Agenda Item no.3 (b)

Minutes of the meeting of the Electoral Commission held on Wednesday 30 June 2016 at 11.00 am

Present: Jenny Watson (JW) Chair  
Anna Carragher (AC)  
Gareth Halliwell (GH)  
Tony Hobman (TH)  
John Horam (JH)  
David Howarth (DH)  
John McCormick (JM) – by video-conference  
Alasdair Morgan (AM) – by video-conference  
Rob Vincent (RV) – by audio-conference  
Bridget Prentice (BP)

Also present: Dean Parker, Independent Adviser and Chair of the Audit Committee (DP) – by audio-conference

In attendance: Claire Bassett (CB)  
Carolyn Hughes (CH)  
Alex Robertson (AR)  
Andy Zuill (AZ)  
Kay Jenkins (KJ) – item 6  
Kairen Zonena (KZ)

Observing: Warren Seddon (WS)  
Kate Engles (KE)

The Board congratulated JW, AS, AR, KJ and the staff team on the successful conduct of the Referendum count, and for the considerable work entailed in the Referendum period.

JW pointed out that AR’s last day was the day following this Board meeting, and once again expressed the Board’s thanks for his contribution to the Commission over the eight years he had been here, and good wishes for the future.
1 Apologies

Bob Posner.

2 Declaration of Interests

2.1 There were no new interests to note.

3 Audit Committee Annual Report 2015-16 (EC 55/16 plus TABLED EC 55a/16 - extract of Audit Committee draft minutes of 28 June 2016)

3.1 DP, as Independent Chair of the Audit Committee, introduced the report on behalf of the Committee.

3.2 He highlighted three main points: the fact that the Commission’s internal auditors had given the Commission the highest level of assurance available to them. This was the first time he had seen this happen, in any organisation, and said it was worthy of note. Secondly, this was the last year of the NAO’s obligatory annual Value for Money studies. The last report this year had been the second part of a report on the Commission’s role in Individual Electoral Registration, and had been positive. The Committee would monitor the implementation of the NAO’s recommendations.

3.3 The Audit Committee meeting had considered its effectiveness and concluded that it had the skills, resources and experience needed to carry out its work effectively. Two suggestions which would be taken forwards in the future were for the Chair and Committee members to meet privately from time to time, and for there to be some refresher training on reading and interpreting resource accounts. (There was a request later in the meeting for this to be extended to interested Board members, and this would be taken forward when the training became available).

Agreed: That the Audit Committee Annual Report 2015-16 be noted and endorsed.
4 Annual Report of the Remuneration and Human Resources Committee (EC 56/16)

4.1 TH introduced the annual report of the Remuneration and Human Resources Committee, and highlighted the Committee’s activity during the year.

**Agreed:** That the Remuneration and Human Resources Committee Annual Report 2015-16 be noted and endorsed.

5 Annual Report and Resource Accounts 2015-16 (EC 57/15 plus TABLED EC/57a covering letter, EC55a extract of draft Audit Committee minute of 28 June, and latest version of accounts dated 30 June 2016)

5.1 CH introduced the latest draft of the Annual Report and Accounts, noting for the Board that the narrative in the Annual Report was based on the key messages agreed by the Board in April, and on the Quarter 4/year-end report which had been seen by the Board at its May meeting. The issues raised at each of those meetings had been incorporated, and additional comments which Commissioners had fed through the Chair would also now be included.

5.2 The other point of note she highlighted for the Board was a change to the level of underspend in the accounts. The projected underspend reported to the Board in May (of approximately £2.8M, most of which was related to the EU Referendum) had increased through an under-claim on a Policy Development Grant (PDG) which took the underspend to just over £3M.

5.3 Finally, also a PDG issue, it had proved difficult to complete the final audit of Grant required for the accounts. Urgent efforts were currently being made to conclude this in time for the accounts to be given their final audit and for CB to sign the accounts.

5.4 CB commented that in spite of difficulties this year in producing the accounts, CH and her team had done an outstanding job under difficult circumstances, and the NAO had been constructive and supportive during a less than straightforward process. She thanked them for what was an undoubted achievement. She was also aware that while there had been difficulties in the process, the NAO appeared to have no significant material concerns.
5.5 The Board acknowledged the work of CH and her team with thanks.
5.6 Commissioners were invited to raise drafting points with CH direct. However, it was agreed that the paragraph on the Law Commissions’ review and recommendations should be significantly strengthened.

**Agreed:** That:-

(a) Subject to minor re-drafting of some of the text, the Commission’s Annual Report 2015-16 be approved for publication and be laid before the UK Parliament; and

(b) Subject to any final adjustments for the reasons outlined in the minutes above, the Chief Executive and Accounting Officer in consultation with the Independent Chair of the Audit Committee be authorised to approve the final Resource Accounts 2015-16, to be signed by the Accounting Officer and submitted to the Comptroller and Auditor General before being published and laid as part of a single report with the Annual Report.

6. EU Referendum Update (oral)

6.1 The Board recorded its heartfelt appreciation for the work of the Chair as Chief Counting Officer, Andrew Scallan as Deputy Chief Counting Officer, Alex Robertson and Kay Jenkins for their pivotal role in the Referendum programme, and the whole staff team for the considerable work involved in the successful delivery the Referendum process. The story had been the result itself, rather than how the Referendum was run.

6.2 The main exception to that had been reaction to the style and veracity of campaigning, and the calls for some sort of regulation of campaign content, whether by the Commission or by another body. It was understood that this issue was also on the Constitution Unit’s radar.

6.3 A link had been made by others between our responsibility for designating lead campaigners, and the fact that the public money made available to them was released by us, and that therefore there should be some mechanism whereby we could exercise some control over the claims made by them. This was a matter for further discussion and debate, and this could be done with the more considered reflection of the Referendum due to happen at the 20 July Board meeting.

6.4 It was noted that the top line public opinion results would also be available at that meeting.
6.5 Discussion touched on continuing public preoccupation with the use of pens and pencils, and a failure to understand why one should not photograph a marked ballot paper. The question of any circumstances that might have resulted in the suspension of the Referendum was raised, and staff said that contingency arrangements had covered various levels of escalation up to and including a major civil emergency, with the necessary liaison with the Government.

Agreed: That the issue of regulating campaign material be considered with the Board item on the Referendum scheduled for the 20 July meeting.

7. Investigation update – confidential (oral)

7.1 CB, having reminded Commissioners of the confidentiality of the matter, updated them on an ongoing investigation and allied complaint, which was noted.

7.2 In connection with this, Commissioners asked what else could be done to improve clarity of the rules governing national party and local candidate spend, the former governed by PPERA, and the latter by the RPA, an area sorely in need of clarification.

7.3 This should also underline for the Government the importance of getting on with giving effect to the Law Commissions’ recommendations, by starting legislative drafting. Improving the guidance, and better defining what spending fell where, was also needed. It was suggested that parties, candidates and agents were sometimes less than observant of the rules and the guidance, and a way had to be found of reinforcing its importance. It was hoped to return to this subject at the next or a future meeting.

Agreed: That consideration of issues around party and candidate spend be brought back to the next or a future meeting.

The meeting ended at 12:00 noon.

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Chair