

SECOND MEETING OF THE ELECTORAL COMMISSION AUDIT COMMITTEE

11 April 2002, 3pm, Church House

Minutes

Present

Electoral Commissioners

Sir Neil McIntosh (Chair)
Karamjit Singh

External Adviser

John Quin

In Attendance

Electoral Commission:

Roger Creedon (Chief Executive and Accounting Officer)
Liz Sandwith (Head of Internal Audit)

NAO

Paul Keane

Secretary

Sara Miller (Electoral Commission Assistant Planning & Finance Manager)

1. Apologies received from: Kerry Worsley
2. Minutes of 20 December 2001 were agreed.
3. Sara Miller was welcomed as the new Audit Committee Secretary
4. Matters Arising
 - Item 14: It has been agreed that the accounts and the NAO's VFM report will operate to a separate timetable from C&AG.
 - Item 15: Internal Audit paper has been amended to reflect the words "in Accordance with the GIAM".
 - Item 18: All changes requested have been made.
5. Corporate Plan
 - Section 11 – LS as part of her internal audit work will review the controls in place to achieve the corporate objectives.
 - Section 11.1 – Has been developed as part of the Operational Plan.
6. Internal Audit

No change to Audit Needs assessment. LS has looked at each of the areas of the Internal Control Framework which was put before the SMT meeting on 9 April 2002. LS made recommendations at a higher level which lays the ground rules regarding issues of Corporate Governance and internal control.

Chris Welford has been commissioned to produce an action plan for the recommendations.

Immediate pressures were the lack of a Director for the Strategic Planning and Resources team following the return of Peter Hodgman to the Home Office. Chris Welford has stepped into this role temporarily until 20 May 2002 when Roger Gough the new Director takes up his post. Kerry Worsley and Anja Beukes have been employed on a temporary basis to cover the duties of the Planning and Finance Manager.

LS's report gives urgency to the arranging of an I.T. Strategy Meeting, which KS will Chair.

It was noted that Allan Cowley has drafted a Business Information Security Policy. One of the issues highlighted in the internal audit review related to off site security of back up tapes. Currently the IT Manager is taking the back up tapes home each evening, this is unsatisfactory – alternative more secure off site data storage facilities are being considered.

7. Risk Management

The need for a Risk Management Group was discussed and a Business Contingency Plan is required. It is expected that the Risk Register will be put before the Audit Committee at least twice a year.

8. Nothing to report regarding Corporate Governance

9. NAO Progress in the Production of the 2001-02 Accounts

NAO are as yet unable to confirm how the audit of controls will be carried out. A final audit strategy would be issued to the Commission shortly.

There is an ambitious but achievable timetable in place for this, which all parties have signed up to.

NAO requested the Electoral Commission forward their accounts to them to be audited.

Rachael Henry has been kept on to finish the LGCE's end of year accounts which will be signed off by RC without him having had prior sight of them.

RC has a statement from Barbara Stephens stating that all the systems were in operation.

10. NAO Value For Money Study

RC would hold a meeting with NAO and the clerk to the Speakers Committee to discuss the options for the 2001/02 VFM study. He was asked to report back at the next meeting.

11. Enron

To look at what the Electoral Commission needs to do in the light of Enron and other corporate scandals. An Enron Health check-list was to be prepared, by Internal Audit for consideration/discussion at the June Meeting.

12. Budget Estimates/Expenditure

The monthly financial reporting process is to be enhanced to enable budget holders to compare actual spend against budgets with variances. SMT will review the variances and make any necessary adjustments to budgets.

If unbudgeted pressures arise which SMT cannot accommodate Commissioner's will be asked to review priorities in the work programme to see whether off set savings can be made elsewhere.

Commissioner's will receive regular financial reports showing spending against each aim and identifying actual and potential pressures.

13. Any Other Business

RC expressed some concern about the extent to which the Commission was becoming involved in the way parties used Policy Development Grants. It was right and appropriate that the Commission should ensure the funds were used for the purpose intended by Parliament but he did not see it as part of the role of the Commission to ensure they met Government Accounting rules, eg by getting three quotes when contracting for goods or services. The NAO agreed with that view. NM observed that staff at the devolved offices had already a clear line of responsibility and accountability to London and that any reporting linkage to Registrations and Compliance would be therefore be inappropriate.

LS, PK and JQ have been invited to join the meeting of the Commissioners for discussion of specific audit items and to remain for lunch which will precede the Audit Committee meeting on the 13 June 2002.

Approved

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Sir Neil McIntosh, Chairman

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Date