

## INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager  
**TO:** Deputy Chief Executive (AJ)  
**C.C.** Chief Executive  
Head of Finance  
Democratic Services Manager  
Electoral Services Manager  
Portfolio Holder (Cllr Day)

**SUBJECT:** Local Elections – Follow-Up  
**DATE:** 26 May 2020

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### 1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Ian Davy, Principal Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

### 2 Background

- 2.1 An audit of Local Elections was undertaken in 2019/20 but specific aspects in relation to the election accounts and recharges could not be performed as they were incomplete due to the number of elections held during the year.
- 2.2 As a result, it was agreed that a short, follow-up audit would be undertaken to cover the areas that could not be completed to give assurance over those controls.

### 3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Accounts and recharging.
- 3.3 The control objectives examined were:
- All relevant costs are recharged
  - Recharges to Town and Parish Councils are accurate.

## 4 Findings

### 4.1 Recommendations from Previous Reports

4.1.1 As this is a follow-up to a recent audit the recommendations made during that audit have not been reviewed at this stage and will be picked up when the next scheduled audit is undertaken.

### 4.2 Accounts & Recharging

4.2.1 The Electoral Services Manager (ESM) advised that there is no set format for the 'accounts' for local elections, with no submissions required.

4.2.2 The method of recharging varies depending on specific costs, with some being a 50/50 split between parish / towns and districts whilst others have a different basis for the sharing (or otherwise) of the costs.

4.2.3 Testing to ensure that all relevant costs had been identified and recharged was based on a recharge spreadsheet and a number of other spreadsheets and documents brought together by the ESM, the Assistant Accountant (AA) and the Principal Accountant (PA).

4.2.4 Testing proved generally satisfactory, with the relevant costs on the recharge spreadsheet (totalling roughly £140,000 including uncontested election costs) being reconciled to supporting documentation provided and figures on TOTAL. Where figures could not be reconciled, queries were raised with the AA and the ESM. However, three specific issues were identified:

- An error was noted with regards to the polling screen delivery costs as the wrong figure for the number of polling stations was included in the calculation for one parish (Lillington) leading to an undercharge of £96.48.
- Stationery costs were missed off a number of recharges (13 covering 47 polling stations), leading to an undercharge of £975.25.
- The printing and postage charges in relation to poll cards was undertaken at a certain point in time using a specific method that may not have taken all relevant related costs into account.

### **Risk**

**The Council may not receive all income due for services provided on behalf of parish and town councils.**

### **Recommendations**

**Consideration should be given to the raising of amended invoices where errors have been identified in the cost calculations.**

**A review should be undertaken on the method of cost calculation in relation to poll cards.**

4.2.5 The ESM highlighted that the AA and the PA had undertaken a large amount of the work (which they wouldn't normally have done) whilst 'competing' with year-end and the subsequent COVID issues.

4.2.6 Testing was also performed to ensure that invoices had been raised appropriately based on the calculated recharge figures. This test proved satisfactory.

## 5 **Conclusions**

5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Local Elections are appropriate and are working effectively.

5.2 The assurance bands are shown below:

<b>Level of Assurance</b>	<b>Definition</b>
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 Minor issues were, however, identified relating to some costs omitted from the recharge spreadsheets and the calculation methods of other specific costs.

## 6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

## Action Plan

## Internal Audit of Local Elections – May 2020

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.4	Consideration should be given to the raising of amended invoices where errors have been identified in the cost calculations.	The Council may not receive all income due for services provided on behalf of parish and town councils.	Low	Electoral Services Manager	The costs incurred will be reviewed with invoices subsequently being issued for these costs with an explanatory note that these were identified in the Audit of the accounts.	End of July 2020
4.2.4	A review should be undertaken on the method of cost calculation in relation to poll cards.	The Council may not receive all income due for services provided on behalf of parish and town councils.	Low			

\* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.