

The Electoral Office for Northern Ireland

Internal Audit report 2007/08

Human Resource Management and Training

10 January 2008

Ref: BC/lb

Private and Confidential

D Bain Esq
Chief Electoral Officer
Electoral Office for Northern Ireland
2nd Floor
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10 January 2008

Dear Sir

Re: Fieldwork visit – Human resource management and training

Introduction

1. We recently completed our internal audit fieldwork visit in respect of the 2007/08 financial year in relation to the Electoral Office for Northern Ireland's ("EONI's") system for human resource management and training. This report summarises our findings.

Background

2. The EONI's current staff complement is 44 permanent staff at Headquarters and local area offices. The EONI also recruit approximately 5,000 staff, on a temporary basis, to work in polling stations and count centres for Council, Assembly, Westminster and European elections. The allocated 2007/08 budget for training purposes is approximately £31,000. The Human Resources section currently comprises two members of staff.

3. We note that EONI have commissioned the Department of Finance and Personnel's Business Consultancy Service to complete an evaluation of staff grading. The aim of the review is to evaluate the grades of staff across EONI against Northern Ireland Civil Service ("NICS") grading standards. The first phase of the evaluation completed in July 2007 was limited to a review of the roles of the Area Electoral Officers, Administrative Officers (area offices), the Head of Area Offices, the IT Support Officer and Assistant IT Support Officer. The recommendations from phase one were presented to EONI staff for comments in August 2007. We noted at the time of our fieldwork that the second phase of the evaluation was scheduled for completion in November 2007 and will address the remaining positions.

4. We also note that during 2007, EONI has undertaken a staff survey with the aim of providing information that will enable EONI to improve staff motivation and morale. An action plan has been devised to address the issues arising from the survey and the progress of the plan is monitored by the senior management team.

Scope

5. In line with EONI's annual internal audit plan, approved by the Board on 16 August 2007, the fieldwork visit focussed on assessing the following control objectives in respect of the system of Human resource management and training:

- a) to ensure that staff receive adequate training and development;
- b) to ensure that the human resources function is properly managed;
- c) to ensure that key staff are replaced when they leave;
- d) to ensure that factors influencing the recruitment and retention of staff are identified;
- e) to ensure that a sufficient staff complement is recruited for elections and canvassing;
- f) to ensure that staffing levels are reviewed on a regular basis to identify the need for additional funding;
- g) to ensure that absence statistics are monitored; and
- h) to ensure that staff views on human resource management and training issues are obtained.

6. This report is addressed to the Chief Electoral Officer ("CEO") and as required by our terms of appointment, copies of all finalised reports are also issued to the NIO's Head of Internal Audit, the Northern Ireland Audit Office and the Rights and International Relations Division ("RIR") – the relevant sponsoring division within the NIO. No duty of care is accepted to any party other than those to whom the report is addressed. No responsibility is accepted for any reliance placed upon our report, should it be used for any purpose other than that stated above.

Basis of assurance

7. We conducted our internal audit work in accordance with the Government Internal Audit Manual ("GIAM"). Our work included an examination, on a test basis, of transactions processed in accordance with EONI's system of internal control.

8. This review has been conducted within the context of an internal audit review process designed to address key risks on an annual basis. Only 2 days was allocated to this review and consequently there was a requirement to conduct a general assessment of the key aspects of the systems and then to focus on a limited number of specific areas. In these circumstances, this review should not be regarded as being an extensive and detailed review sufficient to test and assess all aspects of EONI's human resource management and training activities.

9. We planned and performed our internal audit work to obtain reasonable assurance that the systems were operating as described. However, you should not rely on our work to identify all instances of fraud or error. The responsibility for these matters rests with management and the Chief Electoral Officer.

Findings

10. Our review identified that there are documented policies in place in respect of staff learning and development, managing attendance and recruitment and selection. The policies are accessible by staff on TRIM (EONI's electronic document management system). We also noted that sick absence reports are presented to the monthly Senior Management Team meeting. However, we noted that there are weaknesses in relation to the procurement of external training services.

11. We have attached at **Appendix A** the key findings identified during the course of our review.

12. The findings included in this report were discussed with Mr Douglas Bain (Chief Electoral Officer), Mrs Margaret McMullen (Head of Corporate Services) and Mr Peter Mullan (Finance Officer) on 12 October 2007. A draft of this report was issued to EONI for management comments on 13 December 2007.

Management responses

13. We have attached an implementation table at **Appendix B** which records management's responses and implementation dates for each of the audit recommendations. .

Assurance rating – satisfactory

14. In our opinion, there are a number of improvements which could be incorporated within EONI's internal control system for Human resource management and training particularly, in relation to the procurement of external training services. However, the existing controls in place within the Human resource management and training system are basically sound and provide **satisfactory** assurance regarding the effective and efficient achievement of EONI's objectives in relation to Human resource management and training.

15. We have attached a definition of the assurance ratings at **Appendix C**.

Other matters

16. We would take this opportunity to thank EONI's management and staff for their assistance and co-operation during the course of this assignment.

17. If you have any queries in relation to this correspondence, please do not hesitate to contact Brian Clerkin or Lacey Beckett.

Yours faithfully

ASM Horwath

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Procurement of training services

A

Weakness

A1. We noted at the time of our fieldwork that responsibility for the procurement of training services had been delegated to the EONI Human Resources Officer. As part of our detailed testing we selected a sample of five payments in respect of training services during the period April 2007 to August 2007 to ensure that the services had been subject to procurement in accordance with the thresholds set out in the EONI Financial Procedures Manual. We noted that in one instance (a payment of £581.62) which required two written quotations where the second quotation was only obtained after the receipt of the invoice from the appointed external training provider.

Effect

A2. Failure to adhere to the procurement thresholds set out in the EONI's Financial and Operating Procedures increases the risk that EONI do not achieve value for money.

Recommendation

A3. We recommend that EONI staff are reminded of the need to adhere to the procurement thresholds as set out in the financial and operating procedures. All supporting quotes and tendering information should be fully documented and held on file.

Summary of recommendations and implementation schedule

B

Reference	Recommendation	Management response	Action Taken / To be Taken	Implementation Date
A3.	We recommend that EONI staff are reminded of the need to adhere to the procurement thresholds as set out in the financial and operating procedures. All supporting quotes and tendering information should be fully documented and held on file	Accepted	Reminder issued by CEO that the required number of quotations must be obtained and submitted to the Finance Officer before any contracts are entered into. The Finance Officer to check that the correct procurement procedures have been followed and records documented on Trim.	6 November 2007

Assurance rating definitions

C

Substantial – There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.

Satisfactory – There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.

Limited – There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.

Unacceptable – The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.