

Appendix 2

Guidance on Declaring Interests

1 Introduction

1.1 Commissioners are expected to observe exceptionally high standards of personal honesty and integrity in accordance with the Nolan Principles (appended to the Code of Conduct). (Staff are bound by a separate code of conduct).

1.2 The registration of interests helps to ensure public confidence in the Commission, and to maintain accountability and transparency of decision-making by avoiding any real or perceived bias or influence.

1.3 The Commission's Code of Conduct for Electoral Commissioners requires Commissioners to declare certain interests, and especially any financial, political or other business which may conflict with their responsibilities as Commissioners.

1.4 The arrangements for declaring interests were last reviewed and updated by the Audit Committee and Commission Board in 2012, and the revised guidance considered by the Audit Committee in December 2013.

2 Principles of declaring interests

2.1 **Transparent** - this is of prime importance for the Electoral Commission. Integrity and public confidence in the UK's democratic process, and transparency in party funding, are among the aims and objectives of the Electoral Commission, and fairness, impartiality and transparency our declared organisational values. It is therefore especially important for the Commission to observe the highest standards of probity in its own practices.

2.2 **Comprehensive:** the policy covers the three main areas of interest:

- External interests
- Financial interests
- Political interests

Commissioners should never use their official position to gain financial, material, political or any other benefit for themselves, their family, or their friends, in a way which might reasonably be seen to compromise the Commission's position or an individual's personal judgement or integrity. This includes financial, political, and other interests.

2.3 Proactive - we declare and publish all such interests proactively in the case of Commissioners, the Independent Advisor/Chair of the Audit Committee, the Executive Team, and the Heads of Commission offices in Scotland, Wales, and Northern Ireland. We ensure all other staff are aware of the need to declare these interests, internally at least, and are ready to publish when asked.

3 What this means for you

- a) **Be aware of the policy and of your obligation:** Commissioners must be aware of the requirement to declare interests, and to update these as and when they change;
- b) **Openness:** a useful test of the need for an interest to be declared is whether members of the public knowing the facts of the situation might reasonably think it should be. If in doubt, err on the side of openness.
- c) **Seek advice:** if still in doubt about any aspect of the policy, or in the event of queries in relation to a particular case, consult the Chair, Chief Executive or Secretary to the Commission Board at the earliest opportunity;
- d) **Complete the form:** Commissioners, the Independent Advisor/Chair of the Audit Committee, the Executive Team, and the Heads of Commission offices in Scotland, Wales, and Northern Ireland should complete the Declaration of Interests Form at the earliest opportunity on their appointment and within 28 days of receiving it, and sign and return it to the Secretary to the Commission Board. Update your declaration within a month of any change in circumstances.
- e) **Gifts and Hospitality:** remember to declare any gifts or hospitality (received or offered) in any capacity for which you have recorded an interest (also appended to the Code of Conduct)
- f) **Monitoring and publication:** the Secretariat will maintain the Register of Interests which is reviewed on a quarterly basis by the Audit Committee and published on the Commission's website.

4 Commissioners and the Independent Chair of the Audit Committee

Completion of Annual Declaration of Interests

4.1 The Commission publishes on its website the register of interests for Commissioners and the Independent Advisor/Chair of the Audit Committee

4.2 A declaration form is given to all the above on appointment to complete and return within 28 days. There is then a periodic reminder (approximately quarterly) to update the declaration, or you may update it as and when changes occur.

Declarations of Interest before or during meetings

4.3 At the beginning of every Commission Board or Committee meeting there will be an agenda item inviting those present to declare any interest they may have in any item on the agenda. It is the responsibility of the individual concerned to consider the matter in advance bearing in mind the business on the agenda, and identify and declare such interests. If in doubt they can consult the Chair, Chief Executive, Legal Counsel, or Secretary to the Commission Board. Where an Electoral Commissioner has declared a significant and relevant interest in a particular matter, he or she should not take part in any discussion or decision on that matter. The Chair of the meeting may ask an Electoral Commissioner who has declared an interest to withdraw from the room during consideration of the matter.

Related Party Transactions

4.4 Generally accepted accounting practice (and specifically Financial Reporting Standard 8)¹ requires Commissioners and the Independent Chair of the Audit Committee to report Related Party Transactions, whereby material transactions with related parties must be disclosed in financial statements. "Related parties" in FRS 8 includes close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity (ie the Electoral Commission).

4.5 Electoral Commissioners should so far as practicable be aware of and take steps to avoid conflicts of interest arising between their work in any outside appointments and their work with the Commission during tenure as an Electoral Commissioner.

¹ Financial reporting standards adopted by the International Accounting Standards Board which set standards, and provide interpretations and a framework for use in accounting and reporting. These standards were put in place from 2001 and are used in the public sector.

5 Completing the form

Section 1 – External interests

5.1 This section includes all interests, paid or unpaid, such as external appointments (any job, not your role at the Electoral Commission), any consultancy, trusteeships, directorships, advisory or voluntary roles.

5.2 Current or previous year – your first declaration will be made on appointment, and ‘previous year’ should be taken to include the 12 months prior to your first declaration. Thereafter you will be expected to notify the Commission of any alterations to your declaration of interests (additions, deletions, or changes) as they happen. You will also be sent annual reminders in about April of each year. In that case, previous year becomes the year prior to your last annual declaration, so that if you are sent a declaration in April 2010, the previous year will be April 2008-March 2009.

Section 2 – Financial Interests

- (a) Your own financial interests - In this section of the form you are required to list any of the interests from section 1 for which you are currently or have previously been paid or otherwise benefited financially during the period in question.
- (b) Family or associate financial interests – here you are asked to declare any financial connection that you or your close family members have that may be connected to the work of the Commission, or where there is a likelihood that they may become connected to the work of the Commission.

Section 3 – Local Authority membership or employment

5.3 This section asks you to declare whether during the last five years you have been a contractor, an employee or a member of a local authority.

Section 4 – Political interests

5.4 Section 3 of the Political Parties, Elections and Referendums Act 2000, (the Act), as amended by the Political Parties and Elections Act 2009, prohibits Electoral Commissioners from being or having been a member, an office holder or employee of a registered party, or a named donor in the register of donations or a candidate at a relevant election, during the previous

five years. The four additional Commissioners nominated by political parties in accordance with the provisions of the Act may be members of a registered party, but the other restrictions apply. The term office-holder includes for these purposes, for example appointment as chair of a party selection committee, or a position as a Whip in the House of Lords. If you are approached to accept an appointment, and are not completely sure it would not fall into the category of office-holder, you should consult the Chair, the Chief Executive, Legal Counsel, or the Secretary to the Commission Board before accepting.

5.5 With the advent of the Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014 (Transparency Act), it is now necessary for Commissioners also to consider their support (donations and in kind) to charitable or other third party campaign organisations. This is a complicated area and important area as a breach of the donation limit would result in the Commissioner ceasing to hold office. A separate guidance note on the implications of this for Commissioners declaring interests is included at Appendix 1A (or extended Appendix 1).

5.6 All Commissioners should at all times conduct themselves in a way that does not give rise to any questions as to the political impartiality of the Commission.

5.7 Those Commissioners who are not nominated by a political party should, in order to avoid any perception of bias, record any close family members or associates who are closely involved with a political party.

Notes and Definitions:

Close family member

5.8 For these purposes a close family member is defined as a spouse, parent (and partner of parent), parents-in-law, grandparent (and partner of grandparent), uncle or aunt, brother or sister (including step- or half-brother or sister), child (including step-child, adoptive or foster child, sons- and daughters-in-law, or children's partners), and anyone with whom you share your home.

5.9 In practice family relationships vary greatly from one family to another (parents and children and siblings may be estranged from one another, whereas nephews, cousins, aunts may be very close and occupy positions of influence). The onus is on you only to report those family relationships which

- you are close enough to know about – you are not expected to track down all extant relatives to check whether they might be involved in anything that needs to be declared. If they are distant enough for you not to know, they are not close enough to warrant a declaration

- are important or influential enough (even though not immediate family) for any reason and involved in a business or consultancy or activity which should be declared. (See also close associate below).

If in doubt, consider whether a member of the public, knowing the facts, might reasonably think that the matter in question should be declared. If still in doubt, consult the Chair or Chief Executive.

Close associate

5.10 This is defined as someone who is not a family member but with whom you have frequent or significant contact, or shared interests - a connection of which you are aware, which if not disclosed might give rise to a perception of a conflict of interests. This might be someone with whom you play sport, regularly socialise, do business, or have a close association with through a group or club. If in doubt, consult the Chair or Chief Executive.

5.11 If you have external interests which you have declared, remember that you are also required to declare gifts and hospitality received or offered in those roles, not just those directly relating to your role at the Commission.

5.12 Your completed form must be sent to the Secretary to the Commission Board.

Examples of interests

If a close family member or close associate is:

- an Electoral Registration Officer (or Returning Officer or Chief Executive) for a local authority subject to Commission performance standards, or where there has been an election petition
- is employed by a branch of the civil service which is connected with elections work
- involved in an electoral reform pressure group, or any group or organisation which is campaigning for a change in arrangements for political funding, electoral registration, or voting
- part of a consultancy or company which may be involved in tendering for work with the Commission (research, IT, accountancy, facilities, media etc)
- involved through work or interests in contact with politicians, political parties, or lobbying organisations nationally, regionally or locally

Interests – Frequently Asked Questions

1. Q: I want to canvass in a forthcoming election/in support of a campaign – can I without compromising my neutrality as a Commissioner, or the neutrality of the Commission?

A: No. If you were to canvass either in support of a particular party, or a cause or campaign which might be identified with a particular party or parties, you might call into question the neutrality of the Electoral Commission as the Government's elections watchdog.

2. Q: (for nominated Commissioners) I have been approached to stand as a candidate for my party – can I stand?

A: No. While you are able to maintain membership of your political party following your appointment as a Commissioner, public political activity is likely to call into question the political neutrality of the Commission. While it has been determined that the point of disqualification for anyone accepting a candidacy would be submission of their name to the Returning Officer, it is strongly recommended that any Commissioner wanting to take this step should consider the extent to which it would bring them into conflict with the perception of neutrality.

3. Q: I donate to a charity/I donate to a charity through a trust/I am a trustee of a charity – see FAQs on the Lobbying Act in Appendix 1A

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enough for you not to know, they are unlikely to be close enough to warrant a declaration.

Please consider disclosing any regular support for charitable or non-party campaigning organisations.

In relation to any of the interests listed in Section 1 above, please indicate below whether it has any commercial or other relationship with the Electoral Commission

(a) Your own financial interests

(b) Family or associate financial interests

3. Local Authority membership or employment

Please state whether during the last five years you have been a contractor, an employee or a member of a local authority.

4. Political interests of family member/associates (does not apply to Commissioners appointed by nomination of political parties)

Please inform the Commission if a close family member or associate is closely involved with a political party. Political interests of your family members or associates should be declared here and should include details of the relationship between you together with details of their political interest/association.

(For these purposes a close family member is defined as your spouse, civil partner, partner, children or step children, parents, or any other person with

whom you live in an enduring family relationship. An associate is defined as someone who is not a family member but with whom you have frequent or significant contact, or shared interests, and where a connection which is not disclosed might give rise to perceptions of a conflict of interest.)

Your signature:.....Date:.....

Please submit the completed form to the Secretary to the Commission Board. A copy of the form will be retained on file, and published periodically to the internet.