own banking and cash management arrangements. It is for Wilton Park to manage those arrangements, and the associated cash and bank balances, effectively and efficiently in line with the guidance provided within *Managing Public Money*. Cash balances accumulated during the course of the year from FCO funding shall be kept at the minimum level consistent with the efficient operation of Wilton Park. The balances held should be in line with their expected cash flows from operations. Any excess of cash held should be surrendered to the FCO.

ANNEX C - External Approval Policies & Processes: general guidance for FCO arms length bodies

1.1 This list of approval policies and processes *is not an exhaustive* one, but it provides an overview of some of the main requirements of which to be aware. Wilton Park should liaise with relevant colleagues at FCO if unsure of which processes to follow or actions to take in relation to Finance, Commercial or HR controls.

1.2 Approval is required from the Chief Secretary to the Treasury (CST) – Pay and Appointments:

- Any appointment is to be made with a total remuneration package of over £150,000;
- Any adjustments (e.g. pay award) are to be made which would take an existing member of staff above the £150,000 threshold; and
- Any new adjustments worth over £17,500 p.a. Any existing arrangements over £50,000 p.a. (in advance of payment)

1.3 The total remuneration package is made up of base salary, *as well as all fees, allowances, fringe benefits not generally available to other staff, and employer pension contributions in excess of normal levels*. The cost of fringe benefits generally available to other staff, and the standard employer pension contributions **are not included**. If the appointment is part-time, the threshold should be applied on a pro-rata basis. For example, if the employee works one day per week, the threshold would be £28,500 p.a. Secondments into the Civil Service are to be considered as appointments.

1.4 To receive approval from the CST, agreement should first be sought through the sponsor team from the PUS and the FCO Minister responsible for overseeing appointments, before the sponsor team submit a case to the Cabinet Office. They will then liaise with relevant Treasury officials in advance of formal business case to the CST. The CT's final decision will then be conveyed to the FCO via the Cabinet Office.

2 Pay remit approvals

2.1 Pay remits must be approved by the relevant Secretary of State. No additional approval of pay remits is required by HM Treasury unless alternative or modified arrangements, such as submitting a request for pay flexibility beyond existing delegated authority are sought.

2.2 It is government policy not to reopen civil service pay remits, once the relevant Secretary of State has approved them. Pay remits are considered and approved on the basis of the proposals submitted in the supporting business case.

2.3 The FCO is expected to provide data to HM Treasury on forecast and outturn data for the pay round, including data on agencies and Arms' Length Bodies. This is to enable HM Treasury to confirm departments are abiding by the parameters set over pay.

2.4 Approval is required from the Civil Service Commission when:

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- Any fixed-term appointment in excess of 2 years is to be made;
- A salary over 20% of what was advertised is to be paid on completion of the recruitment process;
- Any appointment is to be made at Senior Civil Service Pay Band 2 (SCS PB 2) or higher;
- Any appointment is to be made at any grade with a salary at or in excess of the SCS PB 2 minimum; and
- Any fixed-term appointment with a salary at or in excess of the SCS PB 2 minimum is to be extended.

2.5 Off-Payroll Staff Considerations

- All Board members and staff with significant financial responsibility must be on payroll, unless there are exceptional temporary circumstances present. In these scenarios, the AO must seek assurance on tax / NICs obligations before signing off, and any such exceptions should exist for no longer than 6 months – at which point the incumbent must transfer to the payroll; and
- Additionally, staff under Board level who are engaged for over 6 months and earning over £245 per day must have the right to assurance built into their contractual provisions. For staff engaged for under 6 months or earning below the £245 threshold, rights to assurance may still be included, but is left to the Department's discretion.

3 Approval is required from Government Digital Service (GDS) when:

- Any expenditure on a digital service which includes *any of the following features* is to be made:
 - This is intended for use by the general public;
 - Contains user identity assurance;
 - Requires the registration of a domain;
 - Includes publication of a website or mobile application; and
 - Uses external-facing digital transactions
- Any expenditure on a digital service of any kind with a total cost of £100,000 or over is to be made.

4 Approval is required from Her Majesty's Treasury (HMT) for:

Losses and write offs:

4.1 Public sector organisations should only consider accepting losses and write-offs where there is no feasible alternative. The FCO should be consulted about any losses above Wilton Park's delegated limits.

4.2 HMT may need to be consulted, irrespective of the amount of money concerned, if losses or write offs:

- Involve important questions of principle;
- Raise doubts about the effectiveness of existing systems;
- Contain lessons which might be of wider interest;
- Are novel or contentious;
- Might create a precedent for other public sector organisations in similar circumstances; and
- Arise because of obscure or ambiguous instructions issued centrally.

4.3 Special payments - when:

- Any expenditure (irrespective of value) which could be considered novel and/or contentious is to be made, where such spending falls outside existing terms and conditions or legal mandate. This includes retention and severance payments;
- Any gifts or grants are to be presented to an external body with a value of £300,000 or over; and
- Any expenditure on a project, programme or contract which meets *any of the following criteria* is to be made:
 - Is above the Delegated Authority Limit set by HMT (£15 million for FCO);
 - Could create pressures on Departmental Expenditure Limits;
 - Would include contractual commitments which have not already been set;
 - Could set a significant expensive precedent;
 - Is novel and/or contentious and might present a reputational risk;
 - Requires primary legislation and/or statutory approval from HMT; and
 - Involve important questions of principle.
- Any major project or programme is to be entered into the Government Major Projects Portfolio (GMPP). The Infrastructure Projects Authority (IPA) may also provide approval in these instances.

5. Cabinet Office expenditure controls - overview

The Cabinet Office has set limits on expenditure in 9 areas. Any expenditure over these limits requires approval to be sought from the Cabinet Office. The 9 areas are:

- Advertising, marketing & communication
- Commercial models

- Consultancy
- Digital & technology
- External recruitment
- Learning & development
- Property
- Strategic supplier management
- Redundancy & compensation

5.1 Advertising, Marketing & Communications

- Expenditure of £100,000 and above requires approval.

5.2 Commercial Models

Approval is required for:

- All disposals of a business, the assets involved in delivering a service, or both;
- All outsourcing contracts, or significant extensions of existing contracts, above £5m; and
- The creation of any new organisation, including joint ventures.

5.3 Consultancy

This is defined as the provision to management of objective advice relating to strategy, structure, management or operations of an organisation. Such advice will be provided outside the 'business-as-usual' environment.

Approval is required for all expenditure at or above £20,000 in cases where:

- New contracts are expected to exceed 9 months;
- Existing contracts are to be extended beyond 9 months; and
- The expenditure relates to procurement-related consultancy of any duration.

5.4 Digital & Technology

Approval is required for expenditure of:

- Any value on external facing digital transaction, website or mobile apps, outside of delegated authority;
- £100,000 or more on digital services or products;
- £1 million or more on services also delivered by Independent Shared Service Centres such as current or new back office/administrative systems (including ERP systems), HR systems, finance/accounting systems or procurement systems;

- <https://www.gov.uk/government/publications/cabinet-office-controls>; and
- £5 million or more on technology expenditure including all sub components in a request e.g. a website and service supported by a series of contracts such as hosting, data centres, voice & video, security, securing third party support.

5.5 Learning & Development

Approval is required for:

- Generic learning and development (L&D) services (new or contract extensions) outside delegated authority; and
- Organisation or profession specific L&D services above £10,000 (new or contract extensions).

5.6 Property

Approval is required for:

- Rental expenditure above £100,000 during the life of the lease commitment;
- All new and extended facilities management contracts, regardless of financial commitment and any other contract with a total of over £10 million or over is to be made; and
- Any expenditure on services also delivered by independent Shared Services Centres with a total cost of £1 million or over is to be made.

5.7 External Recruitment

The control applies to all external recruitment, excluding consultants.

- Approval for external recruitment is the responsibility of the FCO Secretary of State, but they may choose to delegate sign-off responsibility to Wilton Park's Chief Executive. This responsibility is currently delegated.

5.8 Strategic supplier management

A list of strategic suppliers can be found at:

<https://www.gov.uk/government/publications/strategic-suppliers>

Approval is required for:

- Expenditure is over £5 million over the life of the contract with a strategic supplier, this includes new contracts and contract extensions; and
- Disputes with a strategic supplier.

5.9 Redundancy & Compensation

Approval is required for all schemes. Access to any ring-fenced expenditure will not normally be agreed by HM Treasury without Cabinet Office approval for the scheme.

6 Additional Processes for Contract Expenditure

Specific external approval processes apply concerning expenditure on contracts. This includes the requirement for:

- Any contract or spend with a total cost of £100,000 or more to be submitted to Commercial Directorate's Procurement Strategy Approval Board (PSAB) for scrutiny, advice and support;
- Any contract or project with a total cost of £2 Million or more to be submitted to FCO's Infrastructure, Investments and Operations Committee (IIOC);
- Details of any contracts awarded with a total cost of £10,000 or more to be published on the Contracts Finder website in line with cross-Government transparency obligations; and
- Any goods and services with a total cost of £118,000 or more to be procured in line with EU Law under Official Journal of the EU regulations.