Report to Audit Committee

www.carlisle.gov.uk

Meeting Date:	8 July 2021
Portfolio:	Finance, Governance and Resources
Key Decision:	Not applicable
Within Policy and Budget Framework	YES
Public / Private	Public

Title:	Internal Audit Report – Electoral Registration
Report of:	CORPORATE DIRECTOR FINANCE & RESOURCES
Report Number:	RD24/21

Purpose / Summary:

This report supplements the report considered on Internal Audit Progress 2020/21 and considers the review of Electoral Registration.

Recommendations:

The Committee is requested to

    (i)   receive the final audit report outlined in paragraph 1.1;

Tracking

Audit Committee:	**8 July 2021**
Scrutiny Panel:	**Not applicable**
Council:	**Not applicable**

1. BACKGROUND INFORMATION

1.1   An audit of Electoral Registration was undertaken by Internal Audit in line with the agreed Internal Audit plan for 2020/21. The audit (**Appendix A**) provides reasonable assurances and includes 11 medium-graded recommendations.

2. RISKS

2.1   Findings from the individual audits will be used to update risk scores within the audit universe. All audit recommendations will be retained on the register of outstanding recommendations until Internal Audit is satisfied the risk exposure is being managed.

3. CONSULTATION

3.1   Not applicable

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Committee is asked to

i)   receive the final audit report as outlined in paragraph 1.1;

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1   To support the Council in maintaining an effective framework regarding governance, risk management and internal control which underpins the delivery the Council's corporate priorities and helps to ensure efficient use of Council resources.

Contact Officer:	**Michael Roper**	**Ext:**	**7280**
Appendixes	**Internal Audit Report – Electoral Registration – Appendix A**		

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:
• **None**

CORPORATE IMPLICATIONS/RISKS:

Legal – In accordance with the terms of reference of the Audit Committee, Members must consider summaries of specific internal audit reports. This report fulfils that requirement.

Finance – Contained within the report

Equality – None

Information Governance – None

Audit of Electoral Services

Audit Report Distribution

Client Lead:	Electoral Services Officer
Chief Officer:	Corporate Director Governance & Regulatory Services Chief Executive
Others:	Information Governance Manager
Audit Committee:	The Audit Committee, which is due to be held on 8 July 2021 will receive a copy of this report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Designated Head of Internal Audit.

1.0   Background

1.1.   This report summarises the findings from the audit of Electoral Services. This was an internal audit review included in the 2020/21 risk-based audit plan agreed by the Audit Committee on 30th July 2020.

1.2   The City Council is responsible for compiling and maintaining the electoral register for the area through an annual canvas, alongside organising and administrating individual elections (both national and local).

2.0   Audit Approach

Audit Objectives and Methodology

2.1   Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems.

2.2   A risk-based audit approach has been applied which aligns to the five key audit control objectives (see section 4). Detailed findings and recommendations are reported within section 5 of this report.

Audit Scope and Limitations.

2.3   The Client Lead for this review was the Electoral Services Officer and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls of the following scope areas:

- Failure to achieve business objectives due to insufficient governance.
- Loss or breach of information / fines and sanctions / reputational damage due to failure to securely process, retain, share and dispose of records and information.
- Day to day management of the electoral processes is not compliant with electoral law and Electoral Commission guidelines, including management of elections.
- Electoral register is not complete and accurate leading to potential elector ineligibility or the casting of multiple votes.
- Failure of the third party to provide service in line with Council requirements.

2.4   There were no instances whereby the audit work undertaken was impaired by the availability of information.

3.0   Assurance Opinion

3.1   Each audit review is given an assurance opinion intended to assist Members and Officers in their assessment of the overall governance, risk management and internal control frameworks in place. There are 4 levels of assurance opinion which may be applied (See **Appendix B** for definitions).

3.2   From the areas examined and tested as part of this audit review, we consider the current controls operating within Electoral Services provide **reasonable assurance**. *Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.*

4.0   Summary of Recommendations, Audit Findings and Report Distribution

4.1   There are two levels of audit recommendation; the definition for each level is explained in **Appendix C**. Audit recommendations arising from this audit review are summarised below:

Control Objective	High	Medium
1. **Management** - achievement of the organisation's strategic objectives achieved (see section 5.1)	-	3
2. **Regulatory** - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	2
3. **Information** - reliability and integrity of financial and operational information (see section 5.3)		5
4. **Security** - safeguarding of assets (N/A)	-	-
5. **Value** – effectiveness and efficiency of operations and programmes (see section 5.4 or N/A)	-	1
Total Number of Recommendations	**-**	**11**

4.2   Management response to the recommendations, including agreed actions, responsible manager and date of implementation are summarised in Appendix A.

4.3   **Findings Summary (good practice / areas for improvement):**
There are generally good systems of internal control in place that provide assurances that risks are adequately controlled. The use of the Xpress system and supporting guidance from the Electoral Commission ensures the Council is able to comply with its statutory requirements in relation to administrating individual annual canvasses and elections.

However, eleven recommendations have been made in total, spanning various aspects of the service, identifying the need for improvements to achieve best practice in relation to governance, risk management and internal control.

The Governance framework could be improved by developing local procedural notes (including responsibilities outside of the Electoral Services Team) and ensuring the full Electoral Services team is involved in the completion of the service's operational risk register, as well as ensuring risk registers for individual elections are provided to Senior Management for review.

Documentation completed for individual elections need to be developed in line with best practice.

The Information Governance framework also requires a number of improvements, including updating the existing privacy statement and ensuring a relevant registration with the Information Commissioner is held. The team should also enhance their retention records by implementing a disposal log. Individuals accessing the electoral register should sign a relevant declaration and a process needs embedding to ensure information provided to both the DWP and an external printing firm is done so securely and confidentially in line with data protection legislation.

There is also a need to perform market testing to ensure the Council's long-standing relationship with the provider of temporary portacabins provides adequate value for money.

Comment from the Corporate Director of Governance and Regularity Services.

Thank you for the audit and recommendations. I cannot speak highly enough of the electoral services team for the way they have operated and successfully delivered an election during the pandemic. Fantastic. Improvements can always be made and the recommendations will be implemented.

5.0 Audit Findings & Recommendations

5.1 Management – Achievement of the organisation's strategic objectives

5.1.1 The Council has an Electoral Services team, which is managed by the Electoral Services Officer. The team is supported by an appropriate structure and up-to-date job descriptions. Management consider there are sufficient resources in place to achieve service objectives.

5.1.2 The team has sufficient experience and guidance to ensure cover can be provided should any officer vacate or be absent from their post long-term. The Electoral Services Officer is currently undertaking professional training in electoral administration to enhance this control area. The team are all members of the Association of Electoral Administrators, which provides up to date information, guidance and training.

5.1.3 A Cumbria Election Officers Group meets regularly, with representation from all six district councils, which serves as an information sharing service.

5.1.4 Regular team meetings are carried out and actions are clearly communicated to team members where necessary. The Electoral Services Officer has regular meetings to update the relevant Senior Manager (Corporate Director of Governance & Regulatory Services).

5.1.5 No team members have received a recent appraisal. Internal Audit are implementing an approach to ensure timelier completion of appraisals at a corporate level.

5.1.6 The service utilises the Civica Xpress system as election management software. The software is specifically designed to manage elections and complies with statutory legislation. Guidance is available both manually (printed handbooks) and built into the system. Further guidance is available on the Electoral Commission's website, including provision of handbooks to assist with the management of polling days. Training is also provided on use of the system on a regular basis.

5.1.7 The Electoral Commission provides guidance and checklists for individual canvassing and elections. Checklists are completed by the team in line with best practice and relevant data is uploaded and reported to central government after each event. Progress against the checklists is monitored by the Electoral Commission.

5.1.8 Further information is received by the Council in relation to legislation from a number of sources, including updates from the Electoral Commission, the North West Group of the Association of Electoral Administrators and expert solicitors.

5.1.9 The Electoral Services Officer also maintains hand-written procedural notes for city council specific processes, although the notes are not formalised or available to other officers.

5.1.10 A number of other Council Services have responsibilities in relation to electoral administration; for example the Corporate Director of Finance and Resources has responsibilities in terms of setting pay rates for election staff and submitting returns and ICT have responsibility for providing software and hardware to support the election process. These additional responsibilities are not currently recorded, posing a risk that these could not be delivered should key posts be vacated.

Recommendation 1 – A review of all responsibilities for electoral services should be conducted across the Council and assurances should be obtained that arrangements are in place to cover these responsibilities (named substitutes and formal procedures). In addition, local procedural notes should be formalised and made available to all officers.

5.1.11 The Council's operational risk register includes a risk in relation to failure of the Electoral Services register. Suitable mitigating actions are in place to manage the risk, which is reviewed on a relevant basis. However, neither the Electoral Services officer or other team members are currently involved in completing or reviewing the operational risk register

Recommendation 2 – The Electoral services team should be involved in completing and reviewing the relevant operational risk register.

5.1.12 The Electoral Services Officer completes risk registers for individual elections. It was noted that the responsible officer and date of completion fields have not been completed; it is advised that the full template is utilised for future registers.

5.1.13 Additional risk management considerations have been considered in relation to the global pandemic as part of the preparation for the 2021 elections; the Electoral Services Officer has worked closely with the Health and Safety Manager to ensure relevant risks have been appropriately mitigated.

5.1.14 Risk registers for individual elections are not currently presented to management.

Recommendation 3 – Risk registers for individual elections should be presented to Senior Management to provide assurances that appropriate actions are in place to manage risk.

5.1.15 Financial monitoring takes place on a regular basis, with regular meetings between Finance and Electoral Services. No concerns have been identified in relation to the financial performance of the service.

5.1.16 The Electoral Services Officer has frequent meetings with the Chief Executive (the authority's returning officer) to keep them informed of progress. Additionally, regular reports are prepared for the relevant portfolio holder.

5.1.17 The Electoral Commission has published guidance on the performance information that should be collated and the previous audit report recommended regular formal reporting should be in place. However, discussions during the audit indicated sufficient assurances are provided to Senior Managers through one to ones and completion of mandatory guidance for the Electoral Commission ensure performance standards are adhered to.

5.2 Regulatory – compliance with laws, regulations, policies, procedures and contracts

5.2.1 The Electoral register is maintained and updated through the issue of annual Household Enquiry Forms to all households asking for updates to residents eligible to vote. Where responses haven't been received follow-up phone calls and physical visits are undertaken to maximise the accuracy of information held. Guidance is made available to canvassing officers. Physical visits were cancelled in 2020 due to potential safety concerns because of the global pandemic.

5.2.2 New properties are identified through regular reports provided by the Council's planning department. Properties are also checked against the national gazetteer and new properties are uploaded onto the Xpress system and provided a unique reference number.

5.2.3 The electoral register was last published on 1st December 2020, in line with agreed timescale set by the Electoral Commission.

5.2.4 Controls are built into Xpress to ensure only eligible individuals are entitled to vote and regular reports are reviewed to prevent individuals from submitting more than one vote during elections.

5.2.5 A project planner is in place, utilising the Electoral Commission's template to specify deliverables and tasks required by the Service for individual elections. However, the document has not been updated since 2017 and it is advised the document is refreshed.

5.2.6 Individual election plans are also in place in line with Electoral Commission templates, though it is noted an evaluation section is not currently included by the Council and further best practice documentation such as Electoral Services activity plans and engagement strategies are not currently completed.

Recommendation 4 – Individual election plans should include an evaluation section and further documentation should be complete such as Activity Plans and Engagement Strategies, in line with recognised best practice.

5.2.7 Timetables are prepared for individual elections in line with Electoral Commission guidance. Dates were confirmed as correctly recorded on the timetables.

5.2.8 The Council has a long-standing arrangement with a local printer to publish polling cards and ballot papers. Due to the length of time this arrangement has been in place the original agreement could not be located. It is unlikely appropriate arrangements have been put in place to ensure the printers handle sensitive information in line with recent data protection legislation (GDPR).

Recommendation 5 – A formal agreement should be put in place between the authority and printing service that specifies how data protection legislation is adhered to.

5.2.9 Venues are booked as polling stations prior to individual elections and arrangements are in place to ensure venues are appropriately accessible on election day. A booking form is completed to cover all required arrangements. Regular risk assessments are also undertaken of venues by Council officers.

5.2.10 The service employs officers to manage polling stations during elections. A register of existing officers is maintained, who are invited to carry out work on an annual basis. Where necessary further campaigning is undertaken to employ new officers.

5.2.11 Application/registration forms are completed by all officers and relevant training is provided prior to any election.

5.3 Information – reliability and integrity of financial and operational information

5.3.1 A privacy statement is in place for the Electoral Services, published on the City Council's website. The statement generally includes relevant information, but it is noted there is no reference to the National Fraud Initiative, which uses information in the Electoral register to identify potential frauds and errors.

Recommendation 6 – The Electoral Services privacy statement should be updated to include reference to the National Fraud Initiative.

5.3.2   While the Council is registered with the ICO (Information Commissioner Office) as a data controller, the ICO advise that a separate registration is required for the electoral registration officer. Historically the Council has had a separate registration in place, but this is not currently active.

Recommendation 7 – The Council should ensure the Electoral Registration Officer has a separate registration with the ICO.

5.3.3   All officers within the team have undertaken mandatory training in relation to cyber-security and information governance and have had appropriate CRB checks prior to handling sensitive personal information.

5.3.4   Sensitive personal information is retained by the team both electronically (Xpress) and physically. All information is stored securely, only accessible by relevant officers and is deleted/destroyed within appropriate timescales included in the service's retention schedule. It was identified during the audit that a disposal log is not maintained by the service.

Recommendation 8 – A disposal log should be retained by the service.

5.3.5   The electoral services register is maintained within Xpress and access is appropriately restricted (using passwords) to relevant personnel only. Information is backed up daily.

5.3.6   Changes to legislation are managed within the system through application of software patches prepared by Civica.

5.3.7   The public has a right of access to the electoral register. A system is in place to ensure access is supervised by Customer Services (to prevent copies being taken). It is recommended by the Electoral Commission that individuals accessing the register are required to sign a declaration to ensure they use the information appropriately and should state their name and address. This is not currently in place.

Recommendation 9 – Individuals accessing the electoral register should be required to sign an appropriate declaration (including provision of their name and address).

5.3.8 Copies of the register can be purchased by credit agencies and provided to political parties on request. It was confirmed during the audit that copies of the register are supplied using secure online portals.

5.3.9 Information within the register is also shared with the (DWP) Department of Work and Pensions to identify potential frauds. There is currently no data sharing arrangement in place with the DWP.

5.3.10 As the information is shared for statutory reasons a data sharing agreement is unlikely to be required (in addition it is unlikely the DWP will prepare and sign such an agreement with every authority in the United Kingdom). However, to ensure information is provided securely and confidentially a MOU (memorandum of understanding) should be in place specifying how information is shared (A similar MOU is already in place between the DWP and Revenues and Benefits).

Recommendation 10 – A Memorandum of Understanding should be in place between the Council and the DWP stating how and why sensitive personal information in the electoral register is shared between both parties.

5.3.11 A process is in pace to ensure electoral information is transported securely by presiding officers during elections. Training is provided on this process.

5.4　Value – effectiveness and efficiency of operations and programmes

5.4.1 The Council obtain portacabins for temporary polling stations. A long-standing arrangement is in place with a local supplier. The cost of temporary portacabins varies from between £10K-£30K per annum.

5.4.2 The Electoral Services Officer does not believe an alternate firm can provide portacabins. However, a review on google indicate various potential suppliers exist nationally. The Council has not tested the market to ensure the current supplier provides value for money.

Recommendation 11 – Regular market testing should take place to ensure value for money is achieved for the provision of temporary portacabins.

Appendix A – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	**Priority**	**Risk Exposure**	**Agreed Action**	**Responsible Manager**	**Implementation Date**
Recommendation 1 – A review of all responsibilities for electoral services should be conducted across the Council and assurances should be obtained that arrangements are in place to cover these responsibilities (named substitutes and formal procedures). In addition, local procedural notes should be formalised and made available to all officers.	M	Lack of guidance for City Council specific tasks.	Electoral Services Officer will formalise their procedure notes and will consult Director on review of responsibilities.	Electoral Services Officer / Corporate Director Governance & Regulatory Services	30 November 2021
Recommendation 2 – The Electoral services team should be involved in completing and reviewing the relevant operational risk register.	M	Failure to identify and mitigate all relevant risks.	Will prepare document to be amended/updated when necessary.	Electoral Services Officer	30 November 2021

Summary of Recommendations and agreed actions					
Recommendations	**Priority**	**Risk Exposure**	**Agreed Action**	**Responsible Manager**	**Implementation Date**
Recommendation 3 – Risk registers for individual elections should be presented to Senior Management to provide assurances that appropriate actions are in place to manage risk.	M	Failure to identify and mitigate all relevant risks.	Will prepare a risk register and make available for SMT.	Electoral Services Officer	30 November 2021
Recommendation 4 – Individual election plans should include an evaluation section and further documentation should be complete such as Activity Plans and Engagement Strategies, in line with recognised best practice.	M	Failure to adhere to all relevant statutory requirements.	Add this to the planner already used in Electoral Services, however time constraints in the weeks leading up to an election may limit the content.	Electoral Services Officer	30 November 2021
Recommendation 5 – A formal agreement should be put in place between the authority and printing service that specifies how data protection legislation is adhered to	M	Breach or loss of sensitive personal information.	Consult with Information Governance Manager on wording and send document to SciPrint.	Electoral Services Officer	30 November 2021

Summary of Recommendations and agreed actions					
Recommendations	**Priority**	**Risk Exposure**	**Agreed Action**	**Responsible Manager**	**Implementation Date**
Recommendation 6 – The Electoral Services privacy statement should be updated to include reference to the National Fraud Initiative.	M	Breach of data protection legislation through failing to adequately notify individuals on how data will be processed.	Consult with Information Governance Manager and put in place.	Electoral Services Officer	30 November 2021
Recommendation 7 – The Council should ensure the Electoral Registration Officer has a separate registration with the ICO.	M	Breach of data protection legislation.	Consult with Information Governance Manager and put in place.	Electoral Services Officer	30 November 2021
Recommendation 8 – A disposal log should be retained by the service	M	Breach of data protection legislation.	Consult with SST.	Electoral Services Officer	30 November 2021
Recommendation 9 – Individuals accessing the electoral register should be required to sign an appropriate declaration (including provision of their name and address).	M	Breach or loss of sensitive personal information.	Consult with Customer Services and prepare suitable declaration form.	Electoral Services Officer	30 November 2021

Summary of Recommendations and agreed actions					
Recommendations	**Priority**	**Risk Exposure**	**Agreed Action**	**Responsible Manager**	**Implementation Date**
Recommendation 10 – A Memorandum of Understanding should be in place between the Council and the DWP stating how and why sensitive personal information in the electoral register is shared between both parties.	M	Breach or loss of sensitive personal information.	Consult with Information Governance Manager regarding implementing this recommendation.	Electoral Services Officer	30 November 2021
Recommendation 11 – Regular market testing should take place to ensure value for money is achieved for the provision of temporary portacabins.	M	Value for money not achieved	Investigate costs of temporary offices prior to an election to ensure best value.	Electoral Services Officer	01 May 2021

Appendix B - Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The control framework tested are suitable and complete are being consistently applied. Recommendations made relate to minor improvements or tightening of embedded control frameworks.
Reasonable	There is a reasonable system of internal control in place which should ensure system objectives are generally achieved. Some issues have been raised that may result in a degree of unacceptable risk exposure.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently embedded. Any high graded recommendations would only relate to a limited aspect of the control framework.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses that have been identified. The level of non-compliance and / or weaknesses in the system of internal control puts achievement of system objectives at risk.	There is an unsatisfactory level of internal control in place. Controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. High graded recommendations have been made that cover wide ranging aspects of the control environment.
Limited/None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-existence or non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist.

Appendix C

Grading of Audit Recommendations
Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are two levels of audit recommendations; high and medium, the definitions of which are explained below.

	Definition:
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	Some risk exposure identified from a weakness in the system of internal control

The implementation of agreed actions to Audit recommendations will be followed up at a later date (usually 6 months after the issue of the report).