

Electoral Office for Northern Ireland

Audit fieldwork 2011/12

Area Electoral Offices

27 January 2012



Ref: BC/PP/am

Private and Confidential

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27 January 2012

Dear Sir

Re: Fieldwork visit – Area Electoral Offices

Introduction

1. We have completed our internal audit fieldwork visit in relation to Area Electoral Offices. This report summarises our findings.

Background

2. There are eight Area Electoral Offices situated at seven locations throughout Northern Ireland (two Area Electoral Offices share accommodation at Banbridge). The Area Electoral Offices in Banbridge and Belfast were the focus of the 2011/12 review. The staffing in each Electoral Office includes an Area Electoral Officer ("AEO"), an Assistant Area Electoral Officer ("AAEO") and a number of Registration Officers ("ROs").

3. The key responsibilities of each Area Electoral Office may be summarised as follows:

- a) database management:
 - maintaining a property database which accurately reflects any deletions or new registrations of properties;
- b) electoral abuse prevention:
 - implementing policies and procedures relating to electoral abuse prevention, including the introduction of personal identifiers;
- c) polling station schemes:
 - preparing and maintaining polling station schemes which effectively meet the needs of the public, political parties and EONI. We note that a review of polling stations is currently being undertaken;
- d) absentee voting:
 - producing and maintaining accurate lists of absentee voters;
- e) information technology systems:
 - ensuring that all Area Electoral Office level procedures in relation to the Office's IT systems are fully implemented;
- f) corporate services management:
 - ensuring that all staff employed by the Area Electoral Office are recruited fairly, trained effectively in all procedures and managed effectively to achieve office objectives;
 - managing the work of the Area Electoral Office within the budgets agreed with the Chief Electoral Officer, and following the financial procedures set by the finance department; and

- ensuring that all aspects of the management of the Area Electoral Office's premises are conducted efficiently and on time;
- g) elections:
- ensuring that all administrative matters relating to elections are completed in accordance with the election task timetable. This includes the recruitment and training of election staff, hiring premises for polling stations and count centres, organising stationery, ballot boxes and transport; and
 - conducting elections efficiently in accordance with legislation and preparing all relevant election accounts.

Scope

4. This review was undertaken in accordance with EONI's Strategic Internal Audit Plan, approved by the Management Board on 18 August 2011. The fieldwork visit focussed on assessing the following controls in respect of the systems operating in respect of Area Electoral Offices:

- a) *Registration processes*: to ensure that registration processes are undertaken in accordance with policies and procedures issued by EONI Head Office;
- b) *Payroll*: to ensure that the Area Electoral Offices have processed the election payroll in accordance with EONI's policies and procedures, as issued by Head Office;
- c) *Physical security*: to ensure that there are appropriate physical security procedures in place to limit unauthorised physical access;
- d) *Cash management*: to ensure that the Area Electoral Offices undertake cash handling in accordance with policies and procedures issued by Head Office; and

- e) *Fixed assets management*: to ensure that fixed assets are tagged, subject to physical inspection and are securely held.

5. The following corporate risks, and associated controls, within EONI's corporate risk register, dated 23 June 2011, were considered as part of this review:

- a) preparedness of the organisation to cope with a snap election;
- b) failure to meet legislative registration objectives; and
- c) attempts to fraudulently transfer electors.

6. This report is addressed to the Chief Electoral Officer and it is not to be released beyond EONI's management and staff, without our prior written consent. 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 Standards ("GIAS"). Our work included an examination, on a test basis, of transactions processed in accordance with EONI's system of internal control.

8. 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 which may exist. The responsibility for these matters rests with management and the Chief Electoral Officer, as Accounting Officer.

Findings

9. Our review identified that the Area Electoral Offices reviewed had processed the election payroll in accordance with EONI's policies and procedures and that there are appropriate physical security procedures in place to limit unauthorised physical access to Area Electoral Offices. We also identified that fixed assets held within each Area Electoral Office had been tagged, subject to physical inspection by EONI's IT section and were held securely.

10. However, our review identified instances of non-compliance with EONI's registration and cash management processes.

11. We have attached at **Appendix A** the key findings identified in the course of our work. These are set out as follows:

Weaknesses	Appendix	Priority
Registration processes	A	Medium

12. These findings were discussed with Mr Graham Shields (Chief Electoral Officer), Mrs Margaret McMullen (Head of Corporate Services), Mr Peter Mullan (Finance Officer), Ms Jocelyn McCarley (Assistant Chief Electoral Officer (Registration)) and Mrs Liz Murray (Assistant Chief Electoral Officer (Elections)) on 6 October 2011.

13. A draft of this report was issued on 25 October 2011. Client comments were received on 27 January 2012.

Assurance rating – Satisfactory

14. In our opinion, there are a number of improvements which could be incorporated within EONI's system for risk management, control and governance for Area Electoral Offices. In particular, improvements

could be made in relation to compliance with a number of EONI's operational procedures including cash management and registration processes.

15. However, the existing risk management, control and governance systems in place for Area Electoral Offices are basically sound and provide **satisfactory** assurance regarding the effective and efficient achievement of the Office's objectives in relation to Area Electoral Offices.

16. We have attached definitions of the assurance ratings and our priority levels at **Appendices B** and **C**.

Other matters

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

18. If you have any queries in relation to this correspondence, please do not hesitate to contact Brian Clerkin or Amanda McMaw.

Yours faithfully

ASM

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Registration Processes

A

Weaknesses

A1. Direction 4/2009 "Registration Evidence Requirements" (revised September 2011) sets out the evidence required to support all applications for inclusion on the electoral register or to change the existing details of an existing register voter. Each of the Area Electoral Offices is responsible for administering the key aspects of these requirements, in relation to the registration of applications which are summarised as follows:

- a) on receipt, application forms are date stamped and a Registration Officer ("RO") will input the application details on the EROS system;
- b) the RO will undertake a search on the Department of Work and Pension's ("DWP's") database to verify the applicant's full name, address, date of birth and national insurance number;
- c) in instances where an applicant's details can be verified using the DWP database the RO will note "DWP" on the application and will sign and date the note as evidence of the DWP verification;
- d) the AEO will review the application form and countersign the RO's note to indicate that they were satisfied with the action taken.

A2. We selected a sample of 30 registrations processed during the period April 2011 to August 2011 for detailed testing. Our review identified six instances where an applicant's details had been verified using the DWP database but the RO had not noted "DWP" beside the verified details. We note that in these instances, the details had been 'ticked' to identify DWP verification. We note that four of these instances related to a change of address and that the remaining two instances related to new applications.

A3. Our testing also identified one instance where the application form had not been countersigned by the AEO to indicate that they were satisfied with the action taken by the RO.

Effects

A4. Failure to adequately evidence DWP verification is non-compliance with EONI's Registration Evidence Requirements and provides a limited audit trail in respect of the registration process.

A5. In the absence of AEO's countersigning each application form, there is a risk that fraudulently additions could be made to the electoral register.

Registration Processes (cont'd)

A

Recommendations and management action plans				
Recommendations	Status (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe
A6. We recommend that, in compliance with EONI's Registration Evidence Requirements, DWP verification be adequately evidenced in each instance. Furthermore, we recommend that all application forms be countersigned by AEO's.	<i>Accepted</i>	<i>Direction 4/2009 reissued to Area Electoral Officers and Assistant Area Electoral Officers by email on 28 October 2011 highlighting the requirement of paragraph 13.1. Amendment made to R3 of the Management Checks and also spot checks to ensure compliance recorded on spreadsheet by Registration Unit.</i>	<i>Assistant Chief Electoral Officer (Registration)</i>	<i>Direction 4/2009 reissued 28 October 2011. Spot checks ongoing.</i>

Assurance rating definitions

B

Level of assurance	Definition
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.

Priority ratings

C

In prioritising recommendations for action, we have used the following definitions:

Priority rating	Definition
High	Significant weaknesses which could threaten the achievement of the organisation's objectives or the maintenance of an appropriately robust control environment. Remedial action by senior management is required.
Medium	Weaknesses which could threaten the achievement of objectives. Remedial attention by management is required.
Low	Some weaknesses which could have an impact on the achievement of objectives. Action is required to monitor the situation and improve control.