AGENDA ITEM
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INTERNAL AUDIT REPORT - POSTAL & PROXY APPLICATIONS

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT REPORT - POSTAL & PROXY APPLICATIONS
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th JUNE 2016
Author: INTERNAL AUDIT

1. INTRODUCTION

1.1 The purpose of this report is to present to the Joint Board the final Internal Audit Report in relation to Register of Electors - Postal and Proxy Vote Applications.

2. BACKGROUND

2.1 Clackmannanshire Council's Internal Audit function provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board. Within their Annual Audit Plan for 2015-16 a review of the Register of Electors - Postal and Proxy Vote Applications was scheduled.

2.2 This report summarises our audit findings. We have provided significant assurance. An Action Plan to address the areas for improvement has been agreed and progress against this Action Plan is monitored by Internal Audit.

3. RECOMMENDATIONS

3.1 The Joint Board is asked to note the contents of this report.

Iain Burns

Internal Audit and Fraud Team Leader, Clackmannanshire Council

LIST OF BACKGROUND PAPERS

1. Final Internal Audit Report – Register of Electors - Postal and Proxy Vote Applications.

INTERNAL AUDIT REPORT
Register of Electors - Postal and Proxy Vote Applications

Issued To:-

Peter Wildman	Assessor / Electoral Register Officer, Central Scotland VJB
Russell Taylor	Depute Electoral Register Officer, Central Scotland VJB
Nikki Bridle	Treasurer, Central Scotland VJB
Brian Pirie	Clerk, Central Scotland VJB
Deloitte LLP	External Auditors

Annual Plan	**2015/16**
Date Report Issued	**February 2016**

1. INTRODUCTION

1.1 This report details the findings of the Internal Audit review of the processes for the administration of the Register of Electors with Postal and Proxy Vote Applications. The scope and terms of the review were agreed in consultation with the Assessor and Electoral Registration Officer (ERO) for Central Scotland.

1.2 The electoral register records who is entitled to vote in an election or referendum. As at March 2015 the Central Scotland Valuation area has a total electorate of 222,548. A statutory timetable dictates when names are added, deleted or changed throughout the year. Individuals on the electoral register are entitled to apply to have a postal vote and the completed application will be assessed based on set criteria and thereafter relevant arrangements are put in place.

2. SCOPE AND OBJECTIVES

2.1 The scope of the audit was to assess the adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to the Register of Electors and specifically records relating to Postal and Proxy Votes are accurate, are dealt with timeously and in line with Policy and Procedures. The registration of individuals on the electoral register is outwith the scope of this review.

2.2 Internal Audit, in conjunction with Senior Management, identified the key risks relating to the audit. In our opinion there is a strong control environment operating in relation to how the Central Scotland VJB mitigates the risks associated with the administration of Postal and Proxy Vote Applications. Therefore, we can provide **significant** assurance that risks are being adequately mitigated.

Key Risk	Assurance Assessment
Lack of clarity in procedures for the processing of applications and administration of the Register of Electors leading to inefficiency, failure to meet service and statutory standards, and the potential for error and fraud.	Significant
The information in the Register of Electors relating to absent voters is incorrect with individuals who the ERO has determined should be granted an absent vote, either being omitted and not updated correctly and therefore not being given the opportunity to vote by post or proxy.	Significant
Failure to implement clear and effective management information systems leading to absence of robust monitoring and challenge.	Reasonable

3.   FINDINGS

3.1   We can provide significant assurance that there are clear procedures in place for the processing of applications and the administration of the Register of Electors.   The Electoral Commission has issued comprehensive guidance to assist Electoral Registration Officers (ERO) to deliver a well run electoral registration service. This includes a section on absence voters which includes the requirements for processing absent voters.   The absent voter applications received by the ERO also includes requirements for the completion of applications which are compliant with the requirements of the Electoral Commission Guidance. In addition the Assessors have produced Absent Vote Applications processing guidance for responsible officers which meets the main requirements of the Electoral Guidance and the application forms.

3.2   The main requirements of the guidance, applications and processing procedures are:

- Applications date stamped upon receipt.

- Applications require signature and DOB.

- Only electors that are (or will) be registered individually entitled to absent voter status.

- Statutory timescales for the receipt of applications in order for them to be processed in forthcoming elections.

- Written acknowledgement to voter of absent voter status upon processing of application.

- Proxy voter not for more than two electors (if not close relative).

3.3   We tested a sample of 40 (out of a total of 29,446) absent voters to ensure that procedures are being followed in practice and applications are accurately processed and absent voter status reflected on the electoral register. We found that all absent voters in our sample had been accurately processed in line with procedures. We can therefore provide significant assurance that the information in the Register of Electors and Absent Vote Lists are correct and applicable individuals are being given the opportunity to vote by postal or proxy.

3.4   We can provided reasonable assurance that there are clear and effective management information systems in place leading to robust monitoring and challenge.   The Assessors Absent Voters Applications Processing Procedures detail vigorous checks to ensure that applications are valid and they have been accurately scanned into the system and although our testing confirmed accurate processing of applications there was no evidence that application checks had been undertaken. (Finding 5.1)

3.5   There are numerous statistical and integrity reports available from the Electoral Register System. Reports are run in order to check the validity of information on the electoral register and to provide statistical reports for appropriate parties. The reports run relating to Absent Voters include multiple proxy / postal votes in the same property, valid date of birth recorded on the system and refresh signature reports to ensure signatures on record are less than 5 years old. We were unable to test the reports run and the extent of the checks carried out as reports produced and checks undertaken are not retained. In addition there are no procedures detailing what reports should be run and when and what checks should be undertaken. (Finding 5.2)

3.6   The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged.

4.   RECOMMENDATIONS

4.1   A summary of the recommendations raised from this audit is included in a Management Action Plan in Appendix B.   Management comments, the date for implementation and Responsible Officer have been reflected within the Action Plan.

4.2   The Management Action Plan contains the following priority of recommendations. Definitions for the priority assessments are provided in Appendix B.

Priority Assessments	Number
Priority 1	-
Priority 2	-
Priority 3	2
Priority 4	-

Assurance	Definitions
Significant Assurance	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives. Some improvements in a few, relatively minor, areas may be required.
Reasonable Assurance	Business objectives are likely to be achieved. However, improvements are required to enhance the adequacy/ effectiveness of risk management, control and governance.
Limited Assurance	There is considerable risk that the system will fail to meet its objectives. Significant improvements are required to improve the adequacy and effectiveness of risk management, control and governance.
No Assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.

The priorities relating to Internal Audit recommendations are defined as follows:

Priority 1 recommendations are significant matters relating to factors critical to the success of the organisation. The weakness may also give rise to material loss or error or seriously impact on the reputation of the organisation and require urgent attention.

Priority 2 recommendations relate to important issues and may also give rise to material financial loss or error.

Priority 3 recommendations are usually matters that can be corrected through line management action or improvements to the efficiency and effectiveness of controls.

Priority 4 recommendations these are recommendations that improve the efficiency and effectiveness of controls. The weaknesses highlighted do not affect the ability of the controls to meet their objectives in any significant way.

MANAGEMENT ACTION PLAN

Ref	Finding	Risk	Priority	Agreed Management Action	Responsible Officer	Target Date
5.1	Rigorous application checks are detailed in the Absent Voter Application Processing Procedures but evidence that these checks have been carried out is not being documented and retained.	Unable to demonstrate that a responsible officer has carried out the application checks detailed in the procedures.	3	Maintain records of when read in of records completed. Record on batch control sheets who scanned and checked with dates	Depute ERO & Senior Admin Officers	5/5/16
5.2	There are no procedures relating to reports run for statistical purposes or integrity reports produced in the run up to elections in order to check the integrity of the information in the register. In addition the reports that are produced and any resultant action undertaken is not being evidenced and retained.	Statistical and integrity reports not produced and actioned resulting in not meeting statutory obligations and the potential for inaccurate information on the electoral register.	3	Store reports and record when run and checked	Depute ERO & Senior Admin Officers	5/5/16