

The Westminster Foundation for Democracy Limited

Annual report and accounts 2023-2024



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For the period 1 April 2023 to 31 March 2024

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The Westminster Foundation for Democracy

Limited strategic report

Foreword by WFD's Patron, Sir Lindsay Hoyle

Foreword by Rt Hon. Sir Lindsay Hoyle, Speaker of the House of Commons and WFD's Patron

This year, over four billion people – more than half of the global population – will have the opportunity to vote in elections. However, simply organising an election does not guarantee a true democracy. Belarus, Russia, and Iran have already held elections this year that were neither free nor fair, creating a false sense of legitimacy to what are autocratic governments.

That is why Westminster Foundation for Democracy (WFD) plays such an instrumental role in championing the principles of free, fair, and inclusive elections and in helping to shape a world where democracy can flourish.

It is for this reason that I was so pleased to host WFD's Garden of Democracy exhibition in the House of Commons last autumn. It was an eye-catching reminder to all that if we strengthen democracy, we reinforce the power to push back against authoritarianism and solve the problems that matter to people across the world.

At the G7 Speakers' meeting in Japan, I urged my counterparts to continue our steadfast support for Ukraine in its resistance against Russian aggression. Our solidarity with Ukraine – demonstrated by the joint statement that was signed by all Speakers of G7 legislatures and the President of the EU – is a testament to our shared commitment to uphold democratic values and principles.

Our discussions also emphasised the need for global cooperation in addressing disinformation and enhancing energy security amid the crisis exacerbated by the conflict, which WFD seeks to address through its programmes around the world.

I extend my thanks to the Members of both Houses of Parliament who have contributed their time, expertise, and experience to WFD's programmes.

WFD's work demonstrates a profound commitment to fostering democracy's growth and resilience, and I am proud to be its Patron.

Foreword by the Vice Chair, Mark Babington

Foreword by Mark Babington, Vice Chair of WFD's Board of Governors

In an era where the digital sphere and misinformation are reshaping the battlegrounds of democracy, WFD's work is critical. Today, just one in five people in the world live in countries rated as free. Levels of democracy globally have declined for the last 17 years.

With conflict resulting in hideous loss of life in both Europe and the Middle East, there was a sombre tone to our inaugural Annual Lecture on the state of democracy, held in partnership with the Centre for Elections, Democracy, Accountability and Representation (CEDAR) at the University of Birmingham in October 2023. The lecture, delivered by Sviatlana Tsikhanouskaya, underscored the need for continuous vigilance and determination on the part of democracy defenders. Her words were a powerful testament to the courage and tenacity required to confront autocracy, inspiring all who strive for a world where freedom and justice prevail.

In the face of these global challenges, increased grant-in-aid funding was welcome, along with the recognition of the contribution that WFD can make - both in the International Development White Paper and in the Prime Minister's address to the third Summit for Democracy in Seoul, South Korea, in March 2024. The cross-party support for WFD's work, bolstered by the engagement of non-political Governors, remains a great strength for the organisation.

The many elections in 2024, across the globe, offer an opportunity to affirm democratic ideals, challenge authoritarianism, and shape the future of democracy worldwide. We want to harness this moment, working closely with international partners and experts on the ground to realise our vision of a world where freedom and democracy thrive for generations to come. In doing so, as a Board, we both recognise and value the incredible work delivered by WFD's staff working both in the UK and many other jurisdictions to ensure our programmes are effective, impactful and support beneficial change.

Chief Executive's introduction

The context for democratic renewal remains difficult in every region of the world, but there is room for optimism. People around the world prefer democracy – they know that corruption, lack of accountability, and exclusion from political decision-making lead to damaging outcomes for them and their families. If political leaders can commit to openness, accountability and inclusion, while tackling the problems that people are facing, then the choice for voters will be easy. WFD supports our partners in taking these difficult steps.

A mid-term review of WFD's 2022-2025 Strategy confirmed that our goals and approach remained appropriate but that the political context continued to evolve. Conflict is a factor in more of our work and the climate emergency is now affecting all our partners. Artificial intelligence tools risk further disruption of democratic processes while also offering opportunities for bringing more communities into political processes. We will incorporate these factors into our programmes as we support the ability of our partners to decide how best to address them.

The preparation of the UK's International Development white paper, published in November 2023, and the Public Body Review of WFD, published in March 2024, were also opportunities to test our relevance and our effectiveness. The white paper reiterated WFD's critical role and promised additional funding for our initiatives. The Public Body Review reaffirmed the importance of WFD's role and the effectiveness of our work. Its recommendations for further organisational strengthening will be a central part of our future management agenda.

Renewing democracy requires global momentum but, most importantly, local leadership. That is why WFD's operating model is based on supporting our partners, not displacing them, and we staff our country offices with nationals committed to deepening the democracy of their own countries. Long-term partnerships and sustainable reforms are critical for breaking cycles of violence, securing political leadership of women, and embedding a culture of accountability and peaceful debate.

None of our work would be possible without the dedication of WFD's staff, partners, and supporters. Your passion, expertise, and resilience are the cornerstone of our achievements. My sincere thanks to all of you for everything that you have done this year.

Performance report

Performance overview

The purpose of this performance overview is to provide a summary of:

- Westminster Foundation for Democracy Limited as an organisation
- WFD's purpose, the outcomes it aims to achieve, and its objectives
- WFD's performance during the reporting period (Financial Year 2023-2024)
- the impact of and management of key risks

About WFD

Westminster Foundation for Democracy Limited (WFD) is the UK's democracy support organisation. For more than 30 years WFD has actively helped democracies to grow stronger, so that freedom and prosperity can flourish.

WFD is an executive non-departmental public body, sponsored by the UK's Foreign, Commonwealth and Development Office (FCDO). WFD's established purpose is to assist, support, and encourage the peaceable establishment and development of pluralistic democratic practice and political institutions.

WFD's vision is for a world in which freedom and democracy thrive, and where inclusive and accountable governments serve people fairly and effectively. Our mission is to mobilise British and international expertise to support people around the world to strengthen democracy in their communities. We aim to help governments address problems their citizens face while building long-term democratic resilience.

Our work is designed and delivered to contribute to legitimate and resilient democratic governance founded on four outcomes: accountable political systems; inclusive political processes; protection of human rights and freedoms; and pluralist societies.

We do this through providing support in a range of ways:

- providing analysis and learning based on our own experience and independent research
- supporting mentoring and knowledge sharing by counterparts in other countries
- making connections with other relevant national and local leaders

WFD is a company limited by guarantee, incorporated in England, and usually operates through a branch registration or equivalent basis in priority countries and territories.

WFD is overseen by a Board of Governors, with day-to-day management delegated to the Chief Executive, who is the Accounting Officer. The Chief Executive is assisted by a leadership team consisting of senior officials based in the UK. The UK Centre, which comprises five directorates each led by a director, coordinates a network of WFD offices in countries and territories around the world. Each WFD office is staffed by locally-hired experts.

WFD's strategy and goals

This year marked the mid-point of our 2022-2025 strategy implementation.

WFD's 2022-2025 strategy recognises that we live in a period of increased risk to democratic freedoms around the world, with levels of democracy on a 17-year downward trend¹. Today, most of the world's people live in autocracies - either where democracy is entirely absent, or where democratic institutions and processes have been hollowed out, so they do not deliver democratic practices or freedoms. Furthermore, the global context is more competitive, and Russia's continued aggression and invasion of Ukraine shows the risks are significant. Many of the major challenges to our national security – such as conflict, public health emergencies, and organised crime – are rooted in or exacerbated by autocratic regimes or weak democracies.

FCDO's international development white paper, published during the reporting period, acknowledged WFD's work in strengthening democratic systems and the critical need for democratic resilience against rising autocracy. The white paper outlined the importance of partnerships for systemic change, mirroring our approach to strengthening democracy through collaboration. The paper recognised the importance of addressing public finance, transparency, accountability, and inclusivity and rights for marginalised groups – all areas in which we are making an impact. The focus on conflict prevention, digital security, and evidence-based policy-making correlates with our strategic objectives. The paper also recognised WFD's role in the UK's international development strategy, promising an increase in grant in aid to expand our work to support fairer, more inclusive, and accountable democratic systems around the world.

WFD's strategy, approved by ministers, positions WFD to play a leading role in UK efforts to support freedom and democracy within a changing international order. The strategy sets out three strategic goals to 2025:

1. Deliver impactful programmes and policy support
2. Convene supportive coalitions for democracy
3. Reinforce our outstanding organisation

We have established four cross-organisation internal boards to ensure the delivery of these goals:

- Programme Policy and Quality Board
- Strategic Engagement Board
- Portfolio Renewal and Growth Board
- Outstanding Organisation Board

WFD's 2022-2025 strategy and sub-strategies guide our delivery plans. During FY 2023-2024, we made strong progress against each of our strategic goals.

¹ <https://freedomhouse.org/report/freedom-world/2024/mounting-damage-flawed-elections-and-armed-conflict>

Goal 1: Deliver impactful programmes and policy support

We will support those working to strengthen democracy through impactful programmes and policy support.

Through our programmes, we will contribute directly to promoting inclusive political processes, enabling accountable political systems, supporting the protection of freedom and rights, and fostering pluralist societies.

WFD will invest in policy-relevant research and provide valued policy and advisory support to funders, programme managers, and partners. We will find new ways of working with security, economic, investment, and development organisations to consider their impact on democracy.

In FY 2023-2024, we continued to deliver effective global, regional, and country programmes to support democracy in existing priority locations, while expanding our reach in locations such as Venezuela.

WFD's programmes are problem-driven, using gender and conflict sensitive political economy analysis to understand specific contexts and opportunities for change. This forms the foundation for developing adaptable theories of change (ToCs) that respond to the dynamics of policy, practice and power.

Our programmes are politically informed to enhance risk management and help identify effective entry points for reform. This problem-driven, iterative approach allows us to adapt activities based on continuous analysis. Programmes are locally-led and support changes driven by local institutions and actors, critical in fragile and conflict-affected settings.

WFD integrates considerations of gender and conflict sensitivity throughout our programming by analysing power relations and various social, political, and economic factors that affect security and stability. This ensures our programmes support democratic development and contribute to long-term stability, while ensuring rigorous quality assurance, evaluation, and learning processes.

WFD provides policy support through research and expert advisory services. We produced over 180 resources during the reporting period, including landmark research, reports, guides, and recommendations on climate adaptation and democracy support, public debt management, post-legislative scrutiny, and the cost of politics.

At the Summit for Democracy in March 2024, in addition to announcing further funding for WFD, the Prime Minister highlighted the creation of the Democracy Action Partnership (DAP), as part of the UK's commitment to strengthen democracy. The inaugural DAP was held in November 2023 in Bali, Indonesia, in coordination with Indonesia's Ministry of Foreign Affairs. The event brought together 200 representatives from civil society and the media sector of Southeast Asia to consider the interrelated forms of violence against women in politics and elections, and explore a range of responses.

More than 4,800 people around the world – many of them MPs, parliamentary staff, and political party members – participated in the 52 programmes that WFD implemented in FY 2023-2024, across 47 countries and territories. These programmes, as well as our policy support, focused on several themes.

Women's political leadership

WFD is committed to enhancing women's political leadership worldwide, as greater gender equality in political spaces leads to more comprehensive and effective governance.

Through training, mentoring, and legislative advocacy, we support initiatives that empower women to take leadership roles and influence policy to ensure their representation and participation across governance systems.

In FY 2023-2024, we focused on promoting women's political leadership globally, emphasising responsive governance for women and marginalised groups. Initiatives in The Gambia, Sierra Leone, Nigeria, Philippines, Thailand, and Indonesia, were structured to address local challenges and opportunities to enhance women's roles in governance. Activities included training for female leaders, enhancing legislative frameworks, and developing tools for political inclusion. These efforts were geared towards improving policy-making, increasing women's representation in parliaments, and creating inclusive political environments.

Democratic action on climate and the environment

The disruptions to people's lives from environmental and climate crises – as well as the risk that political and policy responses increase social exclusion and injustice – threaten the stability of democracies worldwide.

Environmental democracy is based on the vision that decisions on natural resources must address citizens' interests adequately and fairly, and that citizens must have access to information, justice and decision-making processes. Rather than setting a standard for outcomes, environmental democracy sets a standard for how decisions should be made. At the same time, there is a clear link between higher standards of democracy and more appropriate environmental and climate action.

In FY 2023-2024, WFD broadened our commitment to environmental democracy, assisting local actors to tackle climate change and enhance democratic resilience. We implemented programmes in Georgia, Uganda, and Indonesia, aimed at boosting participation in environmental decision-making and integrating climate considerations into national legislative frameworks. These initiatives support the preparation of the 2nd Nationally Determined Contributions (NDCs) under the Paris Agreement, ensuring they include elements of integrity and social inclusion. This approach emphasises our dedication to enabling long-term climate action planning within our operational regions. In addition, in the Republic of Korea in March 2024, we delivered the first ever side event at any of the three Summits for Democracy on the links between democratic renewal and climate action.

Accountability and transparency

Accountability and transparency are at the heart of functioning democracies.

WFD partnered with parliaments and sub-national institutions, as well as the independent institutions which share the task of accountability.

We provided technical expertise, information resources, and supported parliaments and MPs to develop practices and systems that are context-appropriate and meet essential democratic standards.

WFD continued to focus on pre- and post-legislative scrutiny, including engagement with independent oversight institutions, civil society, and citizens. This included addressing issues like financial accountability, anti-corruption, corruption-proofing of legislation, and public debt management.

Inclusion and equality of participation

Evidence suggests that social, political, and cultural inequalities can damage political trust.

WFD continued to focus on inclusive political processes and equality of participation. This included prioritising disability equality and working with people with disabilities and disabled peoples' organisations to ensure the political ecosystem is designed to support their full participation.

In 2023 we concluded phase two of the Global Equality Project, funded by the FCDO and delivered jointly by Kaleidoscope Trust and WFD. Over three years, the project has significantly advanced equality for women, girls and LGBT+ people, influencing legal reforms and enhancing protections against discrimination and gender-based violence globally. The project also produced evidence-based research and tools, and created neutral spaces to share lived experiences, plan, and build consensus.

Electoral integrity

Credible elections are a baseline requirement for functioning democracies. They are under threat from the growth of electoral autocracies and increasingly sophisticated efforts to subvert electoral processes.

2023 saw a new global focus to implement electoral recommendations and enhance democratic electoral reform processes. We continued with our whole-cycle approach to electoral integrity, enabling participation, peaceful dialogue and debate, as well as supporting electoral environments with credible, effective outcomes, and recommendations for reform.

We continued to second UK nationals, on behalf of the UK Government, as observers to international election observation missions conducted by the Organization for Security and Cooperation in Europe Office for Democratic Institutions and Human Rights (OSCE/ODIHR).

Disinformation and political discourse

Disinformation and the growth in technologies which rapidly spread false information are reducing political trust and increasing polarisation. Multiple sources and complicated behaviour drivers make tackling this trend complex.

WFD plays a role in challenging disinformation in the quality of political discourse and how this contributes to division, mistrust, and potential conflict within societies.

Political parties and political pluralism

Political parties play a critical role in democracies, collecting and amplifying the views and voices of citizens. When the internal workings of parties are weak, divisive, or opaque, this affects their ability to perform in elected office and leads to low levels of public trust.

In FY 2023-2024, we continued to support political party development through our offices with the Labour Party, Conservative Party, Scottish National Party, and the Multi-Party Office (MPO), which supports political parties as key democratic actors worldwide. Additionally, the MPO organised an international conference in London titled "Women Lead: Transforming Women's Selection Prospects within Political Parties." This event brought together over 100 leaders and experts from the UK and internationally to encourage cross-party dialogue and commit to enhancing women's political leadership through networking, resource allocation, and diversifying the talent pool.

Results

As an organisation dedicated to sharing learning and expertise across our network, geographic reach in part determines our effectiveness. During the period, we delivered programme activity in 47 countries and measured the impact of individual programmes. A contextualised outcome matrix, together with progress indicators, is adopted for each WFD programme to ensure that management can measure progress against defined outputs and outcomes. In line with expectations, 71% of programme portfolios that closed during the reporting period, met expected progress markers or outcomes.

Further information about our programmes and their achievements, as well as our policy support, is available in the [performance analysis section](#).

Goal 2: Convene supportive coalitions for democracy

WFD's engagement with international partners and national leaders will strengthen public commitment to, and mobilise resources for, supporting democracy around the world.

Through engagement with other organisations, WFD will help accelerate international action to reverse the decline in global democracy.

WFD will provide information to UK parliamentarians about global democracy and demonstrate its relevance to citizens and UK national priorities.

WFD will secure more third-party funding to deepen our existing work and incrementally increase our geographic presence.

In FY 2023-2024, we continued to help set standards for democratic governance around the world. As well as participating in the Democracy Action Partnership (DAP) event in November 2023, MPs from across the political parties in the UK Parliament and devolved administrations took part in our programmes. UK MPs and parliamentary staff met and shared their experiences with counterparts

from the Bangsamoro (in the Philippines), Malawi, Georgia, North Macedonia, Bosnia and Herzegovina, Albania, Sri Lanka, Morocco and many others.

In FY 2023-2024, we also contributed to the European Partnership for Democracy, the Global Democracy Coalition, the AGORA Portal for Parliamentary Development and Parliamentary Development Community of Practice², and the Summit for Democracy cohorts on environmental democracy.

Ahead of the third Summit for Democracy in March 2024, a Wilton Park event explored the global importance of democracy and the challenges of worldwide trend of democratic decline. Discussions highlighted the crucial role of democracy in promoting peace, prosperity, security, and sustainable development, despite the increasing erosion of democratic values across the globe. The summit recognised a strong global preference for democratic governance and addressed issues such as democratic backsliding, the rise of authoritarian regimes, and the use of technology to suppress dissent and curtail civic freedoms.

Participants examined how autocratic regimes threaten democracy by restricting civic spaces and using digital technologies for political repression. The event emphasised the urgent need for democratic renewal, and the need to unite democratic nations in prompt, informed action. Proposed strategies for revitalising democracy included upholding electoral integrity, engaging young people, and strengthening regional and international cooperation to ensure democracies can meet current challenges. The discussions aimed to develop a clear plan for mobilising multilateral and national efforts to safeguard and bolster democracy, ensuring it continues to deliver security, development and shared prosperity to citizens.

We launched a campaign to raise awareness of the global decline of democracy and rise of authoritarianism which communicated the impact of our work. Evaluation shows that the campaign performed better than the record-breaking 30th anniversary campaign from FY 2022-2023 across most metrics.

As part of the campaign, we developed and displayed a physical exhibition in Portcullis House, to engage with UK parliamentarians on issues of democracy around the world. This was sponsored by Sir Lindsay Hoyle MP, Speaker of the House of Commons and WFD's Patron.

Results

WFD attended 10 meetings (target six) with key global policy or advocacy networks and participated in six forums (target four) to develop and promote international standards. We also engaged with priority UK parliamentarians or officials on more than 100 occasions (target 30-50), including through the Garden of Democracy exhibition and the Annual Lecture which took place on the parliamentary estate.

We raised £8.8 million (target £7.5 million) in third-party income to support the delivery of our programme work.

² <https://agora-parl.org/project/democracy-tracker>

In the reporting period, we also secured additional funding from a range of donors, including non-UK funders, to expand our impact.

Further information about our work to convene supportive coalitions for democracy is available in the [performance analysis section](#).

Goal 3: Reinforce our outstanding organisation

WFD's systems, culture and values will support our people to have a direct impact on democratic governance in their countries and globally.

Through our commitment to a strong culture built on wellbeing, professional development, and our values, WFD's staff will be enabled to deliver outstanding work that increases our impact and expands our engagement.

Through the development and delivery of outstanding systems that are agile and better aligned, WFD's staff will be equipped with the tools to efficiently manage the resources of our donors so they can focus on delivering impact.

We have continued to make progress in delivering this goal, which has included implementing a multi-year staff wellbeing action plan, increasing investment in staff learning and development, and expanding and deepening our expert roster. We also began our network agility review, which aims to establish consistent and effective agile working practices for teams across the global network.

We conducted a comprehensive systems architecture review and developed a programme of improvements for 2024-26, including system and process upgrades, greater systems integration, and staff skills development. We have also continued investing in our cyber security capabilities.

We have strengthened partnering practices in a number of ways. This includes expanding our framework agreements for all regular suppliers, conducting donor compliance support visits, and supporting delivery partners to strengthen safeguarding.

Results

WFD periodically tested staff wellbeing levels using a quarterly pulse check. Over the period, the average score increased from 3.83 to 3.92 (out of 5). Management set a target average wellbeing score of 4 (out of 5) in FY 23-24, increasing to 4.5 (out of 5) by end of 2025.

We were awarded a 'ones to watch' employee engagement accreditation in our first year of joining the Best Companies scheme. This accreditation relates to our UK workforce and equates to a score of 639.1 (out of 1000). Our global score, accounting for both the UK and overseas offices, was 674.1. Our target is a global score of 700 (out of 1000) by 2025.

We commissioned several internal audits to test learning and development within the organisation, compliance of country offices with WFD and donor policies, and a review of our finance function. Management exceeded a target for an average rating of Reasonable Assurance and secured consistent ratings of Substantial Assurance.

Further information about how we have reinforced our outstanding organisation is available in the [performance analysis section](#).

Risks

Due to the challenging fiscal environment in the UK and difficult political and security contexts in several WFD locations, we faced many of the same strategic risks and uncertainties in FY 2023-2024 as in prior reporting periods. These risks relate to:

- short and long-term funding, although the short term position was assisted by an additional £2m of funding from FCDO for 2024-25
- mitigating the loss or misuse of funds
- programme quality and impact
- conduct and safeguarding
- reputation
- leadership and oversight
- inadequate or insecure systems and processes
- health, safety, and security
- competitive remuneration constraints at a time that cost of living was under heightened pressure
- loss or distraction of critical staffing capacity

Our assessment of the net risk ratings for most of these areas remained the same, but we increased the potential risks around inadequate or insecure systems and processes, and strengthened relevant systems in mitigation. Like many organisations, we face an increasing range of cyber threats, which are difficult for WFD to address without further support from FCDO. In addition, during the period, Management added a new strategic risk related to the constraints on market competitive pay due to a flat grant in aid and the need to remain competitive for new funding proposals. This was a significant area of focus throughout the period.

WFD uses a three lines of defence approach to manage strategic risks. We use a business development strategy, annual regional plans, and our headquarters and regional business development capabilities to help mitigate the risk related to uncertain or insufficient funding. Without mitigation, this risk would significantly and directly affect delivery of strategic goal 1, and indirectly, our credibility and resourcing to deliver strategic goals 2 and 3 respectively.

As with any service delivery organisation, the quality of our policy work and programmes is critical to our vision and mission. Most of our incoming resources are spent on service delivery. Our core work follows a programme management and quality cycle, based on five principles (problem-driven, locally-led, purposefully adaptive, politically informed, and gender and conflict sensitive). This is overseen by experienced regional programme teams, and monitored centrally through a portfolio-wide programme performance review process each quarter.

We have adopted a range of policies and procedures to manage the risks relating to loss or misuse of funds, conduct and safeguarding, inadequate and insecure systems and processes, and health, safety and security. These are supported by training, tools, and specialist guidance, as well as an internal controls environment which is integrated with our systems and processes. If these risks materialised, they would directly affect our ability to achieve strategic goal 3 and become an outstanding organisation. They would indirectly undermine our capacity to deliver strategic goals 1 and 2. They would also undermine our reputation with donors and stakeholders, and in some cases result in harm to our staff or stakeholders.

Management work closely with our Board and the FCDO to ensure that the organisation benefits from a clear strategic direction, adheres to good governance practice, and has transparent, documented, and accountable arrangements for decision-making. These structures and arrangements are essential to enable WFD to achieve all three strategic goals.

During the period, the Board regularly reviewed our financial position based on known information and remains confident that we have sufficient access to resources to remain sustainable as a going concern.

Performance analysis

This section provides a detailed view of WFD's performance during FY 2023-2024, against the three goals set out in the 2022-2025 strategy. The section then outlines key risks and uncertainties, and our commitment to sustainability, social responsibility and accountability. The section ends with a review of financial performance.

Reversing the decline in global democracy will require societal level shifts in countries around the world. While the challenges from aggressive autocracies remained significant, our work continued to focus on countries where there was an opportunity to consolidate existing democratic institutions and practices and on strengthening international democratic standards. The details of our contribution and achievements are set out below.

Achieving our goals

Goal 1: Deliver impactful programmes and policy support

We supported people working to strengthen democracy through our programmes and policy support.

Our work focused on several key themes:

- women's political leadership
- democratic action on climate and the environment
- accountability and transparency
- inclusion and equality of participation
- electoral integrity
- disinformation and political discourse
- political parties and political pluralism

Programmes

We implemented 47 programmes across 52 countries and territories promoting inclusive political processes, enabling accountable political systems, supporting the protection of freedom and rights, and fostering pluralist societies.

Advancing women's political leadership

Boosting women's political leadership and enabling inclusive governance around the world benefits society as a whole. We supported programmes to address the unique challenges and opportunities the communities we work with face, with a strong focus on ensuring governance is responsive to the needs of women and marginalised groups.

In The Gambia, we supported the professional growth of 17 female local councillors through gender and development training, especially gender-responsive budgeting. This initiative is part of

our broader commitment to ensure that women's voices are heard and their needs are considered in policy-making.

In Sierra Leone, the enactment of the GEWE Act 2022 has led to an increase in women's representation in Parliament to over 30%. WFD Sierra Leone has been pushing for women's political leadership, organising the country's first seminar for female MPs. The seminar brought together women from various political parties, making significant strides towards inclusivity and collaborative governance. We also provided specialised training on gender-sensitive reporting to the Parliamentary Press Gallery to highlight the importance of gender equality and address violence against women.

In Nigeria, we developed the Political Party Performance Index tool with stakeholders including political parties, civil society and academics. The tool tracks and improves women's inclusion in political parties and is due to launch later in 2024.

We continued to support to the Coalition of Women MPs from Arab Countries to Combat Violence Against Women, a partnership that began in 2014. This included facilitating a high-level meeting of women political leaders in Amman, Jordan, about the ongoing conflict in Gaza and its disproportionate impact on women and children. Speakers and attendees discussed the role of women in peace negotiations, shared learning, and explored initiatives to support women's active and meaningful participation in negotiation efforts to end the war.

In Malaysia, we worked with MPs, ministers and CSO members to integrate gender-responsive budgeting (GRB), accounting for the needs of diverse populations while planning budgets. We continued our support for Gender Responsive Budgeting-in-Practice (GRBiP) training for officials at the Ministry of Finance and other ministries to integrate gender issues in policy and budget development.

In Bangsamoro in the Philippines, we worked with the interim parliament, civil society, political parties, and women leaders to enhance policymaking, build political trust, and increase women's representation in political institutions. Notable achievements include strengthening the institutional capabilities of the interim parliament and preparing for the region's first parliamentary elections in 2025.

In Thailand, we promote women's political leadership within the Association of Southeast Asian Nations (ASEAN) region through a Canadian-funded programme. Achievements over the past year include training on gender-sensitive reporting and supporting women MPs against online harassment. A recent 18-month extension will continue to advance gender equality in politics and improve data practices on violence against women in politics (VAWP). The first Democracy Action Partnership (DAP) event in Bali, Indonesia, centred on collective action against violence towards women in politics and showcased our commitment to creating safer political environments for women.

In Montenegro, we supported the Mapping and Assessment of Political Organisations (MAPOM), providing a detailed analysis of the organisation and functioning of five parliamentary parties. This research will be used to offer targeted support to these parties to enhance interparty democracy and inclusivity. Additionally, we conducted a comprehensive study on violence against women in politics, which offers an overview of the situation in Montenegro and provides best practices and specific recommendations for political parties and the parliament.

Fostering democratic action on climate and the environment

Increased participation in decision making and strong environmental rule of law are crucial to addressing climate change, which in turn is vital to halting the destabilisation of democracies.

In Georgia, our ongoing support to the Committee of Environment and Natural Resources in the development of a Climate Law shows our commitment to environmental protection and climate change mitigation. By providing technical expertise and facilitating a broad consultation process, we have enabled public, expert and civil society organisation (CSO) contributions to the legislative process. Additionally, we commissioned a regulatory and gender impact assessment of the draft law to ensure comprehensive understanding and support. To develop greater ownership of environmental and climate concerns, we supported media and CSOs and collaborated with political parties to enhance their environmental stances in party manifestos.

In Uganda, we supported the Environmental Parliament, bringing together political environmental champions, CSOs and academics to develop a Citizens' Compact, feeding into business in the main parliamentary chamber. Parliament has committed to host the Environmental Parliament each year.

We continued to encourage environmental democracy in Indonesia through an EU-funded project to enhance climate action engagement. We established thematic working groups with representatives of subject and standing committees of the Indonesian Parliament (DPR RI) as part of the European Union Climate Dialogues (EUCDs) project. The project supports the development of a Climate Bill, the first legislation of its kind in Indonesia.

Supporting accountability and transparency

Accountability and transparency are at the heart of functioning democracies.

With challenges from the full-scale Russian invasion and European Union accession process, we have strengthened our collaboration significantly with Ukraine's Verkhovna Rada. This partnership has enhanced various parliamentary functions, notably by enabling Ukrainian MPs to engage more effectively with constituents and tackle policy issues. One initiative paired Ukrainian MPs with UK counterparts, sharing best practices in constituency outreach, and creating connections between communities in both nations. This collaboration enriched MP engagement strategies and also built bridges between constituencies, enhancing democratic resilience.

In Sierra Leone and The Gambia, we conducted post-legislative scrutiny (PLS) training for parliamentary staff and committee chairs to bolster parliaments' roles in effective oversight. In Nigeria, we secured commitments from the National Assembly's leadership to advance PLS as a critical legislative tool. This marks a significant step towards legislative accountability and includes establishing a dedicated PLS unit, comprehensive training for members and staff, and the application of PLS on specific laws. In Kenya, we supported the Senate to conduct a PLS on the Health Act.

Our professional development training programmes for country officers – and the implementation of a new legislative framework – have significantly contributed to promoting responsible environmental resource governance and legislative transparency. We are also supporting the emerging work of the Public Debt and Privatisation Committee to scrutinise loan agreements.

We are assisting the Kenya Chapter of the African Parliamentarian Network Against Corruption to review relevant legislative bills. In Uganda, Accountability Champions presented a motion to amend the Public Finance Management Act of 2015 to help limit corruption by increasing scrutiny of government spending by parliament. The motion was passed, giving leave to bring amendments to the Act.

In Algeria, the Council of the Nation is developing the skills of its staff and increasing transparency within the parliamentary system. We have been supporting communications, IT and legislation departments through training and capacity-building initiatives. The partnership between WFD and the Council of the Nation aims to promote effective parliamentary communication, citizen outreach, and record-keeping. By enhancing the capabilities of staff, this collaboration aims to increase transparency and engagement between the parliament and Algerian citizens. Activities included workshops to enhance staff capacities and a visit to the Westminster parliament to exchange best practices with their British counterparts.

Further afield, we facilitated exchange programmes and memoranda of understanding (MoUs) between legislatures in Maldives, Solomon Islands and international counterparts, including the Northern Ireland Assembly and Tynwald, parliament of the Isle of Man. These exchanges and MoUs have been pivotal in sharing knowledge and experiences, introducing innovative approaches to parliamentary tasks, and enhancing the legislative process through IT and online tools.

In Laos, our engagement with the National Assembly and Provincial People's Assemblies promoted the use of PLS to enhance governance accountability. Workshops supporting the National Assembly's Justice Committee aimed to strengthen justice oversight and petitions management, contributing to more effective public participation.

In Albania, working with the British Embassy, we organised the National Forum on the "Parliamentary Role in Democratic Processes in Albania" to highlight the crucial role of the Albanian Parliament in democracy building. In Bosnia and Herzegovina, we supported the "Better for All" series to showcase positive legislative work and foster dialogue within the political leadership on public interest issues.

Over the past year, we have built a trusted and productive relationship with the leadership of the Serbian Parliament. This culminated in the first-ever functional and institutional analysis of the parliamentary service and will form the foundation of their new organisational chart. We also signed a new four-year Memorandum of Understanding (MoU) with the Serbian Parliament, marking a significant commitment to continued partnership and support.

In Lebanon, we provided expertise to the Women and Children's Committee for PLS of legislation aimed at criminalising sexual harassment, resulting in recommendations to strengthen implementation of the law. In Nepal, we supported assessments of laws impacting marginalised populations, advocating for the development of PLS procedures within the federal parliament and provincial assemblies.

In North Macedonia, in collaboration with the Forum for Reasonable Policies, we presented the Political Party Transparency Index (PPTI), assessing the transparency and achievements of political parties.

Ensuring inclusion and equality of participation

Democracies are stronger when everyone participates, and all voices are heard. Inclusive democracies are better at delivering services fairly, and investing in a future where everyone benefits.

In Sierra Leone, WFD initiated the establishment of the CSO-Parliamentary Network, encouraging greater interaction between civil society and parliament. In Uganda, we worked with youth organisations to help them influence policy and legislative proposals. In The Gambia, we support a very popular parliamentary phone-in radio programme where citizens can ask parliamentary officials about issues of the day. In Kenya and Sierra Leone, we promoted the Open Government Partnership Initiative, which aims to create transparency and foster engagement between state institutions and citizens.

Our inclusion programmes in Africa often focus on more marginalised groups. In Kenya, supported by Demo Finland, we worked with 16 political parties to change their party structures and set up disability leagues to provide more representation and voice for people with disabilities. We also collaborated with former programme participants, now elected to parliament, to engage on disability legislation. In Nigeria, we agreed an MoU with the main national parties to improve representation of women, youth and people with disabilities in their parties, and to involve these groups in political processes.

We launched a new programme in Venezuela to strengthen civil society organisations, recognising their role in alleviating humanitarian emergency, creating a safer, more inclusive society and advocating for the priorities of citizens.

In Morocco, we continued implementing a three-year programme to enhance the political participation of young people. This involved working with 38 young people from all 12 regions of Morocco to develop their understanding of parliamentary operations and boost their skills in policy development and evaluation. The programme also gave young people from civil society and political party youth wings the opportunity to share their experiences.

We hosted a delegation of senior parliamentary officials, including the Secretary General of the Moroccan House of Representatives, at the House of Commons. This visit facilitated an exchange of ideas on engaging youth in parliamentary processes and contributed to a notable shift in the parliament's attitude towards youth inclusion. This shift is marked by a commitment to improve interactions between young people and various parliamentary committee members and chairs as the programme progresses into its final year.

In Lebanon, we ran training sessions for 21 young people from civil society organisations on topics including public maritime law and managing natural resource exploitation. This equipped them to develop evidence-based policy briefs for parliamentary decision-makers to influence policy-making.

Additionally, initiatives in Albania and Bosnia and Herzegovina spotlighted parliaments' roles in democratic processes and public interest advocacy respectively.

Enhancing electoral integrity

WFD continued to address electoral stress points with an election cycle approach. This identifies emerging trends and challenges to electoral integrity and develops responses to support electoral

environments. Responses enable participation, peaceful dialogue and debate, enhance the credibility of electoral management bodies, and help make the case for electoral reform.

Within the Global Network for Securing Electoral Integrity, we secured electoral reform as a key working area for 2024. In cooperation with USAID and academia, we took the lead role in developing global principles and providing thought leadership around electoral reform.

To address the political nature of electoral reform and safeguard electoral integrity, we developed an Electoral Reform Roadmap tool kit. This consolidates and rationalises election observers' and other's recommendations in a clear and workable way for national stakeholders. Creating a structure, with more transparency and accountability around the reform process, is an important first step.

Young people are a critical mass in the future of democracies. Working with the Electoral Psychology Observatory (EPO), a research unit at the LSE in Zambia, we identified barriers to young people participating in electoral processes. The EPO researches voter psychology to improve the electoral experience of voters, including first-time voters and voters with hidden disabilities.

We managed the selection and secondment of UK international election observers to OSCE-ODIHR (Organization for Security and Co-operation in Europe – Office for Democratic Institutions and Human Rights) Election Observation Missions (EOMs), under a framework agreement with the FCDO. We also recruited and seconded election observers to EOMs in Montenegro, Kazakhstan, Uzbekistan, and Serbia.

Addressing disinformation and political discourse

The rapid spread of false information enabled by new technologies damages political trust and increases polarisation. WFD is challenging disinformation by improving the quality of political discourse to reduce division, mistrust, and the potential for conflict within societies.

Nurturing political parties and political pluralism

We continued to support political party development through our programmes in partnership with the Conservative Party, Labour Party, and Scottish National Party, as well as the Multi-Party Office.

The Conservative Party WFD Programme

The Conservative Party WFD Programme has continued to work with sister parties in Africa and the Caribbean.

In Africa, the WFD Conservative Programme has built on the theme of countering disinformation through clear and accurate messaging with representatives from sister parties. The programme also explored women's political leadership and the importance of women taking an active role in political parties, not just within women's wings. In Malawi, this involved a series of training sessions, in partnership with the Leadership Institute, on 'a woman's place in politics,' the importance of reaching and including all groups in society, and conveying your message accurately. Sessions on core skills included public speaking, engaging with the media, and social media best practice have also been implemented.

In the Caribbean, we focused on youth and women's political leadership. Partnering with the Caribbean Young Democrat Union Chairman in Jamaica, a series of civic and political engagement training workshops focused on countering youth voter apathy, improving awareness of the importance of free and fair elections, and voting and standing for elected office. The Conservative Party Programme also partnered with the LeadHERship Institute to run a 10-week course with 25 young women in St Lucia. The course heard first-hand from prominent women in Caribbean politics and included a tour of parliament, as well as a two-day in person training on the core skills needed to stand for office.

In both programmes, the WFD Conservative Party Programme sponsored places for representatives to attend the Parliamentary Governance course at McGill University, and for representatives to take part in a study visit to the UK Conservative Party Conference.

The Labour Party WFD Programme

The Labour Party's work in policy development and support in the Western Balkans includes a programme combatting sexual violence. This gained cross-party support in Albania, with Etilda Gjonaj MP agreeing to advocate for legislative change during her mandate as General Rapporteur on violence against women. Another initiative promoted LGBTQ+ inclusion by enhancing knowledge within social democratic parties about minority issues and capacity for equality. This ended with a regional seminar led by PES (Party of European Socialists) Rainbow Rose representatives. In Ukraine, the Labour Party supported SD Platform Activists, establishing a regional consortium to strengthen local capacity in fair recovery principles.

The Labour Party WFD Programme conducted a fact-finding mission to Georgia, led by Lord Ray Collins, to explore the political landscape, EU candidacy prospects, and strategic partnerships. An evaluation programme with the Women's Academy for Africa assessed the impact of training on financial barriers to political participation, guiding future programme development. In Jordan, collaboration with the Jordanian Social Democratic Party enhanced women's political representation and participation, culminating in the development of a gender-sensitive code of conduct. Support for Bosnia and Herzegovina's Social Democratic Party focused on advocating for a Just Transition process, emphasising its benefits for society, environment, climate, and energy, and strengthening officials' capacities for political engagement.

Scottish National Party (SNP) WFD Programme

The SNP WFD programme focused on promoting gender equality, enhancing governance transparency, and addressing climate change. The programme's initiatives in partner countries have contributed to integrating these values within political structures.

In Malawi, the programme supported the Parliamentary Women's Caucus (PWC), a group of female legislators from the National Assembly. Support included:

- publishing a Guidance Note to enable parliamentarians to scrutinise budgets for gender biases, in a step towards equitable planning
- an anti-hate campaign to address societal barriers to women's political participation, using artistic expression and testimonies. The campaign achieved media coverage and facilitated parliamentary dialogue on the challenges faced by women in politics

- constituency mapping to provide legislators with insights into constituents' perspectives and prepare for electoral activities
- establishing a task force with key partners to create equitable conditions in political primaries

In Zambia, collaboration with the Zambian Parliamentary Caucus on Environment and Climate Change (ZPCECC) aimed at strengthening environmental stewardship in the face of climate change challenges. Through mentorship and strategic planning, political parties articulated environmental agendas, resulting in the drafting of strategic plans for environmental governance. This process fostered leadership within parties and laid the groundwork for a study on environmental and climate change responses of Zambia's political parties.

The programme also established the Parliamentary Caucus on Post-legislative Scrutiny (PLS). This initiative, inspired by a study mission to the Scottish Parliament, convened Zambian parliamentarians to assess the effectiveness of legislation and created a Caucus with elected leadership to promote legislative oversight and accountability.

WFD's Multi-Party Office (MPO)

The MPO³ ran the Women Leadership Programme Cohort 2023 in partnership with the African Liberal Network, D66, and the Friedrich Naumann Foundation for Freedom. The programme enhances participants' understanding of leadership and expands their networks to help overcome challenges in their careers.

15 women from liberal parties across Africa, serving in the National Assemblies and other public sectors of their countries, received support and professional development. This included training in various skills essential for their roles in elected office, including issue-driving, negotiating, political resilience, and public speaking.

In collaboration with the Green Party of England and Wales and European partners, the MPO launched the Balkan Policy Lab. This programme increases the policy-making capabilities of Green party members in the Western Balkans by focusing on energy policy. 50 members took part in collaborative policy development workshops on renewable energy and energy efficiency, shifting the public narrative towards energy transition.

The MPO international conference "Women Lead: Transforming Women's Selection Prospects within Political Parties" was held in London. Over 100 leaders and experts from the UK and other countries explored strategies to support women's political leadership more effectively. The conference facilitated a cross-party dialogue among representatives from the Conservative Party, the Labour Party, the Scottish National Party, the Liberal Democrats, Plaid Cymru, the Green Party of England and Wales, and the Democratic Unionist Party. Participants agreed to take actions to

- ³ MPO is comprised of the Liberal Democrats, Plaid Cymru, Green Party of England and Wales, Social Democrat and Labour Party (SDLP)

improve the selection prospects for women within political parties, focusing on networking, resource allocation, and talent pool diversification.

Policy support

Having provided policy-relevant research and advisory support to funders, programme managers, and partners around the world since 2016, and benefiting from an extensive network of associates and experts, we established WFD as a centre of expertise on democratic governance and elections as part of our 2022-2025 strategy.

The UK Government Centre of Expertise (CoE) on Democratic Governance – launched by the FCDO and delivered by WFD – is playing a crucial role in tackling the complex challenges faced by democratic governance worldwide. In FY 2023-24, the Centre handled over 40 enquiries from more than 30 different countries and regions. These enquiries ranged from conducting dipowatches and tackling mis/disinformation to providing political economy analyses and diagnostic assessments. During this period, the Centre of Expertise produced over 35 documents. Since the Centre of Expertise opened in January 2023, we have been engaged across 57 Pillar 2 enquiries from Posts, covering all of the regions in which WFD is active. To date, we have completed 30 of these enquiries (18 throughout 2023, and 12 in Q4), with 82% posts rating the Centre of Expertise's service as good or excellent.

To improve post-legislative scrutiny, we:

- established the Global Community of Practice on Post-Legislative Scrutiny
- co-organised the Advanced Course on Innovations in Post-Legislative Scrutiny in collaboration with the Institute of Advanced Legal Studies of the University of London
- launched a new global Manual on PLS for parliaments and an evaluation framework to assess the results of PLS activities by parliaments
- supported the Verkhovna Rada of Ukraine (Parliament of Ukraine) in its pilot PLS inquiries and assisted parliaments in over 15 other countries in conducting PLS

We deepened partnerships aimed at enhancing parliamentary capacity for public debt oversight. Together with the World Bank, we co-organised regional dialogues between debt managers and parliaments from West, East, and Southern Africa. We also worked with the Public Debt and Privatisation Committee of the National Assembly of Kenya to agree its baseline assessment on debt oversight, putting in practice our Public Debt Management Assessment Tool for Parliaments (PDMAT).

In September 2023, we responded to the FCDO's international development white paper consultation. We highlighted the intrinsic link between sustainable development and democratic systems, aligning this approach with the UK's strategic goals and national security priorities. To address the global decline in democracy affecting the Sustainable Development Goals (SDGs), we called for a UK strategy that respects local political contexts while promoting transparency, accountability, and inclusion across development sectors, such as climate, health and education. Building on the UK's extensive experience in democracy, our strategy supports long-term international partnerships and deepens democracy worldwide.

We produced over 150 products, with flagship research and evidence initiatives including a study on the overlaps between environmental democracy and climate adaptation, as well as new studies

on the cost of politics in Sri Lanka, Thailand, and the Democratic Republic of Congo. Ahead of the UK government's AI safety summit in November 2023, we produced a policy brief discussing where risks to democracy from AI are emerging, focusing on the transformative impacts of AI on democratic governance.

Goal 2: Convene supportive coalitions for democracy

Engagement to strengthen commitment to supporting democracy around the world and accelerate action to reverse the global decline in democracy

Following the second Summit for Democracy, we collaborated with the FDCO and civil society organisations from all regions. This engagement was also a feature of our work with the European Partnership for Democracy, of which WFD is a Board member (represented by the Chief Executive), the Global Democracy Coalition, the AGORA Portal for Parliamentary Development and Parliamentary Development Community of Practice, and the Summit for Democracy Environment cohort.

We continued to help set standards for democratic governance around the world. As members of a project team coordinated by the Inter-Parliamentary Union, we helped to develop a set of Indicators for Democratic Parliaments based on the Sustainable Development Goals. We were also part of a group of leading experts convened by the Organization for Cooperation and Security in Europe and the Venice Commission of the Council of Europe to draft Guidelines on Democratic Lawmaking and Better Laws.

Providing information to UK parliamentarians about global democracy and its relevance to citizens and UK national priorities

We launched the Garden of Democracy campaign to engage UK parliamentarians with our work. The accompanying exhibition in Portcullis House explained the importance of democracy support for UK international priorities and how the experience of UK parliamentarians can make a positive contribution to our programmes. The public campaign had a reach of over 100,000 organic (unpaid) impressions among our audiences, a 46% increase on the reach of the 30th anniversary campaign in FY 2022-2023. The campaign also received public support from Mr Speaker Sir Lindsay Hoyle MP, parliamentarians across both Houses, and international delegates from Jordan and the Solomon Islands who visited the exhibition.

As part of the campaign, Sviatlana Tsikhanouskaya, the Belarusian opposition leader in exile, delivered our inaugural Annual Lecture on the State of Democracy Around the World, which shines a light on human stories that underpin the promise of democracy and the struggle to defend it. The lecture was hosted in the Atlee Suite in the House of Commons and was organised in partnership with the University of Birmingham's Centre for Elections, Democracy, Accountability and Representation (CEDAR). The Lecture was attended by 80 people, including parliamentarians and officials.

Following the publication of Nic Cheeseman and Marie-Eve Desrosiers's "How (Not) to Engage with Authoritarian States" publication in the previous reporting period, we organised a roundtable event in parliament with cross-party MPs and Peers. The event gave parliamentarians the opportunity to discuss with the report's authors how pro-democracy governments can better

engage with authoritarian states to avoid doing democratic harm and ultimately strengthen democracy around the world.

Activity to engage UK parliamentarians is part of our stakeholder engagement plan, developed to support progress against Strategic Goal 2 by guiding our parliamentary work over the next year and progressing a system for tracking the quality and impact of our relationships with UK parliamentarians and relevant policymakers.

UK MPs and parliamentary staff met and shared their experiences with counterparts from the Bangsamoro (in the Philippines), Sri Lanka, Morocco, Serbia, and others as part of WFD programmes.

Securing more third-party funding to deepen existing work and increase our presence

We also secured additional funding to expand our impact, through extensions to existing programmes and new grant agreements and contracts from a range of donors, including non-UK funders. These included:

- the UK Conflict, Stability and Security Fund (CSSF)
- the Foreign, Commonwealth and Development Office (FCDO)
- Global Affairs Canada
- European Union
- New Zealand Ministry of Foreign Affairs and Trade (MFAT)/The Asia Foundation
- Ministry of Foreign Affairs of Finland/Demo Finland

As demonstrated in the financial figures, our income, excluding core grants, increased by over £2 million during FY 2023-24, compared with FY 2022-23.

During the reporting period, we secured a place on the new CSSF Framework, which is expected to run through to September 2025 with a possibility for extension. In addition, we are a subcontractor on Lots 7 and 14 of the Global Development Delivery (GDD) Framework.

We continue to build effective relationships with existing and potential donors and partners in the sector to further enhance our funding profile and impact.

Our work was guided in the year by the Business Development sub-strategy, developed as part of our strategy.

Goal 3: Reinforce our outstanding organisation

We made progress in pursuing our strategic goal to Reinforce our Outstanding Organisation, with a sub-strategy guiding our efforts through 2025. Central to this strategy is supporting the development of a 'One WFD' culture, which emphasises wellbeing, professional development, and operational agility. We continued to celebrate our achievements and foster a strong sense of shared purpose among staff, maintaining a vibrant organisational culture.

We implemented a multi-year wellbeing action plan to enhance staff health and support, alongside increasing investments in staff learning and development to ensure team members possess

cutting-edge skills. This approach supports professional growth and strengthens our organisational capacity.

Operational enhancements included initiating a network agility review to standardise effective agile working practices across our global network, aimed at enhancing responsiveness to dynamic challenges. We also conducted a comprehensive systems architecture review with subsequent system and process upgrades planned between 2024 and 2026, focusing on system integration and boosting operational competencies.

Further internal enhancements included expanding our expert roster to deepen specialised knowledge to provide targeted support around the world. We also strengthened cybersecurity measures and enhanced partnering and compliance practices, including broadening framework agreements with regular suppliers and supporting partners in strengthening their safeguarding practices.

WFD took the opportunity to map its key cross-functional processes during the period; improve alignment of its policies and practice to Government Functional Standards, notably around commercial, fraud, and grants; and updated its procurement and contracting templates and tools.

WFD is exempt on de minimus grounds regarding the Greening Government Commitments (GGCs).

Key risks and uncertainties

WFD's Corporate Register comprised ten strategic risks during the period. WFD's management also monitored four operational-level sub-registers covering Programme Policy and Quality (strategic goal 1), Strategic Engagement and Governance and Portfolio Renewal and Growth (strategic goal 2), and Outstanding Organisation (strategic goal 3). Each separate global or country programme also benefited from its own bespoke risk register.

Throughout the year, we focused on managing the strategic risks in the Register, most relevant to our strategic goals. These risks were funding, loss of funds or assets due to fraud, reputation, and insecure systems.

Corporate and programme budgets remained under significant pressures due to significant increases in the costs of goods and services. In response, we took continuous mitigation measures and actions to refine short-term financial projections and longer-term financial modelling. The recent Public Body Review (published in March 2024) confirmed the efficiency of our operations and agreed some small additional efficiency measures.

During the period, there was one reported incident involving the unauthorised use of petty cash at a country office which was addressed due to controls in place and risk was minimised. This reinforced the need for the controls in the counter fraud action plan to be applied and enforced rigorously. An internal audit of the finance function was undertaken, focusing on policies, procedures, systems and process, as well as testing the controls improvements implemented to provide assurance related to the risk.

In light of lessons learned on political risks at country level and with elections due in the UK and several WFD country locations, we have taken steps to increase awareness of the Code of

Conduct, Political Activity Policy and Social Media Policy. These establish standards and parameters for the political and social media activity of our staff in an official or private capacity.

Due to the threat and level of regular attempted attacks experienced by WFD, we continue to deliver the recommendations of the Government Security Centre’s Cyber Gap Analysis while implementing a Security Operations centre/Security Incident Event Monitoring Software. Focus will also continue on the effectiveness and efficiency of our systems through a three-phase roadmap and transformation programme recommended by the external Systems Architecture review.

Strategic risk	Key risk management
Strategic engagement and governance	
<p>Lack of effective leadership and oversight by the Board and its committees governing strategic direction, internal leadership, or risks assessment and management, could undermine FCDO and donor confidence and expose the organisation and its governors to reputational harm.</p>	<p>Three-year strategy adopted by the Board, aligned to the ambitions of the Integrated Review, and cleared with ministers. Mid-term review completed.</p> <p>Annual Plan and Budget for 2023-2024 adopted, with regular reporting at quarterly Board and Audit and Risk Assurance Committee meetings.</p> <p>Monthly Leadership Team meeting, quarterly Leadership strategic stand-back, to provide coherent management direction to WFD.</p> <p>Revised Framework Agreement in place with the FCDO and strategic and partnership framework ways of working document developed.</p> <p>Governance Handbook provides clarity on governance roles/responsibilities.</p> <p>People Committee and Audit and Risk Assurance Committee (ARC) membership expanded with additional co-opted members.</p> <p>Board-level programme quality oversight function reviewed and improved with introduction of new Board-level Programmes Lead.</p> <p>Code of Conduct/Safeguarding orientation delivered to the Board.</p> <p>Independent Board effectiveness review carried out and individual appraisal process for Board members established.</p> <p>Public Body Review completed and published confirming WFD’s effectiveness.</p> <p>Quarterly FCDO/WFD oversight meetings to review progress, relationship, and governance. In line with PBR recommendations WFD is drafting a new Framework Document with FCDO to reinforce the nature and obligations of the relationship between WFD and its sponsor dept and provide clarity on governance requirements.</p>

	<p>The Board is currently at an increased risk due to the significant delays in the Public Appointments process. WFD is working with the FCDO Sponsor team and ALB Hub to proactively resolve this. The term of WFD's Board Chairman has now expired, but two Vice-Chairs are in place.</p>
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<p>WFD’s reputation is materially damaged by a failure to monitor for or respond to unexpected events.</p>	<p>Current communication and external affairs strategy targets informed awareness of WFD’s activities among stakeholders and focuses on outcomes and key programme deliverables in its messaging, in the event of adverse publicity either directly or across our sector, underpinned by campaigning approach and stakeholder engagement plan.</p> <p>Horizon scanning approach developed.</p> <p>External Affairs and Events Manager onboarded.</p> <p>Maintain relations with network of media contacts to ensure quick notification of adverse issues and develop interim holding responses.</p> <p>Crisis Management Plan, Business Continuity Plan (including Pandemic Response Plan and Industrial Action Response Plan) adopted and updated annually, reinforced by table-top simulations – overseen by Outstanding Organisation Board.</p> <p>Strategic Engagement Board oversees positive strategies and relations with key stakeholders.</p> <p>ARC scrutinises management action on business continuity/crisis management.</p> <p>Internal audit completed May 2020 on Business Continuity Plan with partial assurance achieved; actions agreed and implemented.</p>
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Outstanding organisation

<p>Loss, diversion or misuse of funds under WFD management could expose WFD to reputational harm, legal/regulatory action and/or a deterioration in its reserves.</p>	<p>Key policies (such as compliance, procurement, bank and cash) adopted and promoted with guidance, toolkits, templates, and incident management procedures.</p> <p>Vetting checks and due diligence carried out on all new staff, consultants, suppliers, and partners.</p> <p>Basic orientation and annual refresher (Learning Essentials) provided to all staff on key compliance practices.</p> <p>Outsourced legal advisers and Contracts and Grants Manager provide advice and assistance with downstream contracting and sub-granting.</p> <p>Standard financial controls implemented and checked via controls self-assessment, control improvement plans and targeted internal audit. Counter Fraud and Corruption Action Plan and special risk guidance adopted as required.</p> <p>Pre-paid charge cards deployed to mitigate cash handling risks.</p>
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	<p>Code of Conduct and Reporting Concerns Policy included in all contracts and promoted to all staff, experts, partners and event participants.</p> <p>Business Central provides robust document storage and approval processes.</p> <p>IT security upgrades implemented to improve prevention of cyber security incidents.</p> <p>Office Opening and Closure Task Forces provide close supervision of higher risks of incidents during openings/closures.</p> <p>Outstanding Organisation Board monitors organisation-wide Compliance Tracker, Annual Declarations, and Annual Self-Assessment.</p> <p>ARC reviews Risk Register on quarterly basis and key risks via internal/external audit, including substantial assurance via internal controls audit.</p> <p>Internal audit on adapting to fragile operating contexts, completed in previous financial year, providing substantial assurance.</p>
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<p>WFD's reputation amongst stakeholders suffers material damage owing to poor control over behaviour and standards, including in relation to safeguarding staff and stakeholders and compliance with applicable laws.</p>	<p>Code of Conduct, Reporting Concerns Policy, and Incident Response procedures adopted and signed by Board members/staff. Political Activity Policy and Safeguarding Policy provide additional guidance on managing risks.</p> <p>Rigorous staff selection processes and vetting/due diligence carried out on all staff/experts/critical suppliers/partners.</p> <p>PPO Partnership Agreements and all third-party contract templates ensure partners/experts/suppliers comply with WFD Code of Conduct, Reporting Concerns Policy, key policies, etc. Translated into key languages.</p> <p>Board and senior staff orientation on safeguarding and Code of Conduct.</p> <p>All Leadership Team members completed diversity and inclusion e-learning.</p> <p>All staff inducted on Code of Conduct, mandatory bespoke e-learning course on safeguarding delivered, and Learning Essentials on reporting concerns provided.</p> <p>Safer Events Risk Assessment and Safer Events Checklist required for events/activities involving young people or vulnerable adults.</p> <p>All programme risk registers include safeguarding risks.</p> <p>Annual declaration of conflicts of interest for Board members and senior staff; procurement procedure requires disclosure of potential conflicts.</p> <p>Outstanding Organisation Board monitors organisation-wide Compliance Tracker, Annual Declarations, and Annual Self-Assessment.</p> <p>People Committee reviews management action on safeguarding.</p> <p>Internal audit on safeguarding policy positively benchmarked against sector standards and audit on Code of Conduct by Crowe, completed in previous financial years, providing substantial assurance.</p>
<p>Inadequate or insecure systems and processes reduce productivity and efficiency, which can lead to reduced staff morale, poor value for</p>	<p>New systems implemented as part of Building for the Future programme, with implementation of Evidence and Impact Hub (programme data), World Check One (vetting), Policy and Practice Hub, PeopleHR (HR, recruitment, and performance/induction), MS Teams (communications and collaboration), Business Central (finance), Key Travel portal (travel management) and PAIS</p>

<p>money and increased exposure to business disruptions, thereby reducing our impact.</p>	<p>(programme approvals and information), now subject to system improvement plans.</p> <p>New joiner guidance on navigating WFD systems and information storage provided as part of improved induction.</p> <p>Multi-factor authentication, advanced threat protection, and mobile device management implemented to protect WFD systems.</p> <p>Managing Organisational Change Policy in place, supported by outstanding organisation project toolkit.</p> <p>Expert Roster and streamlined procurement procedures in place, promoted via new Expert Finder interface.</p> <p>Agile working policy in place for UK.</p> <p>Detailed cyber risk assessment and gap analysis completed by Government Security Centre for Cyber, underpinned by regular engagement with the National Cyber Security Centre (NCSC) and the FCDO.</p> <p>Strengthened working-level engagement with the FCDO around procurement and contracting practice via new FCDO Commercial Forum and cyber security in new FCDO Cyber Security Forum.</p> <p>Outstanding Organisation strategy, including technology sub-strategy, systems improvement project and other continuous improvement actions implemented.</p> <p>ARC scrutinises management action on systems improvement.</p> <p>Internal audit on business continuity and cyber security provided reasonable assurance (all recommendations implemented) and new systems implementation and realisation provided substantial assurance.</p> <p>Cyber Essentials Plus accreditation secured.</p>
<p>Threats to the general health, safety, and security of WFD staff, contractors, or participants could lead to individuals suffering mental or physical harm, damage to WFD's reputation, legal action and breach of donor agreements.</p>	<p>Safe and Sustainable Travel Policy, Safety and Security Risk Management Policy, Approach, and Guidelines adopted and implemented. Crisis Management Plan and Incident Response Procedures in place.</p> <p>Threat Tracker regularly updated based on changing threat assessment of all WFD locations.</p> <p>All Local Security Plans updated annually, and Welcome Packs provided as required. Travel Risk Assessments required for all higher-risk travel.</p>

	<p>Comprehensive Business Travel and Emergency Evacuation insurance in place and health insurance provided for staff in countries with poor quality local provision.</p> <p>United Nations Department for Safety and Security (UNDSS) e-learning course adopted as basic training offer for staff and experts, all staff training on WFD security, and SAFE course offered for high risk travel.</p> <p>Key Travel platform/service includes Riskline traveller tracking, security alerts, and Mobile Messenger for travellers.</p> <p>Elections security partner procured and onboarded.</p> <p>Security cooperation protocol implemented with FCDO and close collaboration with FCDO posts in key high threat locations.</p> <p>Duty of Care Group provides coordination of security management, with oversight by Outstanding Organisation Board.</p> <p>People Committee and ARC review management action on health, safety and security.</p> <p>Internal Audit on safety and security by Crowe previously completed, provides substantial assurance. Internal audit on adapting to fragile operating contexts completed providing substantial assurance.</p>
<p>WFD's efforts to offer market competitive remuneration to staff are constrained by flat grant in aid and/or the need to remain competitive for new funding proposals</p>	<p>Business Development policy and practice aims to develop professional, credible proposals/bids for funding that target full (direct and indirect) cost recovery.</p> <p>Proactive network-wide pay benchmark to be carried out to enable WFD to understand its current and target position in the market and evidence proposed costs to donors.</p> <p>Proactive network agility review to identify efficient and supportive ways of working for WFD offices.</p> <p>Enhancement of non-cash benefits for existing staff where practicable.</p> <p>Promote positive recruitment practices that emphasise the overall WFD employee offer.</p>
<p>Short-term or long-term loss of critical staffing capacity due to unresolved wellbeing issues and/or local cost of living pressures</p>	<p>Qualitative assessment of wellbeing completed.</p> <p>UK and network staff equipped to work remotely.</p> <p>Regular line management check-in chats promoted.</p> <p>Employee assistance programme and framework of potential responses to local contextual developments in place.</p>

<p>resulting in staff leaving for higher pay or better conditions elsewhere.</p>	<p>Three-year Spending Review funding settlement agreed at £6.5 million per annum with an additional £2.0 million secured for FY 24-25 communicated to all staff.</p> <p>Pay award agreed and benefits/support signposted.</p> <p>Revisited and updated key person risk matrix and scheme of delegated authority.</p> <p>Leadership Team away day focused on the medium and long-term outlook and challenges faced by the organisation.</p> <p>Operating model review completed, restructure implemented, and high-level budget agreed.</p> <p>Outstanding Organisation strategy includes a people sub-strategy focused on positive employee experience and other actions to address wellbeing issues.</p> <p>Board and People Committee oversight in place.</p>
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Programme policy and quality

<p>WFD fails to deliver programmes of sufficient quality and relevance, or inadequately monitors, measures, or evidences impact.</p>	<p>Multi-year WFD strategy and 3Rs programme strategy (including regional plans) adopted; operating model review completed, restructure implemented, and high-level budget agreed, including decisions on sustainable network presence.</p> <p>Programme management cycle, responsibility mapping, and guidance for senior responsible officers and responsible leads developed.</p> <p>Rigorous political economy analysis, outcome mapping, and monitoring of progress markers, together with case studies.</p> <p>Evidence and Impact Hub and Programme Management Hub provide access to consolidated data, guidance, and learning pathways.</p> <p>WFD Learn e-learning platform, Zoom/Teams, and digital partners support online engagement and digital delivery.</p> <p>Learning and Development aspects of Outstanding Organisation strategy and performance management process to drive focus on core competencies required by WFD and continuous learning to support development of those competencies.</p> <p>Programme approvals and information system (PAIS) implemented to improve visibility/sign off of bids/proposals and visibility of portfolio.</p> <p>Impact and Innovation Awards quarterly to recognise and encourage innovative practice and share learning.</p>
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	<p>Leadership Team monitors critical programmes and risks monthly via a dashboard.</p> <p>Programme Policy and Quality Board oversees quarterly programme performance review to ensure review of all programmes and risks across the portfolio, with mitigation plans introduced where necessary.</p> <p>Board-level programme lead provides further scrutiny of programme implementation/discussion of underperforming programmes, and as appropriate reports to Board meetings.</p> <p>External evaluations commissioned as appropriate.</p>
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Portfolio renewal and growth

<p>Inability to maintain adequate funding over the short, medium, or long term (three years), could result in liquidity or sustainability challenges, undermining ability to achieve impact.</p>	<p>Three-year Spending Review funding settlement agreed at £6.5 million per annum with an additional £2.0 million secured for FY 24-25. Multi-year strategy adopted and confirmed in 2024 mid-term review; operating model review completed.</p> <p>New Opportunities Policy adopted and promoted internally.</p> <p>Significantly expanded Business Development function and Programme Approvals and Information System supports planning, monitoring, and coordination of prospecting and quality proposal/bid writing.</p> <p>Proactive business development activities in priority WFD locations.</p> <p>Maintain active participation in key HMG Framework Agreements (for example, Conflict, Stability and Security Fund (CSSF), and new Global Development Delivery (GDD)).</p> <p>Strategic engagement with HMG on new FCDO democracy and human rights strategy following Integrated Review.</p> <p>Business Central supports more efficient Accounts Receivable function.</p> <p>Portfolio Renewal and Growth Board periodically reviews sustainability of WFD portfolio and network.</p> <p>Dynamic in-year forecasting and processes to monitor spend, with monthly Leadership Team reporting and oversight and quarterly ARC and Board scrutiny.</p> <p>Core Cost Review completed by internal auditors provided assurance on WFD's overhead cost base and costing methodology for grants/contracts.</p>
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Our commitment to sustainability and social responsibility

WFD is committed to ensuring all aspects of our work in the UK and overseas are managed sustainably. Across our offices we address our environmental impact in energy management, waste management, and transport. We are a small, service delivery organisation with a limited physical infrastructure, but have continued to improve our environmental performance, make careful use of resources, and minimise adverse environmental impact. We remain committed to complying with all applicable UK and local environmental legislation.

Our Environmental Policy is based on three principles. We will:

- do all we reasonably can to keep the negative environmental impact of the organisation to a minimum
- act responsibly in management of resources
- reduce, re-use and recycle wherever possible

While WFD is exempt from the Greening Government commitments and reporting scheme, during the reporting period, we occupied offices managed by the Ministry of Justice, which is committed to the Greening Government agenda.

In accordance with our Safe and Sustainable Travel Policy, we took action to ensure that all business travel is booked, approved, and managed in a way that represents value for money, keeps people safe, and mitigates negative environmental impact. Business travel is approved if considered:

- necessary (for programme, management, or stakeholder engagement purposes)
- efficient and cost effective (reflecting our responsibilities as a public body to secure value for money in any travel arrangements and use our resources for the public good, not personal advantage)
- safe and secure (complying with our duty to take reasonable care of the health, safety, and security of staff, volunteers, experts or governors, and to avoid unnecessary risks)
- green-aware (mitigating, where possible, the negative environmental impact associated with travel)

Staff are encouraged to select the greenest possible travel option for their journey.

As part of all above-threshold procurement, WFD assesses bidders' commitment to social value and include contractual commitments as appropriate. We require all suppliers and grantees of any value to agree to comply with WFD's our Code of Conduct, which includes our values and a range of specific undertakings on socially responsible conduct.

Our commitment to accountability

As a values-based, public service organisation, we aim to observe the highest standards of professionalism and accountability for the stewardship of taxpayers' funding at all times. Internal audit exercises focused on Learning and Development within the organisation, compliance of country offices with WFD and donor policies, and a review of our Finance function. We will continue

to enhance our capabilities to prevent, detect, and respond to the potential risks associated with the diversion of WFD resources.

Plans and priorities

Plans are guided by our 2022-2025 strategy and sub-strategies. The goals of our 2022-2025 strategy are outlined above.

During the next period, we have set out ambitious regional plans to guide efforts to reinforce activity within its current geographic locations and priority thematic areas, reach into new complementary areas of interest, and react to emerging opportunities to expand our impact. As implementer of FCDO's Democratic Governance Centre of Expertise, we will deepen our support for FCDO posts and programme managers through a range of advisory services.

We will continue to engage with partners internationally, building on our collaboration with the Inter-Parliamentary Union on new Indicators for Democratic Parliaments, launched in 2023, and our engagement with the third Summit for Democracy, held in Seoul in March 2024. We will also continue to deliver our Stakeholder Engagement Plan to increase awareness of the relevance of our work to UK MPs and their constituencies, especially in light of the upcoming UK General Election.

Our Outstanding Organisation strategy will help create a One WFD culture, built on our values as well as equity, diversity, inclusion and wellness. We will seek to maintain our Best Companies employee engagement accreditation. The strategy will deliver recommendations from the 2023 systems architecture review to improve and connect our systems, ensure efficiencies and better data driven decision making. We will continue to strengthen our cyber security capabilities and approach, refresh, and simplify all corporate policies and guidance, and support the delivery of programmes and Centre of Expertise activities.

During the next reporting period, we will work with the FCDO to implement the recommendations of the Public Body Review of WFD, commissioned by the UK Government and published in March 2024. The Review strongly reaffirmed WFD's relevance to UK international policy priorities.

Finance review

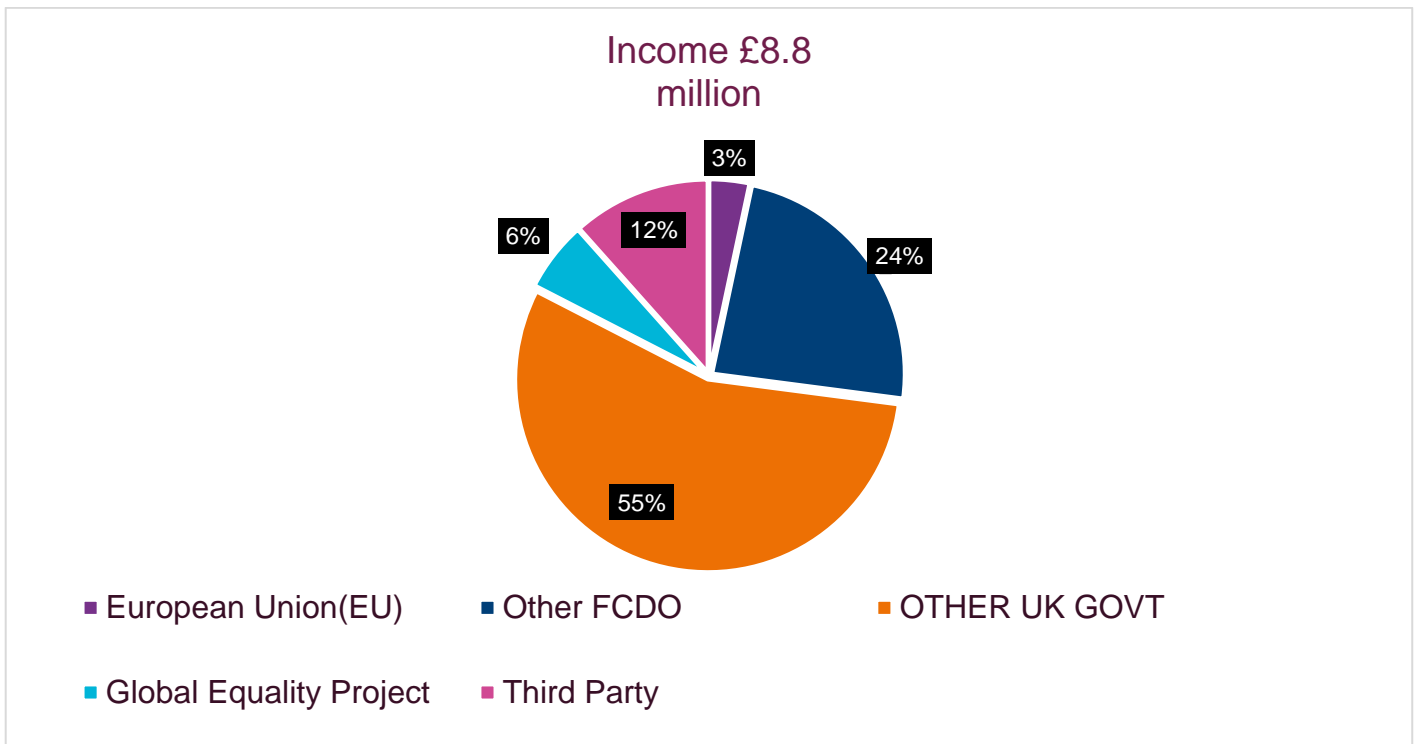
Income

WFD received a total income of £8.8 million in 2023-2024 from the following sources.

- third-party funding. This includes Global Equality Project grant funding from the FCDO (£0.5 million) and others such as the European Union (EU)
- other UK Government funding, such as from the Conflict, Stability and Security Fund (CSSF)
- other FCDO funding which includes the Centre of Expertise

2023 income was £6.8 million.

A full breakdown is included in this report. The income breakdown is also shown in the chart below.



UK Government – Cross-government funds

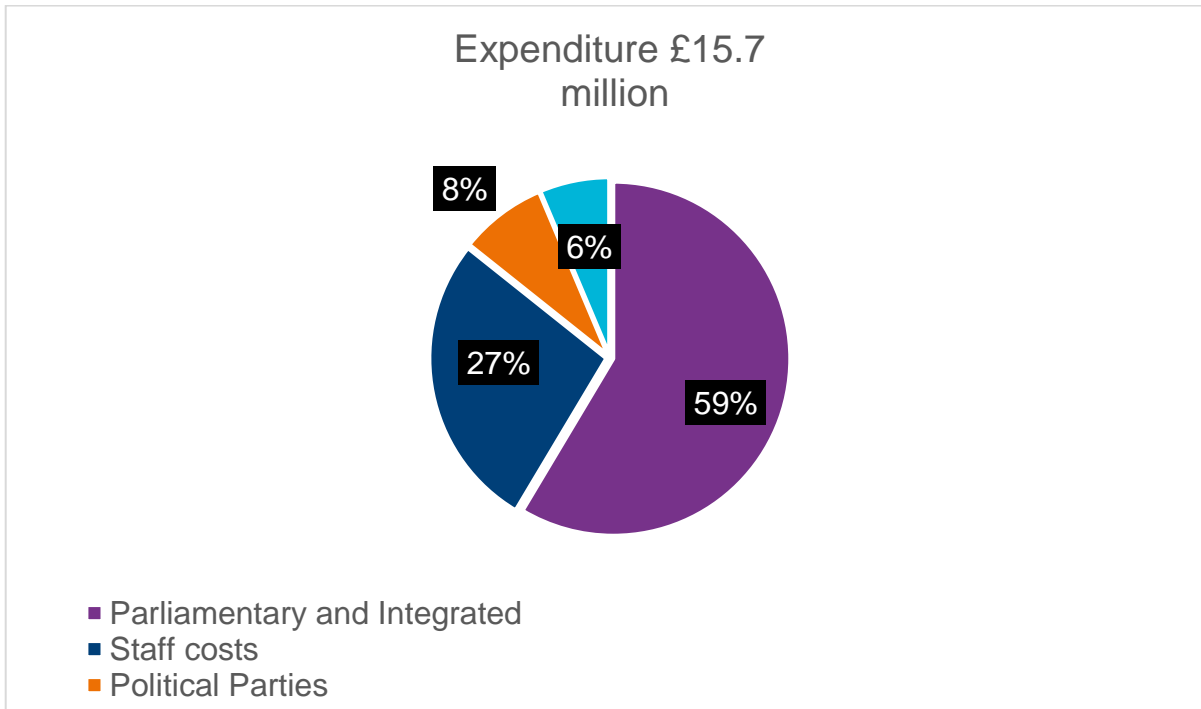
UK Government funding from the Conflict, Stability and Security Fund (CSSF) provided an income of £4.9 million in 2023-2024. This supported WFD programmes in the Philippines, Maldives, Western Balkans, Georgia, Albania, Sri Lanka, Taiwan, and Solomon Islands, among other places. UK Government funding of £0.5 million was also received for the Global Equality Project (GEP).

Other funding

Other funding of £3.4 million includes EU grants of £0.29 million, FCDO non GIA £2.1 million and third-party funding of £1 million from different sources such as the Ministry of Foreign Affairs of Finland/Demo Finland, US Agency for International Development (USAID), Global Affairs Canada and several embassies, to support different programmes.

Expenditure

WFD had a total expenditure of £15.7 million in 2023-2024 across parliamentary and integrated programmes, political party programmes, staff costs, and other operating costs.



Programmes implemented directly by WFD

Parliamentary and integrated project costs directly relate to WFD programming, including all WFD staff working in offices based outside the UK. Direct programmes (Parliamentary and Integrated) spend for 2023-2024 was £9.3 million or 59% in line with our increased programmed funding from third-parties (2022-2023: £7.6 million or 56%).

UK political party international programmes and offices funded by WFD

Political party programmes and offices (PPO) receive an allocation of the grant in aid (GIA) received from the FCDO. PPO funding made available in 2023-2024 was £1.26 million (2022-2023: £1.3 million).

Staff costs

Staff costs relate to UK-based WFD staff in 2023-2024. WFD employed (on average) 56.8 permanent full-time equivalent staff in the UK (2022-2023: 55).

Most UK staff (32.4 in 2023-2024 and 32 in 2022-2023) are directly responsible for the design, management, delivery, and monitoring of programmes and for managing local and UK partnerships. The remaining staff were employed in Finance, Human Resources, Operations, and

Communications and External Affairs. UK staff also include the Leadership Team. Local staff who are located overseas are accounted for as direct programme costs.

Staff costs totalled £4.3 million (27%) in 2023-2024 (2022-2023: £3.9 million 28%).

Financial position and liquidity

In March 2022, the FCDO confirmed a core grant of £6.5 million per annum for the next three years, 2022-2023, 2023-2024 and 2024-2025, plus an additional £2 million of GIA for 2024-25 announced in a letter from the FCDO received February 2024. Budgets for the following years were based on the advised funding. Total net assets on 31 March 2024 show a reduction from the previous year based on the revised reserve position approved by the Audit and Risk Committee at £500k. The change to the reserves level was deemed appropriate based on the principle for which WFD utilizes its reserves to cover operating costs in the event of delay in funding, one-off costs (in 2023/24 this included funding the one-off non-consolidated pay award) and meeting unforeseen liabilities.

Note 1.3 gives WFD's assessment of going concern.

Regularity of expenditure

In spending public money, WFD complies with the requirements of HM Treasury's Managing Public Money (MPM). All WFD expenditure and underlying transactions comply with those requirements.

Creditors

WFD adheres to the UK Government-wide standard on bill paying, which is to settle all valid bills within 30 days. Whenever possible, WFD will settle valid bills within supplier payment terms, if earlier. In 2023-2024, the average time taken to pay invoices was 15 calendar days (2022-2023: 18 calendar days). 95% of undisputed invoices were paid within the agreed credit terms. The proportion of the aggregate amount owed to trade creditors at the year-end compared with the aggregate amount invoiced by suppliers during the year was equivalent to 17 days (2023: 36.4 days).

On behalf of the Board

Anthony Smith, Chief Executive and Accounting Officer

Date 24 July 2024

The Westminster Foundation for Democracy Limited

Director's report

The purpose of this report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of its objectives.

The governors who served on the Board of the Westminster Foundation for Democracy Limited during the year ending 31 March 2024 and who were Directors under the Companies Act 2006 were:

Board member	Appointment in the year	Resignation in the year	Appointment ends
Richard Graham MP (Chair)			22 April 2024
Mark Babington (Vice Chair)			23 October 2024
Rt Hon. Dame Maria Miller MP			4 November 2026
Yasmin Qureshi MP			6 September 2025
Anthony Smith (ex-officio) (Chief Executive)			N/A
Milicia Delevic	22 May 2023		21 May 2026
Elizabeth Saville Roberts	24 May 2023		23 May 2026
Anne McLaughlin MP	24 August 2023		23 August 2026
Julie Elliott MP (Vice Chair)	25 September 2023		24 September 2026
James Deane	19 December 2023		18 December 2026

Janet Bamisaye (Interim Finance Director)	23 January 2023		
Thomas Hughes		24 October 2023	
Susan Inghish (Vice Chair)		24 October 2023	
Femi Otukoya (ex-officio) (Finance Director)		23 January 2024	
Brendan O'Hara MP		24 August 2023	

Christopher Lane, appointed on 29 November 2018, continued to hold the office of Company Secretary until leaving WFD on 24 January 2024. This role has been taken up by his successor, who joined WFD in May 2024. WFD's Interim Finance Director, Janet Bamisaye, attended relevant meetings of the Board and Audit and Risk Assurance Committee following her appointment in January 2024, taking over from Femi Otukoya after she left WFD on 23 January 2024.

All Board members and senior managers are required to declare any interests they may have to enable possible conflicts to be managed. No Board member holds company directorships or has other significant interests which may conflict with their responsibilities. No Board member has undertaken any material transactions with related parties. The Register of Interests is available to the public on WFD's website at <https://www.wfd.org/governance-document/registers-board-members-interests> or at WFD's registered office with 24 hours' notice.

During the financial year 2023-2024, Dr Milica Delevic, Liz Saville Roberts MP, Anne McLaughlin MP, Julie Elliott MP and James Deane have been appointed as Board members by the Minister of State for Foreign, Commonwealth and Development Affairs on behalf of the Foreign Secretary, effective 22 May, 24 May, 24 August, 25 September and 19 December 2023 respectively.

Audit and Risk Assurance Committee

During the year ending 31 March 2024, membership of WFD's Audit and Risk Assurance Committee comprised:

Name	Role
Mark Babington	Chair
Khalid Hamid	Co-opted member
Brendan O'Hara MP	Board member (Resigned 24 August 2023)
Anne McLaughlin MP	Board member (Appointed 24 August 2023)

Personal data

In 2023-2024, there were no personal data-related incidents that required reporting to the Information Commissioner's Office.

Registered office

WFD maintained our registered office to Clive House, 70 Petty France, which is operated by the Ministry of Justice, effective 1 April 2022.

Statement of Directors' and Accounting Officer's responsibilities

In accordance with Company Law and the Articles of Association, the Directors (who are also known as the Governors of Westminster Foundation for Democracy) are responsible for preparing an annual report and financial statements in accordance with the Companies Act 2006 and the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards (IFRS) as amended for application to the central government sector.

Within the terms and conditions of a Framework Agreement signed on behalf of the (then) Foreign and Commonwealth Office and the Directors of WFD in 2020, the Directors, through the Chief Executive, are required to prepare financial statements for each financial year on an accruals basis which give a true and fair view of the state of affairs of WFD and of the incoming resources and application of resources, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the financial statements, the Directors and the Accounting Officer are required to comply with the requirements of the Companies Act and then, secondly, the *Government Financial Reporting Manual*, and to:

- a. observe the Accounts Direction issued by the Secretary of State for Foreign, Commonwealth and Development Affairs, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- b. make judgements and estimates on a reasonable basis;
- c. state whether applicable financial reporting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- d. prepare the financial statements on a going concern basis.

The Directors and the Accounting Officer are responsible for ensuring:

- proper accounting records are kept that disclose with reasonable accuracy at any time the financial position of WFD and enable them to ensure the financial statements comply with the Companies Act 2006 and the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards;
- the assets of WFD are safeguarded, and reasonable steps are taken to ensure the prevention and detection of fraud and other irregularities;
- sound financial systems and management controls are in place to safeguard public funds;
- funds from the Foreign, Commonwealth and Development Office are used only for the purposes for which they have been given and in accordance with the Framework Agreement and the relevant Accountable Grant; and
- funds from all other grants are used only for the purposes for which they have been given.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on WFD's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Accounting Officer

Section 5 of the Framework Agreement defines the Permanent Under-Secretary of State for Foreign, Commonwealth and Development Affairs as Principal Accounting Officer for the departmental group. The Principal Accounting Officer has appointed the Chief Executive as Accounting Officer of WFD.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding WFD's assets, are set out in *Managing Public Money* published by HM Treasury.

As Accounting Officer, I hereby confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Statement of disclosure to our auditors

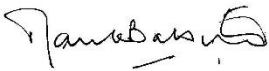
In so far as the Directors and the Accounting Officer are aware at the time of approving our Directors' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which WFD's auditor is unaware
- the Directors and the Accounting Officer, having made enquiries of fellow directors and WFD's auditor that they ought to have individually made, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The Comptroller and Auditor General is the statutory auditor for the accounts of WFD.

Approved and signed on behalf of the Board on 24 July 2024.



Mark Babington

Director



Anthony Smith

Chief Executive and Accounting Officer

Accountability report

Overview

The purpose of this accountability report, which comprises a corporate governance report, statement of Accounting Officer's responsibilities, and governance statement, is to meet key accountability requirements to Parliament and address the matters required to be dealt with in a Directors' report and Directors' Remuneration Report, as set out in Chapters 5 and 6 of Part 15 of the Companies Act 2006. This comprises of the Corporate Governance Report, the Remuneration and Staff Report, and the Parliamentary Accountability and Audit Report.

Corporate governance report

The purpose of the Corporate Governance Report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of its objectives.

Governance statement

Scope of responsibility

As Accounting Officer of the Westminster Foundation for Democracy Limited, I have responsibility for maintaining a sound system of internal control that supports the achievements of WFD's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am therefore responsible for ensuring that WFD is administered prudently and economically and that resources are applied efficiently and effectively to deliver our agreed goals.

In addition, I am accountable to the Principal Accounting Officer of the Foreign, Commonwealth and Development Office (FCDO) to enable him to discharge his overall responsibility for ensuring that WFD as an FCDO executive non-departmental public body has adequate financial systems and procedures in place. WFD's multi-year strategy, annual plan, priorities, and associated risks are discussed regularly in my meetings with the FCDO.

The Governance Framework

The relationship between WFD and the FCDO is set out in the Framework Agreement signed on behalf of the (then) Foreign and Commonwealth Office and WFD in May 2020. The Framework Agreement establishes the governance relationship between WFD and the FCDO founded on clear expectations, structured oversight and accountability processes and improved collaboration. This oversight function is exercised by the Open Societies Directorate on behalf of the FCDO, with the support of an Arms-Length Body Hub located in the Strategic Finance Directorate, which in turn is guided by an FCDO/ALB Forum of which WFD is an active member and co-convenor. A copy of the Framework Agreement is published and available on WFD's website. It is supplemented by a strategy and partnership ways of working document that describes the strategic alignment between WFD's work and the government's international priorities and sets out a protocol as to how the FCDO and WFD will work together to achieve their common goals.

WFD is guided by the principles and provisions published in the UK Corporate Governance Code and HM Treasury's Audit Committee Handbook. The *Corporate governance in central government departments: code of good practice 2017*, published by HM Treasury and the Cabinet Office, is intended for the boards of government departments, rather than arms-length bodies. The composition and role of a government department's board, which includes ministers, senior civil servants, and non-executives, differs from that of a board of an arms-length body such as WFD, which is comprised of unremunerated governors (six political and four independent) serving with two ex-officio executive members. As such, WFD complies with the principles of the central government code, except that, rather than arranging a formal and rigorous annual board performance evaluation, management periodically arranges Board effectiveness reviews.

Such a review was carried out during this reporting period, led by an external facilitator. The outcome was positive, with appreciation for the continued growth in professionalism of the Board and the support of the executive team. WFD's governors considered that, overall, the Board and its committees were effective in supporting the CEO in his role as Accounting Officer and providing strategic oversight. The Board committed to continuing to improve its practices, including by implementing any agreed recommendations emerging from the Public Body Review, which was underway at the time. Notable in the discussion was Board members' demonstration of their commitment and passion for the work of the organisation.

The Board has oversight of WFD programmes through the systematic engagement of individual governors in WFD's work and rotation of Board attendance by WFD Regional Directors and Directors of Policy and Programmes and Quality and Innovation. Designation of a lead governor to take a special interest in WFD's programme work, for oversight, includes induction, access to management information, the opportunity to attend internal meetings, and the ability to propose to the Chairs of the Audit and Risk Assurance Committee and the People Committee issues for their review.

Board members are also asked to complete an individual appraisal with the Chair at least once in each three-year term. The company and its directors act in accordance with the requirements of company law.

Accountability within WFD is overseen and exercised through the Board and its two committees (see sections below), each chaired by a governor and including co-opted members who bring additional expertise and experience. The Board met four times formally during the year, as well as for an away day. The average attendance by Board members, at meetings they were entitled to attend during the period, was 82%⁴. At each meeting, the Board received and agreed reports that demonstrated satisfactory approaches to managing risk and monitoring governance, operations, programmes, and resourcing matters. Throughout the year, they tracked delivery of organisational objectives, in line with the WFD strategy and received regular progress reports on the implementation of the annual plan and budget. As a non-departmental public body, WFD does not employ any civil servants.

⁴ During most of 2023-24, delays in the appointment process meant only three of the four independent Governor positions were filled.

WFD signed updated versions of the previous multi-year Partnership Agreements with the Conservative Party, Labour Party, and SNP Westminster Parliamentary Group in relation to their political party programmes for the period 2023-2025. In addition, WFD hosts a Multi-Party Office, representing the interests of a consortium of other smaller parties represented in parliament.

The Audit and Risk Assurance Committee (ARC)

The Audit and Risk Assurance Committee supports the Board to discharge its fiduciary, risk control, and governance responsibilities by monitoring and providing advice to me in the exercise of my duties, and by promoting a climate of financial discipline and control within the organisation. The Committee performs the key role of reviewing and monitoring the systems of internal control and receives regular reports on the work and findings of the internal auditors, Crowe LLP, and the external auditors, the National Audit Office. The Committee provides assurance on the full range of WFD systems and processes, and reviews any notifiable incidents in relation to our key corporate policies. For this year, the internal auditors were able to provide an overall opinion of substantial assurance in respect of governance, risk management, and internal controls. Minutes are prepared following each meeting and a report provided to the Board, together with an annual report from the internal auditors.

The Committee is chaired by Mark Babington and includes members with a range of audit and risk management experience, including Khalid Hamid, a co-opted member. The Board and the Accounting Officer are satisfied that the committee has recent and relevant experience as required by the Corporate Governance Code.

During the year, the committee met for four scheduled meetings and one exceptional meeting. Its principal activities over the year included:

- reviewing budget scenarios, including multiyear financial projections considered matters related to WFD's sustainability as a going concern, and challenging financial projections, funding outlook and reserves to ensure that we can demonstrate this to our auditors.
- reviewing management information on organisational performance and the Corporate Risk Register, and periodic deep dives on specific risk areas, such as internal control and controls over new business opportunities;
- overseeing an internal audit programme to examine key risks and business practices, including reviewing audit reports during the period on the adequacy and arrangement on organisational Learning and Development, and commissioning audits on country office compliance and key Functional reviews.
- scrutinising management actions to strengthen controls and the review of the report of FCDO Independent Public Body Review for WFD.
- reviewing the draft Annual Report and Accounts;
- reviewing the work of the external audit to confirm the independence of the auditor and the effectiveness of the work done to ensure a high-quality audit; and

- receiving the auditors' communications, monitoring audit recommendations, and ensuring follow-up.

WFD is committed to our policy of zero tolerance to fraud and to be transparent in our management of counter fraud. Our controls improvement actions will help to mitigate these risks and keep any further potential issues of fraud to an absolute minimum.

The People Committee

The People Committee assists the Board to discharge its responsibilities relating to the terms and conditions of employment of WFD staff and employee engagement. The Committee oversees WFD policies relating to terms and conditions of service (which are closely aligned to those of the FCDO), wellbeing, engagement and remuneration, equity, diversity and inclusion and duty of care. The Committee met once during the year (due to a change in the meeting schedule cycle; it would usually meet twice a year). The Committee was kept regularly informed on matters relating to staff, including relevant issues identified by the Audit and Risk Assurance Committee. The Committee was chaired, during the period, by Rt Hon. Maria Miller MP, with Peter Taylor (FCDO Safeguarding Unit) and Scott Gemmell (FCDO Chief Operating Officer) as co-opted committee members.

At its meeting during the period, the Committee:

- continued to provide oversight on the delivery of WFD's wellbeing action plan
- considered matters relating to pay and benefits and support provided to staff in light of the global cost of living pressures, including the annual staff pay award and targeted support initiative. The committee also scrutinised WFD's gender and ethnicity pay reporting
- discussed the results of WFD's Best Companies employee engagement survey and accreditation
- followed up on a number of key deliverables from WFD's outstanding organisation strategy, including targeted action on equity, diversity and inclusion, strengthening safeguarding practices internally and with external partners, and the code of conduct and organisation values

The committee structures reporting through to the Board have been clearly defined and the terms of reference, membership, and reporting arrangements are reviewed regularly as part of the Governance Handbook. The Governance Handbook also covers the role of the Leadership Team (LT), chaired by the CEO and consisting of WFD's leadership and senior managers. The LT provides strategic leadership to WFD and is accountable to staff for WFD's strategic direction, risk management, planning and resources, performance, people, external affairs, and assurance. The LT has the wellbeing of WFD and our staff as its primary focus and its membership aims to have an in-depth understanding of WFD's effectiveness and WFD's people.

Board and sub-committee attendance (1 April 2023 to 31 March 2024 inclusive)

Board members' attendance presented as: actual attendance/possible attendance

Board Member	Board	Audit and Risk Assurance Committee	People Committee
Richard Graham MP (Chair)	3/4		
Mark Babington (Vice Chair)	3/4	5/5	0/1
Rt Hon. Dame Maria Miller MP	4/4		1/1
Yasmin Qureshi MP	3/4		
Anthony Smith (ex-officio) (Chief Executive)	4/4	5/5	1/1
Milicia Delevic	4/4		
Elizabeth Saville Roberts MP	4/4		
Anne McLaughlin MP	3/3	2/2	
Julie Elliott MP (Vice Chair)	2/2		
James Deane	1/1		
Thomas Hughes	1/2		
Susan English (Vice Chair)	2/2		
Femi Otukoya (ex-officio) (Finance Director)	2/3	2/4	
Brendan O'Hara MP	0/1	0/2	

Risk management

During the year, the Board and the Audit and Risk Assurance Committee (ARC) regularly reviewed WFD's key strategic risks in the form of a corporate risk register, and the Committee also received a more detailed update on individual risks on a rolling basis through the year.

WFD's governors and employees have a duty to identify, assess, and manage the risks faced by the organisation in strategic decision making and day-to-day operations. These risks are managed by WFD having a robust and documented risk management process in place. The purpose of risk management is to preserve and protect WFD's assets, reputation, and staff; strengthen corporate governance by integrating risk management with operational systems and internal controls; and improve business performance. Integral to WFD's approach is the identification of opportunities, not just challenges, and the risks of not trying things which could help us to achieve our ambitions. WFD believes that risk management is about taking conscious positive risks, as well as mitigating negative risk. This relies on creating a culture of risk awareness and transparency within the organisation, facilitating regular, open, and honest discussions across WFD about risk. It is also about proactive engagement of all leaders and senior managers in risk oversight and management.

During the reporting period, the Board and the Leadership Team continued to be guided by the Risk Appetite Statement adopted the previous year. This Statement establishes a framework to guide decision making by risk focal points or senior responsible officers and reporting to the Board and its committees.

Overall responsibility for the management of risk lies with me as the Accounting Officer and I am assisted in this task by the Director of Operations. The WFD Board has responsibility to ensure that robust systems of internal control and management are in place. To this end, WFD continues to:

- identify, assess, manage, and review the nature and extent of the risks facing WFD
- agree the extent and categories of risk which it regards as acceptable for WFD to bear
- analyse the likelihood and impact(s) of the risks concerned materialising
- regularly document the organisation's ability to reduce the incidence of risks, and the impact on WFD of risks that do materialise
- review the costs of operating controls relative to the benefit thereby obtained in managing the related risks
- always endeavour to adhere to relevant donor policies and requirements, legislation, and applicable regulations

A framework for risk control is provided by the Risk Management Policy and Risk Management Procedures. One element of this is the Corporate Risk Register that is reviewed by the Leadership Team (LT) and Board at each of its meetings. The Corporate Risk Register reports the current strategy for managing each strategic risk, the relative strength of that risk control, and the net risk outcome – whether low, moderate, high, or severe. This is a standing item on the monthly LT agenda. The four sub-registers, covering Strategic Engagement and Governance, Outstanding Organisation, Programme Policy and Quality, and Portfolio Renewal and Growth, are reviewed periodically by the relevant internal board.

The Board's responsibility is supported through the sub-committees of the Board, with appropriate membership or input from members of the LT. Risk is considered on the agenda at all meetings of the Audit and Risk Assurance Committee (ARC). The ARC members review the action plans presented for each risk and the progress made towards reducing risk to the tolerance level set on an individual risk basis.

WFD also regularly reports to the FCDO in relation to risk, strategy, and our Annual Plan and budget; and to our donors on programme-related risks as required.

The Leadership Team ensures a consistent focus on operational risk management. This includes:

- Developing an Annual Plan, with key deliverables and key performance indicators linked to an aligned budget approved by the Board.
- Reviewing monthly Management Reports, including dashboards to report progress on the Annual Plan, as well as management accounts providing analysis on programme and project expenditure and income with variance analysis. This ensures that we deliver our corporate and programme activities on time and within a balanced budget. These reports are reviewed by the ARC and approved by the Board.
- Scrutinising a monthly Critical Programme Dashboard and the results of a quarterly, comprehensive Programme Performance Review (PPR) process ensuring all programmes across the WFD portfolio are subject to detailed review, risk-assessed, and actively performance-managed.
- Enforcing a requirement for all programmes to develop a bespoke risk assessment and, following mobilisation, for programme risk registers to be reviewed on a quarterly basis as part of the PPR. All programme risk registers consider the same standard risk categories, namely context, delivery, safeguarding, operational, fiduciary, and reputational, with clear escalation routes to designated risk focal points for each standard risk category. The programme risks are constantly monitored, and effectiveness of mitigation actions are reviewed regularly using the 'three lines of defence' methodology. All programme risk registers are uploaded to the Evidence and Impact Hub to enable portfolio level and drill-down analysis and insights on WFD's risk profile at any time.
- Ensuring that all staff are trained in the identification and management of risk appropriate to their authority and duties and that the senior responsible officer for each office is responsible for compliance with all applicable laws, policies, and procedures and signs a certificate of assurance annually.
- Ensuring that internal boards are accountable for the oversight of relevant risk identification and mitigation activities and that senior responsible officers have clear guidance about their roles in risk management.
- Adopting and regularly updating tailored risk assessments, preparedness and contingency plans for key risk areas such as cyber security, business continuity, travel, and local safety and security plans.
- Commissioning a risk-based programme of internal audit work, to provide assurance and suggestions for improvement across a number of areas.

Internal audit

WFD has an internal audit function provided by an independent firm of auditors, which operates to standards defined in the Government Internal Audit Standards. This service was provided during the relevant period by Crowe LLP under a contract signed in March 2022.

The work of internal audit is informed by an analysis of the risks to which WFD is exposed. An internal audit plan is proposed on an annual basis. I am responsible for approval of the analysis of risk and internal audit plans. The Audit and Risk Assurance Committee reviews these plans and they are endorsed by WFD's Board of Governors. The rolling programme of internal audit provides me with regular reports on effectiveness of controls in WFD. Reports are also provided to WFD's Board of Governors and to the Internal Audit Department of the FCDO.

In each internal audit report, a level of assurance is normally provided for the overall system subject to review, and prioritisation of individual findings according to their relative significance, depending on their impact on the risk environment. Assurance provided in the reports is classified as: Full Assurance, Substantial Assurance, Partial Assurance, and No Assurance. Each report contains detailed findings categorised as having high, medium, or low priority.

During this period, internal audit efforts focused on WFD's delivery of Learning and Development within the organisation, compliance of country offices with WFD and donor policies, and a review of WFD's Finance function. All audits provided Substantial Assurance.

As part of the implementation of our operating model, WFD has been investing in additional capacity for higher risk areas of the organisation, such as finance and business development, and improving the clarity of roles and responsibilities of senior responsible owners/leads. During the period, work to clarify and provide updated guidance to staff on the programme management cycle was largely completed and was due to be rolled out in Q1 of 2024/25. This was part of WFD's Outstanding Organisation strategy comprising people, process, and technology improvements that commenced delivery in 2022-2023 and will continue to 2024-2025.

I am pleased to report that for the current year the internal auditors were able to provide an overall opinion of substantial assurance in respect of governance, risk management, and internal controls during the period 1 April 2023 to 31 March 2024.

Overall, Crowe LLP considered that there is a generally sound system of internal control, risk management and governance designed to meet the organisation's objectives, and controls are generally being applied consistently. However, some weaknesses in the design or inconsistent application of controls put the achievement of particular objectives at risk. In response to the various internal audit reports, management committed to implementing a range of actions to address the internal auditors' recommendations, some of which were implemented during the period and some will be addressed in the next period.

Public Body Review

As part of a government-wide programme, the FCDO commissioned Public Body Reviews of its Arm's-Length Bodies during 2023/24. The review of WFD was carried out between August and December 2023 and was published in March 2024. 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.”

The review’s 13 recommendations included:

- WFD should remain in its current form as an Executive Non-Departmental Body of the FCDO.
- The FCDO should commission an independent evaluation to give reassurance on the impact of WFD’s work, to be completed by no later than mid-2025.
- The sponsor team and WFD should 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 FCDO should 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.
- The Framework Agreement between the FCDO and WFD should be updated by no later than September 2024.
- 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.
- WFD should implement as soon as possible, and no later than 30 June 2024, the outstanding recommendations made by the Government Security Centre for Cyber and should identify the resources required for necessary enhancements.

The other recommendations covered completion of the results framework and public appointments procedures. The Review also included an efficiencies plan. WFD and the FCDO have agreed an implementation plan for the Review recommendations which is being taken forward starting in financial year 2024/25.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing and reporting the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and senior managers within WFD who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their annual management letter and other reports.

The Board of Governors drew assurance over the quality of the information provided to it during the year from the review of Board papers by the relevant member(s) of the Leadership Team and by the Chief Executive Officer prior to submission to the Board and from prior review of relevant papers by the ARC and, in some cases, by the People Committee.

I am satisfied that an effective system of internal control has been in place at WFD throughout the year ended 31 March 2024 and up to the date of approval of the Annual Report and Accounts and accords with Treasury guidance.



Anthony Smith

Chief Executive and Accounting Officer

24 July 2024

Directors' Remuneration Report

This report provides details of the remuneration, service contracts, and pensions for WFD's senior civil servant (SCS) grade staff and governors in 2023-2024.

WFD entered into a Service Agreement with Anthony Smith, Chief Executive, on 18 August 2014 and this remained in effect throughout the year to 31 March 2024.

In-year, SCS remuneration for the Chief Executive (SCS2), and the Director of Policy and Programmes (SCS1) was reviewed. It is reviewed annually and is determined by reference to the recommendations of the Senior Salaries Review Body. In line with WFD's annual performance appraisal process, performance objectives are set for the succeeding year and these are reviewed on an iterative basis through the year to assess performance. A performance-related bonus can be paid dependent on performance in line with Civil Service guidelines.

In the year to 31 March 2024, WFD's eligible SCS were awarded a 5.5% consolidated increase, with an optional additional 1% of the SCS pay bill for pay anomalies to be directed at progression increases for those lower in the pay ranges who are delivering in role and demonstrating expertise. This is in line with the approved SCS pay award across the wider UK government. The Director of Policy and Programmes received non-consolidated performance-related payments (PRPs) of £2,240 in 2023-2024, based on their performance in the prior year, 2022-2023. Directors' PRPs are consistent with all UK staff and are non-contractual. PRP values are set proportionately based on the distribution of performance ratings awarded that year.

Governor and SCS remuneration and pensions

The following table has been subject to audit. During the year, the single total figure of remuneration is as below:

	Salary £000		Bonus payment £000		Pension benefit (to nearest £000)		Total £000	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Anthony Smith (CEO)	100-105 (110-115)	90-95 (105-110)	-	-	-32	-66	65-70	25-30
Shannon O'Connell (Director of Policy and Programmes)	85-90	75-80	0-5	0-5	24	30	105-110	110- 115
Femi Otukoya (Finance Director-left January 2024)	55-60 (80-85)	60-65 (70-75)	0-5	0-5	11	12	60-65	75-85
Janet Bamisaye (Finance Director – Interim) Effective January 2024	15-20 (70-75)	-	-	-	2	-	20-25	-

Salary figures above are pro-rated to reflect the period that each individual was a member of the Board (or at SCS grade). Full year equivalents are shown in brackets, as applicable to the reduction of the CEO and Finance director's FTE to 0.9 in 2023-24. There were no benefits-in-kind paid to staff in the year (2022-2023: £Nil).

Governors did not receive any remuneration or benefits-in-kind in respect of their roles during the period 2023-2024.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation at the reporting period end date, and the median, lower and upper quartile of remuneration of the organisation's workforce.

The following table is subject to audit.

	2023-24	2022-23	Percentage change (%)
Mid-point of band of highest paid employee's total remuneration £000	112,500	107,500	5%
Median Salary (£)	46,990	44,668	5%
Median total pay and benefits (£)	48,651	45,871	6%
Ratio	2.31	2.34	-1%
Lower quartile - salary (£)	38,595	34,042	13%
Lower quartile - total pay and benefits (£)	38,595	36,167	7%
Ratio	2.91	2.97	-2%
Upper quartile – salary (£)	62,000	62,526	-1%
Upper quartile - total salary and benefits (£)	63,730	64,651	-1%
Ratio	1.77	1.66	6%

In 2023-2024 no employees (2022-2023: £Nil) received remuneration in excess of the highest paid director. Remuneration ranged from £26,500 to £102,500 (2022-2023: £23,948 to £92,500).

Total remuneration includes salary and non-consolidated performance-related pay but excludes severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Change in ratio relates to proportional increase in headcount.

Percentage change in total salary and bonuses for the highest paid director and staff average

(The following table is subject to audit)

2023-2024	Salary	Performance-related pay
Staff average	4%	20%
Highest paid director	5%	0%

Total PRP is always 4% of the UK pay bill as at 31st March of the relevant year.

In 2022-23 there was 15.8 FTE who were not eligible for PRP but are in the average fulltime equivalent calculations; in 2023-24, this was 8 FTE.

Compensation for loss of office

During the year, no compensation was paid to staff members for loss of office (2022-23: £81,521).

Pension benefits at 31 March 2024

The following table is subject to audit.

	Accrued pension at pension age as at 31 March 2024 and related lump sum (£000)	Real change in pension and related lump sum at pension age	CETV at 31 March 2024	CETV at 31 March 2023	Real change in CETV	Employer's contribution to partnership pension account at 31 March 2024 (£000)	Employer's contribution to partnership pension account at 31 March 2023 (£000)
Anthony Smith	50-55 plus a lump sum of 135-140	0 plus a lump sum of 0	1,115	1,095	*-32	-	-
Shannon O'Connell	10-15	0-2.5	202	153	24	-	-
Femi Otukoya	-	-	-	-	-	11	12
Janet Bamisaye						2	

* Taking account of inflation, the CETV funded by the employer has decreased in real terms.

CETV is the Cash Equivalent Transfer Value and is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. As the Principal Civil Service Pension Scheme (PCSPS) is a multi-employer fund, the CETV values will include accumulated accrued benefits from any previous employers that operate the PCSPS.

Real change in CETV reflects the increase/(decrease) in CETV that is funded by WFD. It does not include the increase in accrued pension due to inflation or the contributions paid by the employee and uses common market valuation factors for the start and end of the period.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Governors

Governors are appointed by the Secretary of State for Foreign, Commonwealth and Development Affairs for a term of three years. Appointments can be renewed for a maximum of two consecutive terms (six years). As noted above, governors are not remunerated and WFD does not pay allowances and benefits-in-kind to governors. Details of the dates of appointments of new governors and the dates that appointments end are shown in the Director’s Report on page 46-50.

Staff report

Staff numbers and composition

The breakdown of each gender (full-time equivalent (FTE)) as at 31 March 2024 was as follows:

	Female 2023-2024	Female 2022-2023	Male 2023- 2024	Male 2022-2023
Governors	6	5	3	4
Senior civil service staff	1	1	0.9	0.9
UK staff	33.9	31.9	21.1	23.5
Rest of world staff	83.7	70.6	37.2	41.7

See Note 4 for **staff costs**

Organisational structure

UK-based programme staff are organised into regional operational teams covering Africa, Europe and Central Asia, Middle East and North Africa (MENA), Asia Pacific and the Americas. These teams are each led by a regional director (or in the case of MENA, a Head of MENA) responsible

for strategy, policy, business development, and high-level engagement with strategic partners and stakeholders. In 2023-24, WFD has continued to enhance our regional-based programme support resources in communications, finance, business partnering, and business development.

A dedicated London-based team manage WFD's newly established (2023-24) Centre of Expertise (CoE). The CoE draws on WFD's accumulative knowledge and evidence to support the FCDO's Democratic Governance Centre of Expertise by providing substantive and insightful information analysis and advice.

Core capabilities within the CEO and Communications Office, Policy and Programme directorate, Operations and People Services directorate, Quality and Innovation directorate, and Finance directorate are provided by WFD's London office.

As at 31 March 2024, WFD employed 55 full-time equivalent staff in the UK (2023: 55.4), of whom 32.6 (2023: 32.3) were directly responsible for the design, management and delivery of programmes and for managing local and UK partnerships. The average UK FTE for 2023-2024 was 56.8, with 32.4 working in direct programme roles (2023: 55 and 32.3).

Overseas arrangements are continually assessed and determined by the scale and complexity of the programming. Most follow the model of a country director or representative leading a country-based team. Where programmes can be managed effectively from regional hubs or the UK, this alternative model is used.

In countries where WFD is represented, WFD engaged local staff either on WFD-agreed local contract of services terms or contract for services terms, as determined by the local circumstances, registration status and labour law requirements. As at 31 March 2024, there were 120.9 full-time equivalent appointments overseas (2022-2023: 112.3). The average country-based staff FTE for 2023-2024 was 117.3 (2023: 100.8).

WFD closed our programme in Armenia during the reporting period but maintained registered status in the country. No staff terminations were required as the process was managed in line with resignations and natural end of fixed term contracts, and therefore, no legal obligation for severance payments.

For additional information on staff numbers and costs, including the Remuneration and Staff Report, please see:

- the Finance Review on page 43
- Note 4 of the financial statements

Performance management and engagement

Each member of staff has their performance appraised annually against agreed objectives, behavioural competencies and WFD's organisational values (people-focused, excellence, integrity and accountability, and mission-oriented). An integral part of this review is the identification of learning and development needs. Staff are encouraged to pursue professional studies and learning opportunities, which will support their career development and benefit WFD by improving performance. They can also access internal knowledge sharing and learning initiatives through WFD's internal learning agenda.

Staff meetings held during 2023-2024 afforded the opportunity for consultation. This was by providing information to employees on operational delivery and organisational improvement projects and encouraging views to be expressed. Meetings between Management and WFD's union representatives (PCS) provided opportunities to receive feedback from UK staff on a range of organisational matters, as did the Network Forum which provided a channel to engage with country-based staff on matters relevant and important to them. The Internal Communications Working Group served to drive WFD's internal communications agenda ensuring strong engagement with staff on WFD programme achievements and organisational progress.

Expertise

WFD's Heads of Practice and Practice Leads group forms an in-house centre of expertise on accountability, inclusion, electoral integrity, gender, political parties, environmental democracy, and fragile and conflict-affected contexts. The Heads of Practice and Practice Leads enhance programme design, directly delivering aspects of WFD programmes and contributing to WFD's growing reputation for policy and research work.

The more than 180 products launched by WFD in FY 2023-2024 included an evaluation of five years of WFD's post-legislative scrutiny work; a new framework for approaching climate adaptation through a lens of environmental democracy; a briefing on democratic approaches to AI safety ahead of the AI Summit; and new studies on the cost of politics in Sri Lanka and Thailand.

In 2023-2024, the FCDO launched the UK Democratic Governance Centre of Expertise (CoE) with WFD as the primary delivery partner. Recognising the importance of democratic resilience in the face of global challenges, the CoE supports the FCDO network to deliver against the upcoming Open Societies, Democracy and Human Rights Strategy. It serves as an authoritative source of expertise and insight, drawing on WFD's accumulated knowledge and evidence and on input from networks of partners and collaborators. The CoE provides information resources, technical support, and policy-relevant analysis to help FCDO posts understand the local democracy context and advance UK's strategic priorities in ways that strengthen freedom and democratic resilience.

Access to UK political parties' expertise and trainers, and the ability to draw on specialist expertise in the UK's parliaments, provide WFD with an extensive network of skills, knowledge, and relationships. As part of our role in delivering the Centre of Expertise, we continue to invest in our network of experts, diversifying the pool of available experts in key thematic areas and strengthening our ability to respond quickly and effectively to demand for democratic governance expertise.

Learning and development

WFD's learning agenda for 2023-2024 had a strong focus on strengthening staff understanding and compliance with some core policy areas such as fraud and corruption, safeguarding and cyber security and learning around key operational systems, which remained an important area of staff development. We have continued our investment in management skills through our management development programme, as well as enhancing our offer of technical learning for programme teams focusing on key WFD thematic areas. WFD introduced an internal mentoring scheme in 2023-24 which aims to match colleagues seeking mentorship with more experienced colleagues in the organisation.

Staff wellbeing also continues to be a key feature of WFD's learning offer with mental health awareness training for line managers, workload prioritisation workshops for all staff and upskilling a selected group of volunteer wellbeing focal points to support staff across the network.

WFD's annual reading week is an opportunity for the organisation to pause and reflect collectively on what is working well and where change and alternative approaches in our work are needed. In this reporting year, the focus of reading week was on innovation with daily sessions structured around WFD's programming methodology – what our programmes look like when they are at their best.

Staff policies

Organisational values and behavioural policies

WFD has an established set of core organisational values to guide the way in which we work and support internal decision-making. They also make clear what our donors and partners can expect when working with WFD. These values are people-focused, excellence, integrity and accountability, and mission oriented. Our values have been embedded in several key HR and organisational policies and procedures, including recruitment and selection and performance management. These are being promoted through WFD's values charter and staff learning and engagement activities.

WFD's Code of Conduct and safeguarding policies set out the expected standards of behaviour for all WFD staff, contractors, and partners. WFD's Reporting Concerns Policy and complaints process (which includes our Whistleblowing Policy) and response procedures are expected to be used by staff if they witness or experience any unethical or inappropriate behaviour by colleagues or external stakeholders.

Based on feedback from staff and an internal audit exercise, Management is confident that there are good levels of awareness of these policies and procedures, including whistleblowing protection, and that the reporting channels are accessible and effective. WFD remains committed to ensuring that third parties with whom WFD works and programme beneficiaries are fully aware of these policies. WFD has also engaged with several downstream partners during the reporting period to ensure comprehensive and consistent conduct and safeguarding are followed whilst delivering work on WFD programmes.

Equity, Diversity, and Inclusion (ED&I)

As a UK-based employer, WFD observes all aspects of the Equality Act 2010 and is committed to being an equal opportunities employer. Our aim is there will be no discrimination of any kind against any person on the grounds of age, disability, ethnicity, gender, sex, marital status, nationality, race, religion, belief, or lack of religion or belief, sexual orientation, being or becoming a transsexual person, or any other personal characteristics. We will make reasonable adjustments for people with disabilities and should a member of staff become disabled while working with us, we will do everything possible to ensure they can continue working with us.

As a global organisation, WFD also recognises we are strengthened by the diversity of our colleagues in all locations and from all communities, at all levels of the business. WFD therefore aims to go beyond meeting our legal obligation and to establish truly inclusive workplaces where all

staff have a strong sense of belonging and have equal opportunities to thrive. To support this vision, WFD has the following strategic equity, diversity, and inclusion objective as part of our Outstanding Organisation sub-strategy this year: (1) increase transparency of ED&I data and performance, (2) ensure colleagues are supported to create spaces for discussion, collaboration, learning, and socialising, and (3) foster safe spaces and psychological safety within working environments.

Equity around remuneration remains a priority for WFD. To ensure this, rates of pay by gender are monitored at regular intervals in the UK and internal ethnicity pay gap reporting has also been introduced in 2023-24. This reporting is undertaken even though WFD is not required to report on gender or ethnicity pay gaps under statutory requirements because of our size.

As of 31 March 2024, the figures showed that women slightly out-earned men in our lower management and leadership level grades (two out of four grades at these competency levels), and there is complete pay parity at both of our support grades. At an overall level, the gender pay gap on 31 March 2024 was calculated with men out-earning women. This is inclusive of all WFD staff at delegated grades and SCS positions.

WFD's ethnicity reporting is voluntary and therefore the data is not fully representative but does include all UK staff at delegated grades and SCS positions. From those staff that have opted to participate, the data at 31 March 2024 (for UK staff) shows that the differentials in pay remain marginally negative for staff identifying as 'ethnic minority background/group' working in management positions and lower leadership level roles. As with the gender data, there is pay parity for all staff working in support level roles with colleagues working at their respective grade.

Recruitment and selection

WFD also complies with the principles set out in the Civil Service Commissioners' Recruitment Code. We manage our recruitment and selection processes based on openness, fairness, and appointment on merit. This ensures there is no unlawful direct or indirect discrimination and enables the development of good employment practices. WFD's application process for externally advertised vacancies is designed to ensure that we attract applications from diverse communities and that candidates with disabilities are given full and fair consideration.

General

WFD's management and staff policies are maintained, reviewed, and updated on a regular basis and made available to all staff. They are also subject to internal audit to ensure compliance with legislation and best practice.

WFD has a grievance procedure to be used by staff if they believe they may have been subject to unfair treatment, including perceived cases of discrimination.

As noted in the Performance Report, WFD has continued implementation of our Outstanding Organisation sub-strategy, to support delivery of strategic Goal 3: Reinforce our outstanding organisation (see page 17). This sub-strategy incorporates the four people themes of (1) our community, (2) talent and growth, (3) safe and healthy work environments, and (4) people-focused management and leadership, and sets the vision and agenda through to 2025, focusing on building a strong values-based and inclusive One WFD culture, prioritising staff wellbeing, system

improvement, and greater investment in equitable growth and development opportunities for all staff.

Sickness absence

WFD recorded 428.5 days (2022-2023: 258.5) of staff sickness absence across UK and overseas offices in 2023-2024. This equated to 2.4 days (2022-2023: 1.7) of average recorded sickness absence per FTE.

Staff turnover

WFD's annual staff turnover for the reporting period across all UK and overseas offices was 11.8% (2022: 9.2%).

Off-payroll workers and consultancy

WFD did not hire any other off-payroll consultants during this reporting period.

Expenditure on temporary staff

During the year, WFD employed an average of 1.23 UK temporary full-time equivalent staff. The total cost was £141,273 (2023: 1.7 UK, £178,899).

Others - staff

Increase in untaken employee holiday entitlement: £15,927.

Time spent on trade union activities: 2.7 weeks (across three staff representatives).

Direct expenditure on WFD projects includes overseas locally engaged staff: £2.7 million (2023: £2.3 million) and is included in Note 3.

The governors did not receive any remuneration for their services. Travel costs of £ Nil (2022: £ Nil) were reimbursed in the year.

Trade Union Facility Time Publication

Relevant union official

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
3	3

Percentage of working hour spent on facilitation time

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
3	1-50%

Percentage of pay bill spent on facility time

Total cost of facility time	£2,373.78
Total pay bill	£2,866, 366
Percentage of the total pay bill spent on facility	0.1%

Percentage of pay bill spent on facility time

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours</i>	2%
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Staff numbers (audited)

The average number of full-time equivalent employees (excluding governors and vacancies) during the year was:

	2024	2023
Permanent – UK	56.8	55.0
Temporary – UK	1.2	1.7
Rest of world	117.3	100.8
Total	175.3	157.5

Please see note 4 for further details on costs.

Pension commitments

As a publicly funded body listed in Schedule 1 to the Superannuation Act 1972, WFD is included in Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes. As multi-employer schemes, it is not possible for WFD to obtain sufficient information to identify its share of the underlying assets and liabilities. Therefore, they are accounted for as defined contribution schemes. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

For 2023-2024, employers' contributions of £692,972 were payable to the PCSPS and CSOPS and the partnership scheme (2023: 601,712) at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The Scheme Actuary usually reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-2024 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. The report on the actuary valuation as at 31 March 2020 was released during 2022-2023. As a result, employer contributions increased from 1 April 2024. The full valuation report can be found in the “scheme valuations” section of the Civil Service Pensions website.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. For 2023-2024, employers' contributions of £61,773 were payable (2023: £72,930). Employer contributions are age-related and range from 8.0% to 14.75% of pensionable pay. WFD also matches employee contributions up to 3% of pensionable pay.

Parliamentary accountability and audit report

Parliamentary accountability disclosures

Losses and special payments (audited)

There were net realised foreign exchange losses totalling £129,512 in the year 2023-2024 (£136,009 in 2022-2023). No special payments were made during the reporting period.

Fraud

Information on fraud, loss and error is submitted, via the FCDO, to the Cabinet Office on a quarterly basis through the Consolidated Data Return. This information is then published in the cross-government fraud landscape annual report. During the reporting period WFD experienced no material losses due to fraud.

Gifts and hospitality (audited)

During the reporting period, no WFD Board member reported any gifts or hospitality valued at over £25. Four employees reported gifts or hospitality valued over £25 during this period.

Indemnities or guarantees (audited)

WFD did not enter into any agreements to provide an indemnity or guarantee during the reporting period.

Remote contingent liabilities (audited)

WFD does not have any material remote contingent liabilities.

Government Functional Standard

WFD policies and practices are aligned with the Government's Functional Standards, notably around commercial, fraud, and grants.



Anthony Smith
Chief Executive and Accounting Officer
Date 24 July 2024

The Certificate and Report of the Comptroller and Auditor General to Members of the Westminster Foundation for Democracy Limited and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of The Westminster Foundation for Democracy Limited for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise The Westminster Foundation for Democracy Limited's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

give a true and fair view of the state of The Westminster Foundation for Democracy Limited's affairs as at 31 March 2024 and its net expenditure for the year then ended; and

have been properly prepared in accordance with UK adopted international accounting standards; and

have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of The Westminster Foundation for Democracy Limited in

accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Westminster Foundation for Democracy Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Westminster Foundation for Democracy Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises the information included in the Annual Report but does not include the financial statements and my auditor's certificate thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of The Westminster Foundation for Democracy Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Directors and Accounting Officer for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer's responsibilities, the Directors' and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within The Westminster Foundation for Democracy Limited from whom the auditor determines it necessary to obtain audit evidence;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- ensuring such internal controls are in place as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing the Annual Report, which includes the Directors' Remuneration Report, in accordance with the Companies Act 2006; and
- assessing The Westminster Foundation for Democracy Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the applicable law and Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of The Westminster Foundation for Democracy Limited's accounting policies and key performance indicators.
- inquired of management, The Westminster Foundation for Democracy Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to The Westminster Foundation for Democracy Limited's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Westminster Foundation for Democracy Limited's controls relating to The Westminster Foundation for Democracy Limited's compliance with the Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money;
- inquired of management, The Westminster Foundation for Democracy Limited's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Westminster Foundation for Democracy Limited for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of The Westminster Foundation for Democracy Limited's framework of authority and other legal and regulatory frameworks in which The Westminster Foundation for Democracy Limited operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Westminster Foundation for Democracy Limited. The key laws and regulations I considered in this context included Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money, the Framework Document with the Foreign, Commonwealth & Development Office and employment law.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in addressing the risk of fraud through revenue recognition, I tested a sample of revenue from contracts with customers (which included contract assets and liabilities) to supporting documentation; I tested the bases and assumptions made in the calculation of contract assets and liabilities; and I reviewed the accounting treatment and disclosure for revenue; and
- I reviewed new transaction streams to confirm they were regular.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

25 July 2024

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial statements for the Westminster Foundation for Democracy Limited (WFD) 2023-2024

Statement of Comprehensive Net Expenditure (SoCNE) for the year end 31 March 2024

	Notes	31 March 2024 Total £	31 March 2023 Total £
INCOME			
Revenue from contracts with customers	2	8,845,445	6,846,213
TOTAL INCOME		8,845,445	6,846,213
DIRECT EXPENDITURE			
Direct expenditure on WFD projects	3	(10,581,679)	(8,880,816)
		(1,736,234)	(2,034,603)
OTHER EXPENDITURE			
Staff costs	4	(4,301,358)	(3,861,469)
Depreciation	5	(5,771)	(4,668)
Amortisation of right-of-use-assets	5	(217,986)	(217,986)
Property costs	6	(8,101)	(9,029)
Office consumables		(24,936)	(39,612)
IT and systems	7	(343,093)	(329,710)
Other employee costs	8	(77,891)	(83,394)
Professional fees		(53,572)	(84,317)
Audit fees	5	(39,000)	(39,000)
TOTAL OTHER EXPENDITURE		(5,071,708)	(4,669,185)
NET OPERATING EXPENDITURE		(6,807,942)	(6,703,788)
Finance interest		30,505	6
Finance expense	5	(42,373)	(37,424)
NET EXPENDITURE FOR THE YEAR		(6,819,810)	(6,741,206)
Total other comprehensive net expenditure		-	-
COMPREHENSIVE NET EXPENDITURE FOR THE YEAR		(6,819,810)	(6,741,206)

Income does not include grant-in-aid received in the year of £6.5 million (2022-2023: £6.75 million) as it is accounted through reserves.

Notes to the accounts are included on pages 84-95.

Statement of Financial Position (SoFP) for the Westminster Foundation for Democracy Limited as at 31 March

		31 March 2024	31 March 2023
	Notes	Total £	Total £
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	6,874	12,645
Right-of-use assets	10	326,980	544,966
TOTAL NON-CURRENT ASSETS		333,854	557,611
CURRENT ASSETS			
Trade receivables and other current assets	11	976,768	2,677,650
Cash at bank and in-hand		2,168,151	300,935
TOTAL CURRENT ASSETS		3,144,919	2,978,585
CURRENT LIABILITIES			
Trade payables and other current liabilities	12	(2,635,044)	(2,142,638)
Provisions	13	-	(7,299)
Lease Liability	10	(228,047)	(222,719)
NET CURRENT LIABILITIES		(2,863,091)	(2,372,656)
TOTAL ASSETS LESS CURRENT LIABILITIES		615,682	1,163,540
Lease Liability more than 1 year	10	(116,200)	(344,248)
TOTAL ASSETS LESS TOTAL LIABILITIES		499,482	819,292
TAXPAYERS' EQUITY			
General fund	15	499,482	819,292
Total		499,482	819,292

(Companies House number 02693163)

Notes to the accounts are included on pages 84-95.

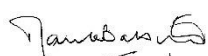
These accounts are exempt from the requirements of Part 16 of the Companies Act 2006 by virtue of section 482 (non-profit-making companies subject to public sector audit) of that Act.

The accounts were approved and authorised for issue by the Board on 24 July 2024.

Mark Babington

Director,

Chair Audit and Risk Assurance Committee




Anthony Smith

Chief Executive and Accounting Officer

Statement of Cash Flows for the Westminster Foundation for Democracy Limited for the year ended 31 March 2024

	Notes	31 March 2024 Total £	31 March 2023 Total £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net operating expenditure for the year		(6,807,942)	(6,703,789)
Adjustment for depreciation computer equipment	9	5,771	4,668
Adjustment for depreciation charge for right of use asset		217,986	217,986
Adjustments for non-cash transactions		3,239	5,335
Adjustments for unrealised foreign exchange losses		171,976	21,756
Decrease/(Increase) in trade receivables and other current assets	11	1,700,882	(496,541)
Increase/(decrease) in trade payables and other current liabilities	12	492,406	(414,330)
(Decrease)/ Increase in provisions	13	(7,299)	(59,457)
Net cash outflow from operating activities		(4,222,981)	(7,424,372)
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of non-financial assets	9	-	(7,942)
Net cash inflow/(outflow) from investing activities		-	(7,942)
CASH FLOW FROM FINANCING ACTIVITIES			
Grant-in-aid from FCDO		6,500,000	6,753,848
Capital element of payments of lease liability		(225,959)	(201,320)
Interest received		30,505	6
Interest expense on lease liabilities and other finance cost		(42,373)	(37,424)
Net cash inflow from financing activities		6,262,173	6,515,110
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE PERIOD		2,039,192	(917,204)
Cash and cash equivalents at the beginning of the period		300,935	1,239,895
Unrealised foreign exchange losses		(171,976)	(21,756)
Cash and cash equivalents at the end of the period		2,168,151	300,935

Notes to the accounts are included on pages 84-95.

Statement of Changes in Taxpayers' Equity (SoCTE) for the Westminster Foundation for Democracy Limited for the year ended 31 March

General Fund	Total £
Balances at 31 March 2022	806,650
Comprehensive net expenditure during the year	(6,741,206)
Grant-in-aid from FCDO	6,753,848
Balances as at 31st March 2023	819,292
Comprehensive net expenditure during the year	(6,819,810)
Grant-in-aid from FCDO	6,500,000
Balances as at 31st March 2024	499,482

Notes to the accounts are included on pages 84-95.

Notes to the financial statements

1. Accounting policies

1.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as applied in accordance with the provisions of the Companies Act 2006. The financial statements are prepared under the historical cost convention, and in accordance with those parts of the Government Financial Reporting Manual (FReM) that do not conflict with the Companies Act 2006. The format of the Statement of Comprehensive Net Expenditure (SoCNE) has been adapted from that prescribed by the Companies Act to better reflect the nature of WFD's activities.

The Westminster Foundation for Democracy Limited (WFD) is responsible for preparing an annual report and financial statements in accordance with the Companies Act 2006 and the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards.

The Westminster Foundation for Democracy Limited is required to apply relevant requirements of HM Treasury's Financial Reporting Manual (FReM) when preparing the financial statements, to the extent this is consistent with the Companies Act 2006. This application of the FReM extends to the financial statements only, except for the inclusion of specific FReM-derived disclosures within the Annual Report, including but not limited to compensation for loss of office, staff numbers, fair pay disclosures and trade union facility time.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In application of WFD's accounting policies, governors are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

There is an ongoing review of estimates and underlying assumptions. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or recognised both in the period of the revision and in future periods if the revision affects the current and future periods.

The following areas involving judgment, estimations, and assumptions are considered to have the most significant effect on the amounts recognised in the accounts:

- accrued income/contract assets – this requires a judgement to determine the likelihood that income will be received; and
- deferred income/contract liabilities – this requires a judgement to defer the recognition of income already received for the future period(s).

These areas are considered further in note 1.4 below. WFD does not consider the value or useful economic life of tangible fixed assets to be a significant issue for judgements, estimation, or assumption for WFD due to the low volume and value of such assets.

In the view of the governors, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the SoFP date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1.3 Going concern

The Board has reviewed WFD's financial position based on known information and has concluded that WFD has sufficient access to resources to remain sustainable and that it is appropriate for the Foundation to adopt the going concern basis of accounting.

In March 2022, the FCDO confirmed a core grant to WFD of £6.5 million per annum for the following three years – 2022-2023, 2023-2024 and 2024-2025, plus an additional £2m of GIA for 2024-25 announced in a letter from FCDO received on February 2024. WFD's draft budget for the next two financial years has incorporated the funding advised Programmes have been recalibrated and redesigned to take account of the changing environment that WFD operates in. WFD also ended the year 2023-2024 with a reserve position of £499k.

The Board and the Audit and Risk Committee have satisfied themselves that the funding available to the Foundation is sufficient to meet the cost of operations for at least a period of twelve months from the date of signing of this annual report, and that they do not believe that there are events or conditions that need to be reflected in this disclosure.

1.4 Income

WFD meets its obligations mainly through funding received from the Foreign and Commonwealth Office (FCDO) and the European Union (EU).

In accordance with the FReM, FCDO grant-in-aid received in the year is accounted for through the reserves in the year to which it relates.

Other income is recognised when:

- WFD has entitlement to the funds;
- any conditions attached to the item(s) of income have been met;
- it is probable that the income will be received; and
- the amount can be measured reliably.

WFD's portfolio includes various grants provided by institutional donors, such as the FCDO, for democracy assistance activities, some of which are paid in advance, with others paid in arrears. Grants received in advance of expenditure are recognised as income or carried forward at year-end as a contract liability (in accordance with IFRS 15) and released to the net expenditure account in the period in which costs are incurred, and performance obligations are satisfied. Grants awarded, but received after costs are incurred, are recognised as income or as a contract asset (in accordance with IFRS 15) in the period in which the costs are incurred.

WFD is also party to several contracts for services, including with the FCDO, under which funders pay against invoices, in connection with the delivery of agreed democracy assistance services by WFD. Work undertaken has no alternative use for WFD and the contracts require payment to be received for the time and effort spent on progressing the contracts. In the event of the customer

cancelling the contract prior to completion for any reason other than WFD's failure to perform its obligations under the contract, payment covering work to date would be receivable.

On partially complete contracts, WFD recognises revenue based on stage of completion of the project which is estimated by comparing the number of hours spent on the project with the total number of hours expected to complete the project (an input-based method). This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours to complete the projects and the price therefore also represents the amount to which WFD would be entitled based on its performance to date.

Within the Statement of Financial Position, a contract asset and contract liability have been recognised:

- Contract asset – the difference between the amount invoiced to the customer and the latest milestone achieved. An accompanying receivable will be recognised if the customer has yet to pay the invoice. This balance will also include recognition of a receivable for costs which have been incurred to support milestones that have not yet been fully achieved. Any impairment relating to this balance will be measured, presented, and disclosed in relation to IFRS 9.
- Contract liability – the difference between the invoiced income and the latest achieved contracted milestone. An accompanying receivable will be recognised if the customer has yet to pay the invoice.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Grants payable

WFD has no liability for claims on grants where the relevant performance obligation(s) has not been discharged by the grantee prior to the end of the financial year.

1.7 Pension costs

Pension contributions, incurred by WFD in respect of employees, to a defined contribution scheme are charged to the SoCNE when they become payable. Differences between contributions payable in the year and contributions paid are shown in 'Trade payables and other current liabilities' in the SoFP.

Pension contributions paid by WFD in respect of employees to a defined benefit, multi-employer scheme are charged to the SoCNE when they become payable. This is in line with IAS 19 requirements for multi-employer schemes where the assets are co-mingled for investment purposes and the benefits are paid out of the scheme's total assets.

Please see note 4 for further details.

1.8 Foreign exchange transactions

Foreign currency transactions are translated at the rate of exchange ruling at the date of the transaction. Foreign currency balances are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the SoCNE.

1.9 Taxation

WFD is not liable to Corporation Tax on grants received as WFD is not a trading entity but is liable to tax on investment income. WFD has no investment income.

WFD is VAT exempt.

1.10 General fund

Core funds represent the unspent balances of income received, for use by WFD in the future at its discretion. Designated funds relate to grants received for specific purposes which may be spent only on those purposes. Grant-in-aid is received from FCDO and recognised directly in the General Fund.

1.11 Non-current assets and depreciation

Non-current assets costing more than £2,000 are capitalised and included at cost, including any incidental expenses of acquisition, on the Statement of Financial Position (SoFP). All such tangible assets are owned in full.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives on a straight-line basis as follows:

Computer equipment	3 years
Right-of-use assets	Over the life of the lease

1.12 Reserves policy

WFD has recently agreed with its sponsor department, the FCDO, that it is appropriate to retain limited reserves to ensure the stability and sustainability of the organisation. This includes an assessment of current and future working capital requirements to support the delivery of programme activity where funding and delivery may be in different financial years. WFD has adopted a Reserves Policy based on the following principles in compliance with HM Treasury rules: risk-based, justified, and appropriate, current, and good governance and is subject to regular consultation and review.

1.13 Financial instruments

IFRS 9 includes requirements for classification recognition and measurement, impairment, derecognition and general hedge accounting. WFD's financial instruments are trade receivables and payables. Receivables are shown net of expected credit loss. WFD holds receivables with customers with low credit risk (central government departments, overseas governments and organisations and other well-respected organisations), and other receivables are simple trade receivables held for collecting cash in the normal course of business.

WFD has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost).

Financial assets held at amortised cost comprise cash at bank and in hand and trade and other receivables, excluding prepayments and accrued income and contract assets.

Financial liabilities held at amortised cost comprise trade and other payables, excluding accrued expenditure and deferred income and contract liabilities.

No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

1.14 Assumption - Right of use asset

WFD has applied IFRS 16 in the creation of a right-of-use asset and a corresponding lease liability in the Statement of Financial Position.

Estimates and Key Judgements

In determining the lease term, WFD has recognised the lease liability, given that the break clause in the agreement has been exercised. WFD are applying the practical expedient not to separate lease and non-lease elements. WFD has also applied a discount rate of 0.95% in arriving at a Net present value of the lease liability. WFD consider that the cost model is a valid proxy for fair value in its measurement of the right-of-use asset.

1.15 Provisions

Provisions for future liabilities are recognized when WFD has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

2. Revenue

In 2023-2024, WFD received total income (excluding its core grant) of £8.8 million. The breakdown is shown on the table below:

	2024	2023
	£	£
European Union	295,370	145,808
Inclusive and Accountable Grant (IAP)	-	-
FCDO Myanmar	-	-
Other FCDO	2,098,878	1,801,910
Commonwealth (CEP and CP4D)	-	-
Conflict, Stability and Security Fund (CSSF)	4,908,281	2,764,246
UK PACT	1,342	325,265
Global Equality Project	517,446	840,319
Third Party	1,024,128	968,665
Total	8,845,445	6,846,213

The overall increase in total income for 2024 by £2.0 million is mainly from the Conflict, Stability and Security Fund (CSSF) and Other FCDO funds.

In the year 2024, WFD recognised £34,349 as income deferred and released from prior year.

3. Direct expenditure on WFD projects

In the opinion of the Board, owing to the scale of activity there is a single segment of business activity which is strengthening pluralist democratic institutions, particularly political parties. Financial reporting to the Management Board does not identify operating segments within the business.

	2024	2023
	£	£
Programmes directly implemented by WFD	9,285,227	7,556,158
Conservative Party	429,553	432,973
Labour Party	391,233	432,289
Scottish National Party	160,915	153,706
Multi parties	276,817	286,962
Travel & subsistence	37,934	18,728
Total	10,581,679	8,880,816

*In addition to their statutory audit work, the NAO was paid fees of £7,300 related to services delivered to the State Audit Office of North Macedonia, part of WFD's Western Balkans Programme.

4. Staff costs

	2024	2023
	£	£
Wages and salaries	3,095,065	2,701,896
Temporary staff	141,273	178,899
Social security costs	335,160	306,032
Pension costs	729,860	674,642
Total	4,301,358	3,861,469

*Direct expenditure on WFD projects includes overseas locally engaged staff £2.76 million (2023: £2.3 million) and is included in Note 3. Increase in staff costs in 2023-2024 include pay awards which offered salary increases across the global network of between 3%-10%.

The governors did not receive any remuneration for their services. Travel costs of £ Nil (2023: £ Nil) were reimbursed in the year.

Further details are included on the remuneration report beginning on page 61.

Staff numbers - Headcount

The average number of employees (excluding governors and vacancies) during the year was: UK 56.8, Temporary UK 3, Rest of the world 117.3 (in FY 22-23, the figures were: UK 57.7, Temporary UK 4.5, Rest of the world 104.8). Increased headcount for 'FY 23-24 Rest of the World' related to expansion in-country office related to additional third-party funds.

Details as reported on page 65 under the Staff report.

Pension commitments

As a publicly funded body listed in Schedule 1 to the Superannuation Act 1972, WFD is included in Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes. For further details about pension arrangements please refer to the pension commitments section above on page 72.

5. Other operating charges

	2024	2023
	£	£
Auditor's remuneration	39,000	39,000
Finance costs	42,373	37,424
Depreciation	5,771	4,668
Depreciation of right of use asset	217,986	217,986
Total	305,130	299,078

6. Property costs

	2024	2023
	£	£
Rent	8,101	9,029
	8,101	9,029

7. IT and systems

	2024	2023
	£	£
Other IT costs	30,484	32,012
IT support contracts	85,687	80,384
IT licenses	198,663	156,989
IT hardware (non-capital)	14,089	42,236
IT disaster recovery	14,170	18,089
	343,093	329,710

8. Other employee costs

	2024	2023
	£	£
Recruitment	8,350	6,285
Others	69,541	77,109
	77,891	83,394

9. Property, plant, and equipment

	Computer Equipment 2024 £	Computer Equipment 2023 £
COST		
At 1 April 2023	17,313	9,371
Additions	-	7,942
Disposals	-	-
as at 31 March 2024	17,313	17,313
DEPRECIATION		
At 1 April 2023	4,668	-
Charge in year	5,771	4,668
Disposals	-	-
as at 31 March 2024	10,439	4,668
NET BOOK VALUE		
At 31 March 2024	6,874	12,645
At 31 March 2023	12,645	9,371

10. Right-of-use of assets

10. Right-of-use assets

	£
At 1 April 2023	544,966
Depreciation Charge for the year	(217,986)
Net book value at 31 March 2024	326,980

10. Leases

	£
On application of IFRS 16 on 1 April 2023	-
Right of use - Addition	566,967
Interest accrued	3,239
Payments	(225,959)
Less Long term lease liability	(116,200)
Lease Liability in the period ending 31 March 2024	228,047

Long term Lease Liability in the period ending 31 March 2024	116,200
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The following amounts relating to leases are recognised in the statement of comprehensive next expenditure in the year to 31 March 2024

Increase in depreciation expense due to increase in right of use asset	217,986
Increase in finance expenses relating to interest expense on lease liabilities	3,239

On 1 April 2022, WFD signed a five-year license agreement with the Government Property Agency (GPA) to occupy Clive House, 70 Petty France, London. This has a mutual break clause exercisable in September 2025 and September 2026. GPA has exercised the break clause effective September 2025 and will be working closely with WFD to identify alternative office space within the Central London civil estate. The lease has been accounted for in the 2023-2024 financial statements.

11. Trade receivables and other current assets

	2024	2023
	£	£
Trade receivables and other current assets	508,512	1,754,433
Deposits and advances	89,944	156,379
Prepayments	162,199	151,269
Contract assets	216,113	615,569
Total	976,768	2,677,650

Trade receivables are lower compared to last year due to improved process on receivables during the reporting period. Accrued income related to European Union funding was £38,745

12. Trade payables and other current liabilities

	2024	2023
	£	£
Trade payables	792,920	1,171,611
Pension contributions payable	73,054	86,798
Accruals	807,584	849,880
Contract liabilities	961,486	34,349
Total	2,635,044	2,142,638

Changes to contract liabilities in 2024 relate higher third-party income secured and funds received in advance towards the end of the financial year.

13. Provisions

	2024	2023
	£	£
Other provisions	-	7,299
Total	-	7,299

There are no disclosures relating to other provisions in the current reporting period, £7,299 in 2023 represents a foreign exchange impact on EU Jordan programme.

14a. Financial exposure

As the cash requirements of WFD are substantially met through grant-in-aid provided by the Foreign, Commonwealth and Development Office, financial instruments play a more limited role in creating and managing risk than would apply to a non-departmental public body. WFD, therefore, has low exposure to credit, liquidity, or market risk. WFD operates in many foreign countries; as a result, it is necessary to use foreign currency to run operations abroad. Foreign exchange risk is kept to a minimum by holding the least required cash in foreign bank accounts.

14b. Legal status

WFD is a company limited by guarantee, not having share capital. The liability of the two members, being the Secretary of State for Foreign, Commonwealth and Development Affairs and the Treasury Solicitor, is limited to £1 each.

15. General fund

The balance of Designated Funds at 31 March 2024 represents a donation designated for a specific purpose. As in previous years, the bank balance is held in a commercial bank.

	Core £	Designated £	Total £
COST			
At 1 April 2022			
Property, Plant and Equipment	12,645	-	12,645
Right of use assets	544,966	-	544,966
Trade and other receivables	2,677,650	-	2,677,650
Cash and cash equivalents	290,376	10,559	300,935
Trade and other payables	(2,372,656)	-	(2,372,656)
Lease Liability more than 1 Year	(344,248)		(344,248)
as at 31 March 2023	808,733	10,559	819,292
At 1 April 2023			
Property, Plant and Equipment	6,874	-	6,874
Right of use assets	326,980	-	326,980
Trade and other receivables	976,768	-	976,768
Cash and cash equivalents	2,157,592	10,559	2,168,151
Trade and other payables	(2,863,092)	-	(2,863,092)
Lease Liability more than 1 Year	(116,200)		(116,200)
as at 31 March 2024	488,922	10,559	499,482

16. Related party transactions

WFD is a non-departmental public body sponsored by the Foreign, Commonwealth and Development Office (FCDO). The FCDO is regarded as a related party. Core funding of £6.5 million was received from the FCDO as grant-in-aid

In addition, our revenue consists of ; funding provided by FCDO £2.1 million , Conflict, Stability and Security Fund (CSSF) £4.9m , Global Equality Project (GEP) Programme £0.5 million and other programme-specific funding of £1.3 million.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

No board member, key manager or other related parties has undertaken any material transactions with WFD during the year.

The Government Property Agency (GPA) is regarded as a related party. During the year 2023-24, WFD maintained its lease for the offices at 10 Clive House with GPA.

17. Events after the reporting period

There are no events relating to the period to be disclosed.

The accounting officer authorised these financial statements for issue on the same date as the Comptroller and Auditor General's Audit Certificate. The accounts do not reflect events after this date.

Westminster Foundation for Democracy (WFD) is the UK public body dedicated to supporting democracy around the world. Operating internationally, WFD works with parliaments, political parties, and civil society groups as well as on elections to help make political systems fairer, and more inclusive and accountable.

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