

Statement of Agency's and Chief Executive's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed Wilton Park to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by Wilton Park during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency, the net resource outturn, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Agency is required to comply with the requirements of the *Government Financial Reporting Manual*, and in particular to:


- observe the accounts direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements;

- prepare the financial statements on a going concern basis.

The Accounting Officer for the Foreign & Commonwealth Office has appointed the Chief Executive of the Wilton Park Executive Agency as the Accounting Officer for the Agency.

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 the Agency's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in "Government Accounting".



Donald Lamont
Chief Executive and Agency Accounting Officer
 26 June 2007

Statement on the System of 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 Government Accounting. I am personally responsible for overall Agency performance against Ministerial and other operating targets, reporting on progress to the Head of the Foreign & Commonwealth Office Public Diplomacy Group.

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 2007 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 identified by the Wilton Park Management Board. The nature and scale of risks facing

the Agency are by and large relatively free from the complexities often faced by larger entities caused by either scale of operations or service deliverables that require working with other departments, agencies or external contractors. The majority of Wilton Park risks are managed or controlled directly by the Chief Executive, Director or by the Director Finance & Management.

The risk and control framework

The Wilton Park Management Board normally meets monthly to discuss the effective running of the Agency and much of the focus revolves around the Wilton Park conference programme and associated financial performance and forecasts. Due to the financial environment in which the Agency operates, particular attention is paid to managing risks faced in income generation (particularly generation of external sponsorship). 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 securing sponsorship from new or existing contacts.

The Agency Risk Register is formulated from the major issues identified through: Management Board discussions; from stakeholder, customer and staff feedback; and from review by the FCO Departmental Board Audit Committee. The identified risks are weighted in line with both the collective experiences of the most senior Agency staff from past performance and trends, together with information about the current conference environment and prevailing operating and political priorities of main partners, and in particular of the Foreign & Commonwealth Office.

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 the Agency's key conference quality and participation targets;
- Monthly review of performance against the Agency'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;
- An agreed programme of Internal Audit examinations, which is informed by an analysis to which the Agency 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 the Agency 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 am advised on the effectiveness of the system of internal control by the Foreign & Commonwealth Office Internal Audit Department, and a plan to ensure continuous improvement of the system is in place.

I report twice yearly on Wilton Park's performance and plans to the Foreign & Commonwealth Office Departmental Board. Certain members of the Departmental Board form the Wilton Park Audit Committee who scrutinise the Agency risk register, in-year reports from the FCO Internal Audit Department and the annual National Audit Office Management Letter. Members of the Audit Committee include four Non-Executive Directors who provide relevant advice reflecting their respective fields of expertise.

There were two significant risks that have been successfully managed in year. Firstly, to conclude successful renegotiation of the lease on Wiston House, which expired in March 2007, including HM Treasury endorsement for remaining in our present location. Secondly, to meet our financial targets, having been unable to do so in the previous three years. Achieving this goal, despite issues of continuity in the Chief Executive's role, marks a significant and timely achievement.

We continue to develop our Business Continuity and Disaster Recovery plans, which will be tested in August 2007. We have made a number of changes to our practices and procedures in tackling some of the identifiable issues. This recognizes that any form of business interruption involving the potential loss of the facilities at Wiston House will represent a strong test to on-going and successful management of Wilton Park.



Donald Lamont
Chief Executive and Agency Accounting Officer
 26 June 2007

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of Wilton Park Executive Agency for the year ended 31st March 2007 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report.

Respective Responsibilities of Agencies, the Chief Executive and Auditor

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made there under and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in

accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Chief Executive's Overview, Review of Performance and the Remuneration Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conforms to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement On Internal Control reflects the Agency's compliance with HM Treasury guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of Opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures, and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government and Resources Act 2000 and directions made there under by HM Treasury, of the state of the Agency's affairs at 31 March 2007, and of the net operating cost, recognized gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- The information given within the Annual Report, which comprises the Chief Executive's Overview, Review of Performance and Remuneration Report, is consistent with the financial statements.

Audit Opinion on Regularity

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

Report

I have no observations to make on these financial statements.



John Bourn
Comptroller and Auditor General
3 July 2007

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP