

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Wilton Park's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*. I am personally responsible for the overall performance of Wilton Park against Ministerial and other operating targets and reporting on progress to the Departmental Board.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and

not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wilton Park's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wilton Park for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury Guidance.

Capacity to handle risk

Wilton Park is a small entity and, as such, a small number of individuals have direct responsibility for the management of risks. The majority of risks are either managed or controlled directly by the Wilton Park Management

Board, by Programme Directors, or through a number of groups that focus on particular areas such as Business Planning, ICT Strategy, Marketing, Conference Planning and Pricing.

The risk and control framework

The Management Board normally meets monthly to discuss the effective running of Wilton Park and much of the focus revolves around the Wilton Park conference programme, commercial activities and associated financial performance and forecasts. Particular attention is paid to managing risks faced in income generation and control of costs. There is regular feedback on the general economic environment and discussion and decision on how the Agency can best target its efforts towards the most promising opportunities for raising sufficient income to meet the costs of its operations.



The Wilton Park Risk Register is formulated from the major issues identified through Management Board discussions from stakeholder, customer and staff feedback and from review by the Audit Committee. The identified risks are weighted in line with the collective experiences of the most senior Wilton Park staff based on past performance and trends, together with information about the current conference environment and prevailing operating and political priorities of main partners, and in particular those of the FCO.

The following additional processes are in place:

- Six-monthly meetings of the Wilton Park Advisory Council and an annual meeting of the Wilton Park International Council that inform the Wilton Park conference programme in forthcoming calendar years
- Monthly review of performance against Wilton Park's key conference quality and participation targets
- Monthly review of performance against Wilton Park's key financial targets and capital prioritisation plans
- Regular reports from operational managers on steps they are taking to manage risks in their areas of delegated operational and financial responsibility including progress reports on key projects
- Ongoing liaison with external Health and Safety consultants to ensure our legal compliance in dealing with Health and Safety risks

- Ongoing liaison with the IT Security Advisors at the FCO to identify and deal with risks to information and obtain guidance on their management and control and
- An agreed programme of Internal Audit examinations, which is informed by an analysis of the extent to which Wilton Park is exposed to risk.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing 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 the executive managers within Wilton Park who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the FCO Internal Audit Department and the Audit Committee, and a plan to ensure continuous improvement of the system is in place.

I report three times a year on Wilton Park's performance and plans to the Departmental Board. Certain members of the Departmental Board form the Wilton Park Audit Committee who scrutinise the Risk Register, in-year reports from the FCO Internal Audit Department and the annual National Audit Office Management Letter. The Audit Committee is chaired by a non-executive member of the Departmental Board.

During 2008/09, the internal audits conducted by the FCO have highlighted a number of internal control issues that we need to address. Of significance are the weaknesses identified in our procurement system and IT environment. We will be drafting new procurement procedures

soon, taking guidance from those used within the FCO. These specifically need to lay down new rules on letting and re-letting of contracts and selection of suppliers to ensure value for money is being achieved.

Our IT environment requires wide ranging improvements from strategic planning to management and security of our network and will require generally updating the policies and procedures that we operate to. We now benefit from additional support from FCO IT security advisers.

This month we were subject to a review by FCO Internal Audit of our compliance with the Data Handling and Information

Risk requirements as introduced by the Cabinet Office. There are a number of requirements stipulated in the Information Assurance Maturity Model applicable to Wilton Park. We have received a progress report which highlights that the majority of requirements remain outstanding.

To date very limited progress has been made owing to changes in relevant personnel at Wilton Park and delays in the issue of Cabinet Office data handling training. We await confirmation of training available for Information Asset Owners so that we have the knowledge to understand and implement the improvements required.



Donald Lamont
**Chief Executive and Accounting
 Officer for Wilton Park**

15 June 2009