

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
DATE: 2 March 2020

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 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 The management of elections is carried out by the Electoral Services Manager. She is assisted by other members of staff on a permanent basis and by other Democratic Services staff at peak times.
- 2.2 Elections were undertaken in May 2019 covering 17 District wards and 23 Town and Parish elections. On the day of the elections there were 126 polling stations open for voting and these were staffed by 126 Presiding Officers and 163 Poll Clerks. There were also 30 uncontested parish and town councils.
- 2.3 Verification of the ballot papers was undertaken on Thursday night, with the counting of the ballot papers being undertaken on the following day at Stoneleigh. Approximately 200 staff were employed at each session as Count Clerks and Assistants to undertake these processes.
- 2.4 Numerous other staff were required for administrative duties and processing postal votes during the election process.

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:

- Staffing
- Polling stations
- Budgets, procurement and recharging
- Risk management and contingency planning.

3.3 The control objectives examined were:

- All staff appointed to work at elections are eligible to do so
- Fees paid to elections staff are accurate, based on approved rates, and are subject to appropriate tax deductions
- Elections staff are able to run the election process in accordance with relevant (Electoral Commission) regulations
- Polling stations are located in appropriate buildings
- Hire payments for buildings used for elections are made in an accurate and timely manner
- Budget variances are limited as the budgets are set appropriately in line with known areas of income and expenditure
- The Council is aware of any potential budget variances
- Value for money is achieved with regards to the letting of election-related contracts
- Recharges to Town and Parish Councils are accurate and timely
- The Council is aware of the risks in relation to the running of elections
- Arrangements are in place to conduct elections in the event of staffing problems or issues encountered at the polling stations
- Insurance arrangements are suitable to provide cover for the costs of having to rerun elections.

3.4 Whilst the audit was concerned with local elections, issues relating to the European elections that followed shortly afterwards were taken into account where considered relevant although they were largely out of scope.

3.5 The subsequent General Election was completely outside of the scope of this audit, although it is referred to occasionally.

4 Findings

4.1 Recommendations from Previous Reports

4.1.1 There were no recommendations made at the time of the last audit (November 2015), so this section is not applicable.

4.2 Staffing

4.2.1 The Electoral Services Manager (ESM) advised that checks on an individual's right to work are undertaken for all staff working on elections, as they would be for any role with the Council. For more recent elections, new staff have been asked to bring their passports / ID in person to the offices to be seen by a member of staff from the Elections team.

4.2.2 The ESM highlighted that, once details have been checked and entered onto the Express system, the forms are destroyed, so it is not possible to test recent starts for evidence.

- 4.2.3 She also advised that there is (currently) no requirement for DBS checks to be performed. Where schools are used as polling stations (now very rare), they are generally closed so no children are on site.
- 4.2.4 The only exception to this has been Trinity Catholic School. For the District Council elections in May 2019, the election staff used the main school hall but used the kitchen and bathroom facilities in the caretaker's bungalow. For the European elections, staff were only able to use the bungalow and not the hall due to exams and for the General Election and future elections, the staff will have to see the Headteacher's secretary the week before to provide their ID, but this is not a formal DBS check and is not controlled by the Council.
- 4.2.5 The ESM advised that, in line with legislation, the Returning Officer has a set of fees for each election. These are generally uplifted by pay awards each year from those previously agreed. She also highlighted that there is an agreement between Warwickshire authorities that the fees for Poll Clerks, Presiding Officers and Polling Station Inspectors will be the same so that different authorities do not 'poach' staff from other areas.
- 4.2.6 The Democratic Services Manager & Deputy Monitoring Officer (DSM) advised that the last time the fees were formally approved was in 2015 (by the Licensing & Regulatory Committee). The agreement was for fees to be uplifted by pay awards until 2019.
- 4.2.7 He advised that there had not been an opportunity this year to review fees and prepare a report to Committee for approval due to the number of unexpected elections that had been held.
- 4.2.8 A new payroll is set up for each election through Coventry City Council (CCC), with all election fees (except for the Chief Executive) being paid through this payroll. HMRC forms are completed for each election and, once completed, the information will be passed to CCC for them to run the payroll. They will also deal with tax as they would for any other staff payrolls.
- 4.2.9 In terms of the rates to be paid, it was unclear from the report to Licensing & Regulatory Committee in February 2015 whether or not the 2015 pay award had been included in the fees shown, as the award that year was with effect from 1 January 2015. The report was written in February 2015 and states that it would be subject to any pay award from 1 April 2015. However, the fee table in the report suggests that the fees were 'operative as from 1 April 2014', so the award from 1 January 2015 may not have been taken into account. Figures had, therefore, been calculated to take account of both scenarios.
- 4.2.10 Upon review of the information from the Express Management system (the elections system in use) and the actual scale of fees for the 2019 Local Elections, it was not possible to reconcile the amounts paid for the different job codes to either of the calculated figures and there were also some variances between the 2019 scale of fees and the amounts actually paid. Some figures had not changed, some fell in between the two calculated amounts and others fell outside of these ranges and there were a number of

posts that were not specifically included within the report to Licensing & Regulatory Committee.

- 4.2.11 In some cases, payments against job codes were different for different staff members. The ESM advised that the payments were based on hourly rates and provided copies of the relevant spreadsheets.

Risk

Staff working on elections may be paid amounts that have not been approved by the appropriate committee.

Recommendation

New payment rates should be formally agreed for all relevant posts with agreements regarding pay award uplifts being adhered to.

- 4.2.12 The Chief Executive, as Returning Officer, is paid based on the number of electors in any given election plus fees for uncontested elections. Upon review of the fee paid to him, this largely tied in with the figures on the 2019 scale of fees document. However, the amount paid in respect of contested town / parish elections was incorrect as it was based on the single election fee as opposed to the joint election fee, leading to a variance of £183.04.

Risk

Not applicable (as mistake caused by 'human error' rather than control weakness).

Recommendation

Arrangements should be made to pay the additional amount to the Chief Executive.

- 4.2.13 In terms of checking whether staff had performed the work for which they have been paid, the ESM advised that they would be aware of any staff that had not undertaken their polling duties (either having pulled out before polling day or being made aware of their non-attendance by other staff on the polling station) and that they would check the sign-in sheets for the count staff before the payments were processed.
- 4.2.14 A contract had been held with Halarose for the provision of web-based training and this was used for the last local elections (although the contract had now expired, based on the number of elections, not a specific timeframe).
- 4.2.15 The ESM highlighted that Halarose reviewed the training to ensure that it took account of any changes in legislation and that Presiding Officer briefings, held at the ballot box collection 'events', would also flag any local changes.
- 4.2.16 All staff are required to undertake the training, with emails being sent to staff to enable their access to the system. The Elections Officer advised that

reports are generated on a daily basis to show who has / hasn't undertaken the training and reminder emails are sent out to prompt staff accordingly.

- 4.2.17 The ESM advised that the web-based training had initially been successful as most staff had previously received face-to-face training. However, as time passed and there were new staff that hadn't received training in person, there were a number of errors creeping in. Therefore, face-to-face training had been held for the General Election and this is to continue for future elections.

4.3 **Polling Stations**

- 4.3.1 The ESM advised that five-yearly reviews of polling stations are undertaken as prescribed in law, with the next one due by February 2020. This was started at the time of the last election (May 2019), with Polling Station Inspectors (PSIs) having extra paperwork to complete.
- 4.3.2 The ESM highlighted that these, along with the Presiding Officer reports (log books), have all been reviewed and the Electoral Services Assistant has written a report to go to Councillors / Police etc. highlighting issues, although this has not yet been sent due to the additional elections that have been run.
- 4.3.3 The ESM suggested that 'pockets' of issues had been identified, such as the need to use Portacabins and move certain polling stations due to the future unavailability. However, in some cases there are no other options, either due to value for money or there is nowhere else to go in that electoral area. In such cases, polling stations have to remain in their existing buildings.
- 4.3.4 The ESM advised that the charges for buildings are generally based on the normal hire rates charged by the individual venues. During the opening meeting, she had raised issues with regards to the payments made in relation to hire fees, as there had been some issues over the receipt of invoices for the May 2019 local elections and the European election. She highlighted that these issues had partly been as a result of the auto-matching process for invoices and the fact that she no longer saw the invoices to check / authorise them before they were processed.
- 4.3.5 The relevant Assistant Accountant (AA) and Principal Accountant (PA) are reviewing all payments and invoices in order to help finalise the accounts for these elections.
- 4.3.6 The AA advised that work is ongoing in relation to the accounts for the (May 2019) local elections, although the claim for the subsequent European Election is currently the priority due to the fact that a deadline is in place for getting the grant claim completed. She highlighted that, as part of this review, all payments in relation to polling stations (for both elections) have been reviewed, with spreadsheets being maintained to show which payments relate to each polling station and whether any of these are outstanding.
- 4.3.7 Notes on the spreadsheets provided highlight that some of the payments had been coded against the incorrect election and journal corrections have been undertaken where necessary.

4.3.8 It was also identified that some of the orders and subsequent payments had been incorrectly coded for the European Election, with a 'typo' leading to orders being raised against the wrong subjective code. The AA advised that she was aware of the error, with journal corrections being processed once payments had been made (as it was hard to change the order).

4.4 **Budgets, Procurement & Recharging**

4.4.1 The ESM advised that regular meetings are held with the AA to review the budgets, although most election-related costs occur at a specific point in time. The latest budget position was reviewed with the ESM and she was able to explain the variances noted.

4.4.2 Various different contracts are in place that support the running of the elections. A search of the contract register highlighted six relevant contracts and testing was undertaken to ensure that the appropriate procurement route had been followed and that signed contracts and other relevant supporting documentation were in place.

4.4.3 This test proved largely satisfactory. However, the contract with Halarose in relation to the web-based training was shown as being let following an exemption from tendering and, whilst the ESM was able to provide a reason for following this route, no copy of the exemption approval could be located. Whilst consideration was given to raising this in the report, no recommendation has been made as the contract has now come to an end and all other contracts reviewed were found to have been let appropriately.

4.4.4 As highlighted above, due to the unexpected European election and subsequent by-election(s) and the General Election, the accounts for the last local elections have not yet been completed and, as a result, no recharges had been raised.

4.4.5 The ESM advised that the basis for recharges was that all costs relating to the elections would be identified (poll cards, postal votes, polling and count staff, venue hire, printing etc.) and, for contested elections, the figure would be divided equally between the District and the Parish / Town councils, with costs being different for each parish / town based on number of registered electors and individual polling station hire costs etc. Where the election was not contested, there is a fixed fee of £250 to cover admin costs and a share of the Returning Officer costs.

4.4.6 As previously identified, although the AA and PA are reviewing all payments and invoices in order to help finalise the accounts for these elections so that these recharges can be processed, the accounts / recharges for the local elections are on hold because the grant claim for the European Election is currently the priority. Meetings are now being held weekly between the ESM and the PA to resolve the issue.

4.5 **Risk Management & Contingency Planning**

4.5.1 The DSM advised that, whilst there is some reference to elections in the 'top level' Chief Executive's Office risk register, there are risk registers drawn up for each election which are more relevant.

- 4.5.2 The register for the May 2019 District and Town / Parish Council elections was reviewed and found to be comprehensive in its coverage; it includes details of mitigations and current controls as well as the further action required and the lead officer for each of these.
- 4.5.3 There is no overall contingency plan in place. However, the abovementioned election risk register includes a number of 'contingency' actions such as ensuring there are alternative venues for polling (including staff briefing on using cars etc. if they cannot get into their station), use of emergency generators etc.
- 4.5.4 Project Board meetings are also held in the run up to elections where any potential issues will be discussed and detailed event plans and major incident plans are also drawn up for the election counts.
- 4.5.5 The Insurance & Risk Officer advised that elections are covered under a (standard) extension to the Council's main liability insurance cover and supplied evidence of the cover in place. She also highlighted that cover for temporary buildings and hire vans are added to the existing insurance schedules as appropriate.

5 **Conclusions**

- 5.1 Following our review, in overall terms we are able to give a MODERATE degree of assurance that the systems and controls in place in respect of Local Elections are appropriate and are working effectively.
- 5.2 Although there are only two low risk recommendations being made, there have been issues over the production of the accounts and we are, therefore, unable to give substantial assurance that the processes are working effectively. However, it has been agreed that a short, follow-up, audit will be undertaken to review the accounts once produced to enable this assurance to be gained.
- 5.3 The assurance bands are shown below:

Level of Assurance	Definition
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.

- 5.4 As suggested above, two minor issues were identified:
 - Current pay scales could not be reconciled back to the fees approved by the relevant committee.
 - The payment to the Chief Executive (as Returning Officer) had been calculated incorrectly.

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 – January 2020

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.11	New payment rates should be formally agreed for all relevant posts with agreements regarding pay award uplifts being adhered to.	Staff working on elections may be paid amounts that have not been approved by the appropriate committee.	Low	Democratic Services Manager	New payment rates will be presented to a meeting of the Licensing & Regulatory Committee prior to the May 2020 elections.	April 2020
4.2.12	Arrangements should be made to pay the additional amount to the Chief Executive.	Not applicable (as mistake caused by 'human error' rather than control weakness).	Low	Electoral Services Manager	The fee paid in relation to the elections to be held in May 2020 will be amended to include this additional amount.	July 2020

* 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.