

The Electoral Office for Northern Ireland

Internal Audit report 2008/09

Management checks in the Area Electoral Offices

4 November 2008

Ref: BC/PP/ka

Private and Confidential

D Bain CBE
Chief Electoral Officer
The Electoral Office for Northern Ireland
2nd Floor
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4 November 2008

Dear Sir

Re: Fieldwork visit – Management checks in the Area Electoral Offices

Introduction

1. We recently completed our internal audit fieldwork visit in respect of the 2008/09 financial year in relation to the Electoral Office for Northern Ireland's ("EONI's") system for undertaking management checks in the Area Electoral Offices. This report summarises our findings.
2. We have previously undertaken two reviews of EONI's Area Electoral Offices and, in each instance, determined that a "reasonable" level of assurance was appropriate. During the 2007/08 year, we reported one recommendation, which related to the establishment and documentation of monitoring procedures in the Area Electoral Offices.

Background

3. On 1 February 2008, the Chief Electoral Officer introduced new evidence requirements for people wishing to register on the Register of Elections. Our discussions with EONI management identified that each of the Area Electoral Offices is responsible for administering the key aspects of these new evidence requirements. The work undertaken by the Area Electoral Offices is monitored by EONI management via a management checklist.
4. The purpose of this review is to select a sample of Area Electoral Offices for consideration and assess the level of compliance with key aspects of the management checklist, including new registration requirements and "non responders", i.e. those applicants who do not provide the appropriate evidence requirements within the prescribed time period. In agreement with EONI management, we selected the Omagh, Londonderry and two offices located in Banbridge for this review.
5. Following the abolition of the annual canvass in January 2007 and the introduction of the new evidence requirements in February 2008, the key focus of work within Area Electoral Offices relates to the registration of electors by means of continuous registration process and the ongoing review of the accuracy of the register. We note that three key registration objectives have been identified. These can be summarised as follows:
 - a) to increase the level of comprehensiveness of the register;
 - b) to introduce new evidence requirements to verify applications for registration; and

- c) to ensure ongoing compliance with the additional validation checks in the continuous registration process.

6. EONI uses the Electoral Registration Operating System (“EROS”) for the maintenance of the electoral register. EROS is used as an integrated election and registration management system. The system has been tailored and refined to meet the specific needs of the Northern Ireland registration system (Northern Ireland’s information is maintained by elector, while the rest of the United Kingdom’s information is maintained by household).

Scope

7. In line with EONI’s Strategic Internal Audit Plan, approved by the Management Board on 21 August 2008, the fieldwork visit focused on assessing the following control objectives in place in relation to the system for undertaking management checks in the Area Electoral Offices:

- ◆ to ensure that management checks are undertaken on a regular basis in relation to the following key areas identified in EONI’s “management checklist”:

a) **registration processes:**

- i) a checklist is completed, so far as possible, for each application/submission of evidence at the time the acknowledgement is issued;
- ii) Annex E evidence letters are in the approved form and are issued within 3 days of receipt of the application;
- iii) all completed applications are approved within three days of receipt of the required evidence;
- iv) the approval of the Annex D checklist is carried out by the AEO/AAEO who has not completed any part of the checklist;
- v) the recommendation on the checklist has been completed;
- vi) the list of applications is available for public inspection;
- vii) there is written evidence to show that appropriate checks have been carried on at least 10% of Annex A and Annex B letters; and
- viii) there is written evidence to show that appropriate checks have been carried out on 100% of Annex C evidence declarations;

b) **non responders:**

- i) Annex F letters are issued to all non responders within 35 days from the date of the Annex E letter; and
- ii) where an individual fails to respond to an Annex F letter within the 35 days allowed, a copy of the application form, marked to show the evidence requested, is passed to the Chief Electoral Officer within a further 7 days;

- c) **citizenship ceremonies:**
 - i) reminder letters in the approved form are sent to those who have not submitted an application within 28 days from the date of the Chief Electoral Officer's letter;
 - ii) a second reminder letter in the approved form is sent to non responders within 7 days of the expiry of the first 28 day period; and
 - iii) the Chief Electoral Officer is informed, within 7 days of the expiry of the second 28 day period, of anyone who has still failed to respond;
 - d) **information from specified public authorities:**
 - i) information on all the required matters is received each month from all the relevant district councils (either directly or through another AEO). (Check that what is provided complies precisely with the requirement issued by the Chief Electoral Officer); and
 - ii) any instances of failure by any District Council or Secondary School to provide the information specified in the Requirement in the prescribed form within the prescribed period is reported to the Chief Electoral Officer within 7 days of the failure;
- ◆ to ensure that any issues arising from these checks are formally identified and are resolved on a timely basis; and
 - ◆ to ensure that Headquarters audit and checking procedures for Area Electoral Offices are adequate for their purpose.

8. We note that, from April 2008, each of the Area Offices has maintained a spreadsheet detailing all citizenship ceremonies being undertaken within their area. Due to the short timeframe available to us (April to September 2008) and the infrequent number of ceremonies being facilitated within the remit of these Area Electoral Offices, the scope of this aspect of the review was extremely limited. We note that we will revisit this area in future assignments.

9. This report is addressed to the Chief Electoral Officer 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, Elections and Legacy Division ("RELD") – 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

10. 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.

11. 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 as Accounting Officer.

Findings

12. Our review identified that procedures for the implementation of the new evidence requirements have been formally documented under “Direction 08/2008” and have been issued to each of the Area Electoral Offices. We note that a number of template letters, “Annex A” to “Annex F” have been provided as addenda to these procedures.

13. Whilst we noted that each of the Area Electoral Offices visited were familiar with the key aspects of “Direction 08/2008”, we noted that each Office administered the requirements under the Direction differently. For example, some of the Area Electoral Offices utilised the reporting module on the EROS system to generate management information in relation to the number of application forms received, the specific number of certain Annex letters issued or to assist in the monitoring of turnaround times for the follow up of information in instances of non respondents. However, other Area Electoral Offices chose to rely on manual record keeping.

14. In relation to information from specified public authorities, we noted that information was received in each of the four Area Electoral Offices under our review. We noted only one instance of failure by a District Council to provide the information specified in the requirement in the prescribed form and we identified that this matter had been communicated with the Chief Electoral Officer and had now been resolved.

15. While undertaking our detailed testing, we also noted a number of issues of non compliance with the requirements of Direction 08/2008. The key findings of our review are provided in **Appendix A** as follows:

Weakness		Appendix
Compliance with Direction 08/2008		A

16. The findings in this report were discussed with Mr Douglas Bain (Chief Electoral Officer), Ms June Butler (Assistant Chief Electoral Officer (Elections)) and Ms Jocelyn McCarley (Assistant Chief Electoral Officer (Registration)) on 22 September 2008. The report was issued in draft for management comments on 21 October 2008.

Management responses

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

Assurance rating – satisfactory

18. In our opinion, there are a number of improvements which could be incorporated within the Area Electoral Office’s internal control systems for administering and monitoring the key aspects of Direction 08/2008. However, the existing controls in place within the Area Electoral Offices are basically sound and provide **satisfactory** assurance regarding the effective and efficient achievement of EONI’s objectives in relation to the management checks undertaken in the Area Electoral Offices.

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

Other matters

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

21. If you have any queries in relation to this correspondence, please do not hesitate to contact Brian Clerkin or Pauline Poots.

Yours faithfully

ASM Horwath

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Compliance with Direction 08/2008

A

Weaknesses

A1. Whilst our discussions with the management at each of the Area Electoral Offices selected for this review identified that each Office was familiar with the procedures under the new registration evidence requirements as detailed in “Direction 08/2008”, we noted a number of inconsistencies in relation to the manner in which this Direction is being administered. These are considered in detail below.

To ensure that the approval of the Annex D checklist is approved by the Area Electoral Officer (“AEO”) or by an Assistant Area Electoral Officer (“AAEO”) who has not completed any part of the checklist

A2. Our discussions with management indicated that evidence received from the applicant should be considered by the “reviewing officer” and the Annex D evidence checklist completed and authorised by the reviewing officer. The AEO or the AAEO is responsible for determining, on the basis of the reviewing officer’s assessment, whether the evidence provided should be approved, disallowed, or deferred on the basis of the evidence provided through the issue of an Annex E letter.

A3. We note that the AEO or AAEO in reaching this determination does not have an opportunity to review the evidence provided with the application. The determination is largely based on the assessment undertaken by the reviewing officer. We selected and reviewed a sample of thirty Annex D evidence checklists and noted the following:

- a) in four out of thirty instances, there was no record that the reviewing officer had reviewed the evidence provided and no Annex D checklist had been completed. In each of these four instances, the AEO or the AAEO had reviewed the evidence and determined whether the evidence provided should be approved (i.e. they undertook the reviewing officer’s and the AEO / AAEO’s role). In each of these four instances, the same AEO or AAEO was also responsible for approving this applicant to “go live” on the register. Whilst we acknowledge that these instances were generally occurring in the smaller offices, and arose due to the unavailability of the reviewing officers, they have resulted in a lack of segregation of duties between checking the evidence requirements and activating applicants on the register; and
- b) in two out of thirty instances, we noted that the Annex D checklist had not been signed or dated as approved by an AEO or an AAEO. We noted two further instances where the Annex D checklist had not been signed or dated by a reviewing officer. In one instance, we noted that whilst the AEO or the AAEO had provided their signature, they did not date the form.

To ensure that all completed applications are approved within three days of receipt of the required evidence

A4. From twenty application forms considered, we noted that four forms had not been date stamped to record the date of receipt. We also noted that in one instance there was a delay of nine days between the date of receipt and the date that the details were input on to the EROS system (we note that this delay was subsequently brought to the attention of the Chief Electoral Officer).

To ensure that the timely issue of Annex E evidence letters in the approved form

A5. Whilst we noted that all Annex E letters were in the approved form, in five out of twenty five Annex E letters considered, the letters were not issued within the required three days from the receipt of the application form (these delays ranged from one day to eight days).

Compliance with Direction 08/2008 (cont'd)

A

To ensure the timely administration of Annex B and Annex C letters

A6. We noted that in each of the 4 Annex B letters reviewed, none had been date stamped. We also noted that in five out of nine instances, an Annex C checklist had not been date stamped.

To ensure that written evidence is retained of management checks being undertaken

A7. Our discussions with the Area Electoral Offices identified that whilst the prescribed checks are undertaken in relation to Annex A and Annex B letters, that these checks are not formally documented. In instances where these checks are documented, this information is not always retained for audit trail purposes. Our discussions with each of the AEO's under our review indicated that, in undertaking the required 100% check on Annex C evidence declarations, they should contact the individuals signing the declaration forms. From the nine instances selected for review, there was no documented record of the signatory being contacted.

To ensure that Annex F letters are issued to all non responders within 35 days from the date of the Annex E letter

A8. In three out of ten Annex F letters reviewed, we noted delays in excess of twenty eight days (the internal target used by the Area Electoral Offices) from the date of issue of the Annex E letter. We also noted that one Area Office does not retain a record of the date the Annex F letter was issued.

To ensure that where an individual fails to respond to an Annex F letter within the 35 days allowed a copy of the application form, marked to show the evidence requested, is passed to the CEO within a further 7 days

A9. We noted that one Area Office does not record the date which the application form is passed to the Chief Electoral Officer for consideration.

General observations

A10. We noted inconsistencies in relation to the methodologies used to administer the registration process, particularly in relation to the methods used for monitoring, recording, generating, filing and retaining information. For example, whilst some offices generate reports from the EROS system, which are checked and reconciled against hard copy applications and Annex letters generated and received, other offices use manual records only. Of those Area Offices generating reports from the EROS system, we noted that only some of these reports are retained for audit trail purposes.

Effects

A11. Failure to ensure that checks are undertaken by the AEO / AAEO in relation to the evidence received increases the likelihood of errors arising and fraudulent applications remaining undetected.

A12. If EONI is unable to demonstrate that all applications for registration have been managed in accordance with Direction 08/2008, there is a risk that it may not be possible to make referrals, where deemed appropriate, to the Police Service of Northern Ireland ("PSNI") against applicants who have failed to provide the required evidence in a timely manner.

A13. Failure to ensure that each application form and Annex letter received is date stamped increases the risk that the turnaround times for the follow up of non respondents, as prescribed by Direction 08/2008, are not effectively monitored.

A14. Lack of timely inputting of application forms on to the EROS system may result in additional delays being incurred in relation to the processing of applications.

Compliance with Direction 08/2008 (cont'd)

A

A15. Failure to ensure that the Annex D checklist is completed in accordance with Direction 08/2008 may result in inadequate checks being undertaken and inappropriate applicants being added to the electoral register.

A16. Failure to ensure that the Area Electoral Offices administer Direction 08/2008 in a consistent manner may result in inefficient and ineffective working practices emerging across the Area Electoral Offices.

A17. Failure to retain written evidence of any checks undertaken in relation to the management checklist results in a lack of assurance to the Chief Electoral Officer that these checks are being undertaken in accordance with requirements.

Recommendations

A18. We recommend that EONI management reconsider the process by which evidence is reviewed by the AEO / AAEO.

A19. We also recommend that EONI management consider implementing a procedure for the administration of the key aspects of Direction 08/2008. We recommend that this procedure should be formally documented and presented to each of the Area Electoral Offices via an internal training session. In our opinion this training should seek to address the following key points:

- a) improving administration processes;
- b) improving the efficiency for the monitoring of turnaround times in each of the Area Electoral Offices;
- c) the checking procedures undertaken by the AEO / AAEO;
- d) the processes to ensure appropriate segregation of duties; and
- e) the methodology for providing statistics to EONI management.

Summary of recommendations and implementation schedule

B

Reference	Recommendation	Management response	Action Taken / To be Taken	Implementation Date
A18	We recommend that EONI management reconsider the process by which evidence is reviewed by the AEO / AAEO.	Accepted.	A review has been undertaken of the entire arrangements as a result of which Direction 15/2008 was issued. New arrangements for monitoring compliance have been introduced. AEOs have been instructed as part of their normal management duties to carry out spot checks on the work of their registration officers.	Completed.
A19	<p>We also recommend that EONI management consider implementing a procedure for the administration of the key aspects of Direction 08/2008. We recommend that this procedure should be formally documented and presented to each of the Area Electoral Offices via an internal training session. In our opinion this training should seek to address the following key points:</p> <ul style="list-style-type: none"> a) improving administration processes; b) improving the efficiency for the monitoring of turnaround times in each of the Area Electoral Offices; c) the checking procedures undertaken by the AEO / AAEO; d) the processes to ensure appropriate segregation of duties; and e) the methodology for providing statistics to EONI management. 	Accepted save for the proposed internal training sessions is considered unnecessary.	In addition to the simplified arrangements set out in Direction 15/2008 the ACEO(R) has been tasked to bring forward proposals for a uniform administrative process to be used by all offices.	February 2009.

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.