

# **Westminster Foundation for Democracy Independent Public Body Review 2023**

## **About Westminster Foundation for Democracy**

The Westminster Foundation for Democracy (WFD) was established as an Executive Non-Departmental Public Body in 1992 in response to the wave of democratisation then taking place across Eastern Europe and elsewhere. WFD has been an Arm's Length Body of the Foreign, Commonwealth and Development Office (FCDO), and previously the Foreign and Commonwealth Office (FCO), since its creation.

The purpose of WFD is to strengthen democracy around the world by delivering programmes, expertise, and research. WFD mobilises UK and international expertise and currently works with parliaments, political parties, electoral bodies, civil society, and local leaders across more than 30 countries and territories to help them make their democracies fairer, more inclusive, and more accountable so they can respond to the problems that matter to people. It delivers its work through regional and country programmes, and four UK Political Party Programmes (Conservative, Labour, SNP, and a Multi-Party Programme). WFD is also the implementing partner for the new FCDO Democratic Governance Centre of Expertise, announced by the Prime Minister at the Summit for Democracy in March 2023.

WFD is funded in part by direct Grant-in-Aid (GiA) funding from the FCDO (£6.75m in 2022-23), most of which is Official Development Assistance funding. WFD's remaining funding comes from other FCDO and wider UK government funding sources (total £5.7m in 2022-23), and from third parties including foreign government bodies and foundations (£1.1m in 2022-23).

## **Executive summary**

Since its establishment as an Arm's Length Body in 1992, WFD has been dedicated to strengthening democracy around the world by delivering programmes, expertise and research. It mobilises UK and international expertise and works with parliaments, political parties, electoral bodies, civil society and local leaders across the world. WFD currently works in more than 30 countries and territories.

WFD was last [reviewed in 2018](#) under the Cabinet Office Tailored Review Programme. That review reaffirmed WFD's relevance and effectiveness, and made a number of recommendations, all of which were implemented over the following three years. Two years into this implementation period, the creation of the FCDO through the merger between the FCO and DfID brought together WFD's two largest funders and stakeholders. This provided an opportunity for greater coherence of WFD programmes, but also caused some disruption including to the agreement and communication of a detailed government strategy on democratic governance.

At a higher strategic level, the government set out its approach to shaping the international order organised around open societies and economies in the 2021

[Integrated Review](#) of Security, Defence, Development and Foreign Policy. The [2023 Integrated Review Refresh](#) (IRR) reaffirmed “a determination to preserve that openness as a collective good”. The 2023 [White Paper](#) on international development recognises WFD as UK’s ‘leading democracy support organisation’ and stated the government’s intention to support fairer, more inclusive, and accountable democratic systems around the world, indicating WFD may receive increased funding to help deliver this. A strategy on Open Societies and Human Rights (OSHR) is due to be published by the FCDO soon.

These government policies and strategies provide the backdrop and context to this review. The review was informed by interviews with a wide range of stakeholders within and beyond the FCDO (Annex A), a survey of FCDO staff working with WFD (Annex B), observation of WFD corporate governance and sponsorship meetings, review of documentation, and feedback from WFD, the sponsor team, the FCDO’s ALB Hub, and an informal Challenge Panel.

The review concludes that WFD has a unique capability to deliver against the UK government’s objectives on democracy support; that its functions are delivered effectively; and that its status as an ALB is central to its ability to deliver these functions. It recommends that WFD remains in its current form as an Executive Non-Departmental Body of the FCDO. It also recommends that the FCDO commissions an independent evaluation to give reassurance on the impact of WFD’s work, to be completed by no later than mid-2025.

WFD operates with a reduced real-terms budget compared to 2018-19, due to inflationary pressures and reduced UK Official Development Assistance spend. Funding arrangements in 2020-21 and 2021-22 were short-term and uncertain. WFD navigated these challenges, and the review team acknowledges the challenging financial background to this review. Nonetheless, we have worked with WFD to identify the required savings to Resource Departmental Expenditure Limits (RDEL) of at least 5%, as stipulated in Cabinet Office guidance. WFD has set this out in a cost-saving and efficiencies action plan, which it should implement as early as possible and on which it should report progress to the FCDO by October 2024. This will deliver efficiencies on both GiA and UK government third-party funding to WFD.

We have also set out a number of high-level recommendations to improve strategic alignment, reporting, governance, the sponsorship relationship with the FCDO and risk management. In particular:

- The merger and subsequent ministerial and FCDO structural changes has delayed the development of an overarching government strategy on overseas democracy support. The forthcoming publication of the OSHR Strategy should enable the FCDO to better articulate its strategic direction to WFD. The FCDO should also set out its priorities and expectations of WFD regarding good governance, with reference to WFD’s multi-year strategy and relevant metrics, through an annual letter from the responsible Minister to the Chair of WFD. A joint annual review of countries and regions in which WFD is operating will help ensure they remain relevant to FCDO priorities.

- Over the last year, the sponsor team has supported WFD to improve the quality of their reporting through the development of a new Results Framework and a Programme Management Information (MI) Dashboard. WFD should continue to share programme 'stories' ensuring they demonstrate how their programmes deliver outcomes that link to FCDO strategies. This evidence will improve FCDO's awareness of the impact and value-for-money that WFD programmes can achieve. Inclusion in WFD reporting of proportionate data and narrative on their full programme portfolio will also provide the FCDO with increased oversight. The sponsor team should consider how WFD's work aligns with the emerging FCDO approach on measuring outcomes and impact, including metrics that measure soft power.
- The Framework Agreement between the FCDO and WFD has not been updated since the merger between the FCO and DfID. A revised document will support a number of the recommendations from this review. It will provide clarity for both WFD and the sponsor team on governance arrangements, including roles and responsibilities for reporting requirements and public appointments. The Framework Agreement should reflect WFD taking greater ownership of those aspects of the public appointments process that do not have to be handled by the FCDO, in line with many other ALBs in other government departments. This will allow the sponsorship team to dedicate more resource to other areas of the sponsorship relationship.
- Independent members bring expertise and enhance the effectiveness of the Board of Governors. To achieve sufficient independent membership, WFD and the sponsor team need to consider how best to ensure there are never fewer than four independent Board members at any time. This could be achieved by recruiting additional independent members. Arrangements should always be in place to appoint successors before Governor terms expire and should include a handover period. An independent Vice Chair is fundamental to the effectiveness of the Board and this position should always be filled.
- WFD and the sponsor team agreed a 'Ways of Working' document in 2023 to supplement the Framework Agreement. They should ensure that they operationalise all elements that will contribute to improved communication and higher profile of WFD in the FCDO. More formalised lines of communication into functional teams in the FCDO will provide WFD with systematic access to expertise and provide assurance on proportionate alignment with functional standards.
- WFD should implement the action plan they have developed to reinforce and formalise the additional supervision of offices with fewer than three staff members. This will enable them to better manage the risks associated with smaller offices and should also improve staff welfare.

- WFD's IT operations are run separately to FCDO systems and cyber security is an integral part of the organisation's wider digital operation. As with all operational risks, WFD must retain ownership and manage the risk to its systems and ensure implementation of outstanding recommendations made by the Government Security Centre for Cyber. The FCDO should continue to share best practice and should review WFD's cyber risk register and technology-related strategy or plan annually.

We have benefitted from positive engagement with WFD and FCDO teams throughout the review. These recommendations have been shared with WFD's Board of Governors and senior leadership of WFD, who confirm they are able to implement them. We recognise the challenge of competing priorities and limited resource, particularly within the FCDO sponsor team, and welcome the support they have given for the recommendations, which have also been endorsed by the Minister responsible for Open Societies and Human Rights.

We have set out under each recommendation the benefits of implementation, to WFD and the FCDO. Taken together, these will make a high performing organisation become even better, and the relationship between the ALB and sponsor department even stronger.

# Recommendations

## 1. Efficacy

These recommendations deal with the form, function and performance of Westminster Foundation for Democracy (WFD).

### 1.1 Form and Function

#### Recommendation

In the 2021 [Integrated Review](#) the government set out its approach to shaping the international order organised around open societies and economies. The [2023 Integrated Review Refresh](#) (IRR) states that “a determination to preserve that openness as a collective good will be the thread running through the UK’s action internationally”. The 2023 [White Paper](#) *International development in a contested world: ending extreme poverty and tackling climate change* reaffirms the government’s objectives on open societies, which include the promotion of effective and transparent governance, robust democratic institutions and the rule of law; and support for fairer, more inclusive and accountable democratic systems around the world.

This review concludes that WFD has a unique capability to deliver against the government’s objectives on democracy support; that its functions are delivered effectively; and that its status as an arm’s length body (ALB) is central to its ability to deliver these functions. It is recommended that WFD remains in its current form as an executive non-departmental body of the FCDO. This review also concludes that WFD’s portfolio, most notably working with parliaments and political parties, and its strong reputation overseas continue to support the government’s aim to maximise the UK’s soft power, as set out in the IRR.

No significant or systemic concerns emerged through the course of the review about the operation of WFD, its governance or the quality of its work. However, the review team did note some areas where changes could bring improvements. These were the sponsorship relationship with the FCDO, elements of WFD’s governance, reporting, and risk management. They are detailed in the recommendations below.

A full independent assessment of WFD’s impact is beyond the scope of this review. However, such an evaluation would give the FCDO additional reassurance on the ongoing value delivered by WFD. It would also inform ongoing work on reporting, including with regards to the FCDO’s emerging approach to measuring impact and outcomes, which includes assessing soft power. It is recommended that the FCDO commissions an independent evaluation of WFD’s work over the current Spending Review period. This should consider impact, effectiveness, efficiency and sustainability, in line with FCDO’s evaluation policy. Consideration should be given to funding this either from the efficiencies under recommendation 4.1 or from part of the additional GiA funding allocation proposed in the White Paper. The scope and timeframe should be agreed with WFD, and the evaluation should be complete no later than July 2025.

## **Benefit**

Feedback from stakeholders praised WFD's access to a wide range of networks overseas and in the UK, particularly in parliaments and political parties, that, in some cases, the FCDO does not have. This enables it to deliver a broad range of programmes. WFD's status as an ALB enables engagement with political parties and politicians that would be inappropriate for the government (either via Posts or FCDO HQ). This status also enables WFD to leverage third-party (non-UK government) funding that would not otherwise be available. This funding increases the capacity, reach, and impact of WFD at little, or no, cost to the FCDO, but provides potential benefits to them through delivering work in line with FCDO objectives. WFD's Westminster 'brand' also brings 'soft power' benefits through its long history of parliamentary democracy and its status as one of the oldest legislatures in the world.

## **Supporting evidence**

The IRR states that "the government will also continue to protect and promote the soft and cultural power that the UK has internationally". Feedback from a significant number of stakeholders highlights WFD's excellent reputation and its ability to influence overseas. Feedback also highlights the value of WFD's access and networks that are not available to FCDO Posts.

WFD's successful 2023 bid to be part of the Conflict, Stability and Security Fund (CSSF) framework, which evaluated WFD against technical and commercial criteria, highlights WFD's competitiveness. Additionally, the ability to bid competitively for non-UK government funded work also suggests that WFD offers value-for-money. WFD has secured funding from foreign governments and other organisations, including the Canadian Government and the EU, for programmes that are consistent with HMG objectives.

While there are organisations that deliver similar elements to WFD's remit, there are no comparable bodies in the UK that carry out the totality of WFD's function (delivering programmes through a broad range of technical expertise, and parliamentary and political relationships). The organisations overseas with approaches most like WFD's are the National Democratic Institute (NDI) and the International Republican Institute (IRI). However, they are much larger and are each linked to one political party in the United States of America. Feedback from other organisations working to support democratic resilience mentioned WFD's strong reputation in the democracy support field and highlighted WFD's professionalism, ability to adapt, and ability to bring together diverse groups within the democracy support community.

Interview feedback from a small number of FCDO overseas Posts suggested that WFD's approach to programmes can sometimes be too focussed on activity rather than the longer-term impact of programmes.

## **1.2 Strategic Alignment**

### **Recommendation**

The FCDO should have a stronger focus on strategic alignment in its oversight meetings. While much of WFD's programme work requires a long-term approach, WFD needs to ensure it is aware of the FCDO's changing priorities and practices, so it can adapt and align as far as possible. The forthcoming publication of the Open Societies and Human Rights (OSHR) Strategy, as outlined in the White Paper on International Development, will support the provision of strategic direction. The sponsor team and WFD should also hold a joint annual review of countries and regions in which WFD operates as part of WFD's multi-year strategy development and review cycle to ensure they remain relevant to FCDO priorities. The first such review should be held in early 2024, ahead of WFD's review of its mid-term strategy.

In line with the [Cabinet Office Code of Good Practice](#) for ALB sponsoring departments, the FCDO should also issue an annual letter from the responsible Minister to the Chair of WFD. This 'Chair's Letter' should set out the department's priorities and expectations of WFD regarding good governance, and refer to WFD's multi-year strategy, with relevant metrics. It is recommended that the first annual letter be issued in April 2024. WFD's multi-year strategy and goals should continue to be approved by ministers at the start of each strategy period.

## **Benefit**

Publication of the OSHR strategy and annual Ministerial direction will help provide mutual clarity on where WFD should be focussing future programmes. This will help ensure value-for-money and maximum support for FCDO priorities. Reviewing the portfolio of programmes on an annual basis should support alignment with the FCDO's strategic direction and provide an opportunity to assess whether long running programmes remain in line with FCDO priorities.

## **Supporting evidence**

The recent development of an FCDO OSHR strategy on has partially been in response to the January 2023 Independent Commission for Aid Impact (ICAI) report on 'the UK's approach to democracy and human rights'. This report critiqued the FCDO's lack of a clear, agreed strategy and policy approach on democracy and human rights, and attributed it to numerous factors including the merger of the FCO and DFID, and subsequent Ministerial and structural changes within the FCDO.

[WFD's Strategy 2022-25](#), which links to some of the FCDO's objectives set out in the 2021 'Integrated Review', was endorsed by the responsible FCDO Minister.

Policy alignment is referenced in the funding allocation letter from the sponsor team to WFD's CEO and in the 'Ways of Working' document. However a 'Chair's Letter', which should provide clear strategic direction and Ministerial endorsement has not been issued in recent years. The letter is described in the Cabinet Office's ALB Sponsorship Code of Good Practice guide as "an annual directive written by the responsible minister or delegated Principle Accounting Officer which communicates priorities, expectations for the ALB and suitable metrics by which this will be measured." It is one indication of "advanced" maturity of the relationship between an ALB and department with regards to 'agreeing strategy and setting objectives'.



Some feedback from stakeholders referred to WFD's ability to quickly mobilise, which sometimes includes setting up a physical presence in a country in response to changing circumstances or emerging HMG priorities, and which suggests that this sets it apart from similar organisations.

### **1.3. Performance – Reporting**

#### **Recommendation**

Significant progress has been made towards developing a new Results Framework, an integral tool to monitor WFD's progress towards annual outcome-level targets linked to FCDO priorities, and a Programme Management Information (MI) Dashboard, an interactive platform that presents geographic, financial and thematic programme data across all WFD activity. Both the Results Framework and Programme MI Dashboard should be finalised and fully operational by no later than 1 April 2024. Both WFD and FCDO will need to allocate appropriate resource to this work; the FCDO will also need to dedicate resource to engaging with the information provided through the Results Framework and Dashboard.

Quarterly reporting to the FCDO should include proportionate data and narrative on the full WFD programme portfolio, including UK Political Party programmes and those funded by third parties beyond the UK government. Reporting should track progress towards the new Results Framework targets, as well as other relevant metrics. Quarterly reporting should be in a format that meets the FCDO's requirements, which should be formalised in an updated Framework Agreement (see recommendation 2.1).

WFD should continue to share programme case studies, specifying the level of evidence beyond their internal impact assessment where available, providing a more detailed view of the programme's inputs, and specific successes, as well as failures and lessons learnt. These thematic case studies should clearly outline how WFD programmes deliver outcomes that are in the UK's interest and link to FCDO strategies, such as the IRR, and wider policy ambitions. The new Results Framework will have targets around the number of these thematic case-studies provided on an annual basis as well as the strength of evidence expected behind the impact assessment.'

The sponsor team should consider how relevant WFD deliverables and outcomes can contribute towards the FCDO's Outcome Delivery Plan metrics and align with emerging FCDO approach on measuring outcomes, including metrics that measure influencing and soft power.

WFD and FCDO should review the effectiveness and functionality of the newly introduced programme management tools and refresh them as necessary by the end of July 2025.

#### **Benefit**

Introducing a new Results Framework and MI Dashboard will improve the quality of WFD's reporting and ensure better alignment to the FCDO's [Programme Operating](#)



[Framework \(PrOF\)](#) requirements for bilateral programmes and the [Cabinet Office's guidance](#) on managing GiA. Ensuring WFD include broader programme information in their reports will enable the FCDO to have greater oversight over the totality of WFD activities. Likewise, improved quantitative and qualitative MI on third-party funding will support the FCDO and WFD's ability to demonstrate the benefits of leveraging non-UK government funding sources in achieving outcomes that are aligned to UK strategic interests.

Providing more information on WFD's results, including in the form of case studies, and evidence of impact and value-for-money will allow senior officials and Ministers to better understand, and promote, the value of WFD's work. Similarly, linking certain WFD outcomes to the Outcome Delivery Plan will signal WFD's contribution to wider FCDO strategic policy objectives.

### **Supporting evidence**

WFD's systems capture comprehensive programmatic information and should sufficiently meet the FCDO's reporting expectations and ad-hoc requests. The sponsor team have acknowledged that while the quality of WFD's financial reporting is sufficient, there are gaps in WFD's reporting to FCDO on non-GiA programmes and evidence on the outcomes and impact of their work. Substantive efforts have been made over the last year to improve the quality of reporting, resulting in the work to develop a new Results Framework and Programme MI Dashboard. The new Results Framework, which will be finalised by 1 April 2024 when reporting will start, will ensure the quality of reporting is maintained as it includes targets on the number of thematic outcome-level case studies provided annually.

The creation of a unified FCDO programme management framework, in the form of the PrOF, has led to reporting requirements for bilateral programmes with WFD being clearer than they were under the FCO.

## **2. Governance**

These recommendations deal with the expectations to be met by ALB boards and their supporting committees.

### **2.1 Framework Agreement**

#### **Recommendation**

The relationship between the FCDO and WFD, and the implementation of some of the recommendations from the review, would be best enabled by updating the Framework Agreement between the two bodies. It is recommended that work begins no later than March 2024 and that the new document is finalised and operational as soon as resources allow, but no later than September 2024.

In updating the Framework Agreement, emphasis should be given to a clear common understanding on reporting requirements between WFD and the FCDO, including compliance with [Managing Public Money \(MPM\)](#), and roles and

responsibilities including in the public appointments process. Relevant parts of the supplementary internal Ways of Working document agreed between the FCDO and WFD in 2023 should also be incorporated into the Framework Agreement.

The new Framework Agreement should be made available to all stakeholders through publication on WFD's and the FCDO's websites.

## **Benefits**

As it is three years since the merger between the FCO and DfID, an updated Framework Agreement will provide clarity for both WFD and the sponsor team on governance arrangements, including roles and responsibilities with regards to public appointments and reporting requirements. Compliance with [Managing Public Money](#) will provide additional reassurance given the overwhelming majority of WFD's funding is derived from HMG. The launch of a new Framework Agreement is also an opportunity to raise the profile of WFD, and its relationship with the FCDO, across the FCDO.

## **Supporting evidence**

The Framework Agreement between the FCDO and WFD has not been updated since the merger of the FCO (the former sponsor department) and DFID. [Managing Public Money](#), which sets out HMT's requirement, states that "Framework documents should be published on gov.uk on departmental collection pages as soon as they are agreed. They should be updated at least every three years."

## **2.2 Public Appointments**

### **Recommendation**

Four members of the Board of Governors are currently public appointments. These are made in line with the [Cabinet Office Governance Code on Public Appointments](#), on a basis of fair and open competition, with several steps of official and Ministerial agreement. To ensure that appointments are timely, WFD should continue to work in partnership with the sponsor team but should take a more prominent role in initiating and managing recruitment campaigns at least one year ahead of a Governor's end of term.

The updated Framework Agreement should clarify roles and responsibilities between teams within the FCDO, including the FCDO's ALB Hub, and WFD for the public appointments process. This should reflect WFD taking greater ownership of the process as far as possible recognising that certain aspects of the process can only be handled by the FCDO.

### **Benefit**

Long-term succession planning ensures there are less gaps on the Board, enabling it to function more effectively. While there are certain aspects of the process that the sponsor team are required to do, if WFD take a more active role, there should be

less burden on the sponsor team, allowing them to focus on other elements of the sponsorship relationship.

### **Supporting evidence**

Universal stakeholder feedback highlights the lengthy and time-consuming process of public appointments. Until now, this has been carried out in partnership but with responsibility falling largely to the sponsor team. This has meant they have not had as much resource to dedicate to other responsibilities within the sponsorship relationship.

Many other ALBs in other government departments take a more active role in the public appointments process.

## **2.3 Board of Governors composition**

### **Recommendation**

WFD's Board consists of ten non-executive Governors and two executive ex-officio members drawn from WFD's staff. The ten non-executive members comprise six nominated by Westminster political parties and four independent members, with the independent members selected through open competition in line with [Cabinet Office Governance Code on Public Appointments](#). WFD's constitution allows for up to two additional members. It is recommended that when the sponsor team and WFD revise the Framework Agreement, they consider whether it would be appropriate and useful to recruit up to two additional independent members. WFD and FCDO should ensure that at least four independent Board members are in office at any time. This could potentially be achieved by recruiting additional independent members so that occasionally there may be more than four such members.

### **Benefit**

Sufficient independent membership brings broad expertise and will provide further capacity for the Board to focus on and scrutinise corporate issues. Bolstering the number of independent Board members should mitigate against falling below the minimum required for a fully-functioning and effective Board.

### **Supporting evidence**

Stakeholder feedback has highlighted the value independent members bring to the Board and the risks of carrying gaps, which may be brought about by the sometime lengthy recruitment process.

## **2.4 Independent Vice Chair**

### **Recommendation**

Before Governor terms expire, successors should be in place to allow a suitable handover period. This is particularly important for position of independent Vice Chair, which should always be filled.

## **Benefit**

An independent Vice Chair gives voice to independent members and provides balance at the Board. This role can also help ensure the right level of focus on corporate board responsibilities and provides continuity when political members are unavailable or have to step down.

## **Supporting evidence**

Stakeholder feedback has outlined the importance of the role of the independent Vice Chair.

## **3. Accountability**

These recommendations deal with the lines of accountability and communication between the FCDO and WFD, and the support and challenge offered to WFD via the critical 'sponsoring' relationship.

### **3.1 Ways of Working**

#### **Recommendation**

The FCDO and WFD should review, by 31 March 2024, the 'Ways of Working' document that was agreed in January 2023 to increase collaboration between the sponsor team and the ALB. This should then be reviewed every six months, as stipulated within the document. The two parties should operationalise all elements of the agreement, including:

- Ensuring that the standard agenda for the FCDO-WFD quarterly meetings is followed. This should include financial reporting, reporting against the Results Framework, and succession planning. At least once a year, the agenda should include a review of WFD's geographic footprint.
- The sponsor team should provide initial support to WFD to enable them to access the tools and contacts to better promote their work across the FCDO, including as part of the roll out of the new FCDO OSHR strategy.
- The FCDO should agree the Memorandum of Understanding and due diligence process, as set out in the 'PrOF guide to working with ALBs', by 31 March 2024. WFD should then work with the Sponsor Team and Centre for Delivery to ensure the guide is proactively shared among FCDO programme teams and FCDO Posts.

## **Benefit**

A standard agenda for quarterly meetings will ensure consistency and provide assurance that significant issues are communicated regularly. Improved awareness across the FCDO overseas network and across grades and professions within the FCDO will enhance WFD's position as default partner of choice for democratic governance work as part of the OSHR Strategy. Completing and sharing the 'PrOF guide to working with ALBs' is one element of achieving this. The process of setting

up programmes quicker with FCDO teams, as set out in the guide, will be quicker and should have cost benefits.

### **Supporting evidence**

WFD has had limited access to the FCDO internal communications system and has not delivered a strategic communications campaign to raise awareness within the FCDO. WFD have contributed significantly to the development of the 'PrOF guide to working with ALBs' recently which outlines steps which streamline the process for FCDO teams to partner with WFD on programmes.

## **3.2 Accessing Support and Shared Services**

### **Recommendation**

WFD has begun using shared services with the FCDO and wider HMG in some areas where it has been beneficial. WFD should continue to do this unless there is no clear cost benefit in doing so. The sponsor team should facilitate setting up more structured lines of communication and periodic meetings between WFD and functional teams, including commercial, finance, project delivery and HR. These should be in place by 31 March 2024, and should be reflected in the 'Ways of Working' document.

### **Benefit**

More formalised channels into functional teams will provide WFD with systematic access to expertise. It should strengthen relationships across the FCDO and provide assurance on proportionate alignment with functional standards.

### **Supporting evidence**

In 2021 WFD moved to be part of the government estate and is sharing facilities with the Ministry of Justice. Within the last two years, WFD has also arranged logistical support from FCDO Services to use the diplomatic bag and have access to L&D through the new HERA Learn system. WFD have explored sharing IT support services, but it was not cost effective.

WFD have carried out a significant amount of work to align to the relevant functional standards and apply them in a proportionate way. While they have good working relationships with functional teams in the FCDO, they are keen to access expert advice, especially where they do not have the expertise in-house, which will enable them to better support themselves.

## **3.3 Small Country Offices**

### **Recommendation**

In recognition of the increased risks associated with smaller offices in any global organisation, WFD has written an action plan to reinforce and formalise additional supervision of offices of fewer than three staff members. It is recommended that this

action plan is implemented in full and as early as possible, but no later than 1 April 2024. Elements include:

- Notification to the Audit and Risk Committee (ARC) and Board of any proposed opening of a new small office, or of the retention of an office being downsized to fewer than three staff members. Such notification should include a risk management and monitoring plan, beyond the application of WFD's standard internal policies.
- The automatic inclusion of small offices on the Critical Programmes Dashboard and reviewed monthly by the Policy and Programmes Board.
- The inclusion of small offices in the internal audit programme, subject to periodic review by the ARC.

The reviewed 'Ways of Working' document should also include an additional provision on increased engagement between FCDO Posts and smaller WFD country offices.

## **Benefit**

The tighter management of risks associated with smaller offices will help ensure quicker identification and intervention in cases of misconduct or any breach of WFD's policies and codes of conduct. It should also provide improved welfare support to staff working in small or isolated teams. Increased engagement should also lead to increased alignment in locations with a small in-country presence between the work of WFD and FCDO Posts. It will also give better oversight to the FCDO's senior overseas leadership of the full spectrum of UK government activity in their host country.

## **Supporting evidence**

WFD have global policies for staff conduct, and some de facto mechanisms in place to ensure good oversight of smaller offices, but there is no formalised additional support to smaller country teams. Smaller offices are generally understood to carry greater risk around policy breaches including fraud and misconduct. In smaller teams, the power imbalance between a senior and junior staff member may discourage reporting through the usual channels that function in larger offices.

## **3.4 Cyber Security**

### **Recommendation**

WFD currently assesses exposure to compromise of its systems as high risk. Recent FCDO Audit and Risk Assurance Committee discussions also recognised the significant cyber risks facing FCDO ALBs. As with all operational risks, WFD must retain ownership and manage the risk to its systems. WFD should implement as soon as possible, and no later than 31 June 2024, the agreed outstanding actions in response to the recommendations made by the Government Security Centre for Cyber and should identify the resources required for necessary enhancements. It is important that the potential risk is well managed in the interim (monitored and mitigated) and regular contact continues with FCDO cyber security colleagues. The

FCDO should ensure that it shares best practice, threat analysis and advice, and information among its ALBs, including WFD, to support them in mitigating these risks. This should continue to be done through the quarterly ALB cyber forum and facilitating interaction through the Government Security Centre for Cyber. FCDO cyber security colleagues should continue to meet regularly with WFD management. FCDO cyber security colleagues should review WFD's cyber risk register and technology-related strategy or plans, on an annual basis.

## **Benefit**

This provides clarity on where responsibility lies in relation to cyber security for WFD. WFD will continue to access best government practice and advice; and sharing strategic digital plans will increase the FCDO's visibility of digital operations.

## **Supporting evidence**

As with other ALBs, WFD's IT operations are run separately to the FCDO's own systems. Cyber security is an integral part of an organisation's wider digital operation. The FCDO can provide ad-hoc advice but does not have resources to give operational support, e.g. monitoring or operational services to any of the ALBs and would not be able to run a cyber security service separate to the wider digital operation.

WFD's level of cyber risk is related to the work they do and the countries they work in: managing it is an inherent part of their business model. WFD has recently taken action to invest in enhanced capabilities to protect its systems and improve awareness for staff and contractors.

## **4. Efficiency**

This recommendation deals with expected financial management processes and outlines the identification of cashable efficiency gains that can be made through a change in practices. In developing the recommendation, the review team acknowledge the challenges presented by short-term and uncertain funding arrangements over recent years, and the additional administrative burden on small ALBs in complying with governance and reporting obligations. The review team also notes WFD's intention to further develop relationships with non-UK, third-party, funding partners, and recognises WFD's ability to secure funding from beyond HMG in order to deliver programme objectives aligned with HMG priorities. Finally, the review welcomes the commitment in the 2023 [White Paper](#) *International development in a contested world: ending extreme poverty and tackling climate change* to increase WFD's overall GiA funding, contingent on the outcomes of this review.

### **4.1 Efficiencies of 5% on Resource Delegated Expenditure Limits (RDEL)**

#### **Recommendation**



WFD have developed a cost-saving and efficiencies action plan following a wide-ranging review. This needs to be endorsed by WFD's Board so that work on its implementation can begin in April 2024. WFD should immediately appoint a Board implementation lead, and report back to the FCDO on progress by October 2024.

### **Benefit**

The cost-saving and efficiencies action plan demonstrates that WFD has identified the risks and opportunities associated with a savings of at least 5% taking into account HMG-funded costs, and that will be delivered as required by Cabinet Office.

### **Supporting evidence**

Over this review period, WFD have produced an efficiencies plan to comply with [Cabinet Office Public Body Review guidance](#) stipulation to 'identify where savings to Resource Departmental Expenditure Limits (RDEL) of more than 5% in nominal terms as of 22/23 budgets'. This plan has been stress-tested and agreed in principle with the Lead Reviewer. Any further cost reductions would be highly likely to adversely affect WFD's ability to deliver high impact and quality programmes.