

The
Electoral
Commission

Corporate Governance Framework

Adopted 18 March 2020

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Part 1 Vision, approach, principles and accountability

The Commission

1.1 The Commission (in Welsh, Comisiwn Etholiadol) is an independent body corporate, established by the United Kingdom Parliament under the provisions of the Political Parties, Elections and Referendums Act 2000 (the Act), amended by subsequent legislation. The Commission¹ has the statutory functions given to it by that and other legislation (a summary of applicable legislation is at Appendix B of this document).

1.2 The Commission is accountable to the UK Parliament, and specifically to the Speaker's Committee of the House of Commons which is appointed in accordance with the provisions of the Act. The Commission also reports to the Scottish Parliament on some of its functions². The role of the Speaker's Committee and its relationship with the Commission is described in Annex B.

1.3 The Commission's duties as defined in statute can be found in Part 4, which also describes which powers are delegated from the Board to sub-committees of the Board or to the Chief Executive. The following is a summary of the Commission's main activities:

- register political parties and other campaigners at elections and referendums
- make sure people understand and follow the rules on party and election finance
- take enforcement action where appropriate so that parties and campaigners know they need to comply with the rules and voters can be confident they are complying
- publish details of where parties and candidates and other campaigners get money from and how they spend it
- support the delivery of well-run electoral events
- provide timely and accurate guidance and advice to Returning Officers (ROs) and Electoral Registration Officers (EROs)

¹ In this document to distinguish between 'the Commission' as the whole organisation and the 'Commission' meaning the body of Commissioners together, the term 'Electoral Commission', or 'Commission' refers to the former, and 'Board' refers to the latter.

² That is in relation to Scottish local government elections and the referendum on independence of Scotland. *This is likely to change further under Smith Commission proposals.*

- set performance standards frameworks and support ROs and EROs to deliver well-run elections
- deliver public awareness campaigns and facilitate others' support for those campaigns, so that people register to vote and are able to take part in elections and referendums
- run any referendums held in accordance with the Political Parties, Elections and Referendums Act 2000

Vision

1.4 Our vision is to be a world-class public sector organisation – innovative, delivering great value and getting right what matters most to voters and legislators.

1.5 We plan to achieve this vision through a five-year work programme with four goals:

1.6 Our goals are:

- to enable the continued delivery of free and fair elections and referendums, focusing on the needs of electors and addressing the changing environment to ensure every vote remains secure and accessible
- to ensure an increasingly trusted and transparent system of regulation in political finance, overseeing compliance, promoting understanding amongst those regulated and proactively pursuing breaches
- to be an independent and respected centre of expertise, using our knowledge and insight to further the transparency, fairness and efficiency of our democratic system and help adapt it to the modern, digital age
- to provide value for money, making best use of our resources and expertise to deliver services that are attuned to what matters most to voters. This goal underpins and supports all of our work

Our Values

1.7 Our governance procedures aim at all times to reflect our values – making an impact, engaged, authoritative, independent, and transparent.

Governance

1.8 In its governance, the Commission will at all times:

- observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds, the management of Commission business and the conduct of its business, maintaining at all times the Commission's independence

- pursue the Commission's vision for free elections that support a healthy democracy
- maximise value for money through ensuring that its work is performed in the most economical, efficient and effective way, within available resources
- be accountable to Parliament for the activities of the Commission and the extent to which performance targets and objectives have been met
- reflect the Commission's wider commitments to carry out its work and the use of money and resources made available to it in the interests of voters
- be consultative in style, and transparent and responsive to all stakeholders
- ensure that there is in place an effective system of internal control to enable the Commission to meet its corporate objectives
- act lawfully, consistent with the Commission's statutory duties and responsibilities

1.9 The Board will review its governance arrangements annually to ensure that they remain fit for purpose, support delivery of the Commission's vision, and reflect the Commission's values and principles.

Accountability

1.10 The Commission demonstrates its accountability to its stakeholders by:

- as required, submitting to the Speaker's Committee a five-year plan and estimated requirements for resources during that five-year period, both of which are published externally
- annually submitting to the Speaker's Committee an annual plan and estimated requirements for resources during that period
- laying its Report and Accounts annually before Parliament
- the appointment of the Chief Executive as Accounting Officer
- audit of its accounts, and of the efficiency and effectiveness with which it uses resources, by the National Audit Office
- consultation on new areas and programmes of work
- a clear complaints process covering services provided by us to our stakeholders which includes independent review of complaints by the Parliamentary Ombudsman

Part 2 The Commission Board and Committees

The Commission Board

2.1 Together the Commissioners constitute the Board of the Commission and ensure that the Commission discharges its functions as set out in the Act and other associated legislation. They set the strategic direction, monitor the Commission's performance and are responsible for ensuring that it acts within its statutory remits.

2.2 The Chair and Commissioners are appointed by Her Majesty the Queen on the recommendation of the House of Commons. Commissioners are appointed for a period not exceeding ten years with the possibility of re-appointment for a further period. There shall be nine or ten Commissioners.

2.3 A Commissioner may cease to hold office or be removed in accordance with the grounds set out in Schedule 1, paragraphs 3-5 of the Act. Appointments will terminate at the end of the period specified for each Commissioner, unless the Commissioner is reappointed before the period expires. Appointments may also be terminated at the request of the Commissioner.

Committees reporting to the Commission Board

The Audit Committee

2.4 The Board has established an Audit Committee to support it, and to support the Chief Executive as Accounting Officer in her/his responsibilities for ensuring the adequacy of risk management, internal controls, efficient and effective use of public funds and financial governance arrangements within the Commission. This includes:

- accounting policies
- the annual report and accounts of the Electoral Commission, including the process for review of the accounts prior to submission for audit; and management's letter of representation to the National Audit Office
- matters relating to the National Audit Office
- the adequacy of management response to issues identified by audit activity
- expenses

- proposals for tendering for audit services, or for the purchase of non-audit services from contractors who provide audit services

2.5 The Audit Committee comprises three members and meets at least three times a year. Three Commissioners are appointed by the Board to the Audit Committee. The Board appoints an Independent Adviser to the Audit Committee who is a suitably qualified independent person who has no connection with the Commission. The Commission Board also appoints the Chair of the Committee, and this may be the independent adviser. The Chair of the Audit Committee (if not a Commissioner) will have the right to attend any meeting of the Electoral Commissioners.

2.6 The Chair of the Commission may not be appointed as a member of the Audit Committee.

2.7 Members of the Audit Committee and the independent adviser will normally serve for three years, unless a member ceases to be a Commissioner or asks to stand down. They may be re-appointed for a further period, normally not exceeding three years.

2.8 The Audit Committee minutes will be circulated to the Board and a report of the work of the Audit Committee will be presented annually to the Board.

2.9 The Audit Committee's terms of reference are attached at Annex G.

The Remuneration and Human Resources Committee

2.10 The Commission's Remuneration and Human Resources Committee comprises three Commissioners and meets at least twice a year.

2.11 The Remuneration and Human Resources Committee has responsibility for:

- approval of significant changes to organisational structure and/or overall staff terms and conditions of employment and any impact of the change such as termination of contracts
- approval of significant changes to the structure of the Executive Team
- supporting the Chair in the recruitment of the Chief Executive, including recommending to the Board the composition and membership of the Appointment Panel
- recommending to the Board the framework for the remuneration of the Chief Executive, if different from the framework applying to all other staff
- agreeing the annual negotiating remit for staff pay awards (including the Executive Team)
- recommending to the Board the composition and membership of the Appointment Panel for the Independent Adviser / Chair to the Audit Committee
- setting the fee of the Independent Adviser to the Audit Committee

2.12 It also acts as an advisory group on the extent to which organisational development and strategic Human Resource matters support the Board's strategic direction for the Commission.

2.13 Members of the Remuneration and Human Resources Committee will serve for three years, unless a member ceases to be an Electoral Commissioner or asks to stand down. They may be re-appointed for a further period not exceeding three years.

2.14 The minutes of the Remuneration and Human Resources Committee will be circulated to all members of the Board at its next available meeting, for information.

2.15 The Committee's terms of reference are included at Annex H.

Development and strategy events

2.16 The Commissioners may also attend development and strategy events, referred to as 'Commissioner Days'. The purpose of such events will be to provide an opportunity for Commissioners to reflect more thoroughly on strategy and key issues and also to develop their working practices.

2.17 In such circumstances Commissioners do not have delegated powers and are not acting as a decision making body. The membership, terms of reference, and arrangements for such events are decided by our Board, and progress monitored and reported for the information of the Board.

Commissioner Reference Groups

2.18 Periodically the Board may invite Commissioners to be a point of contact or reference group for staff on an issue or project. In such circumstances Commissioners do not have delegated powers and are not acting as a decision making body. The membership, terms of reference, and life of such a request are decided by the Board, and progress monitored and reported for the information of the Board.

Steering Groups

2.19 The Commission has five steering groups, which are Director-led, and linked to our key work and goals. The purpose of steering groups is to identify dependencies in work across the Commission, and create opportunity and space to think about future plans.

2.20 Commissioners can be involved in steering groups and enable Commissioners to become more involved, informally, in the work of the organisation, gaining an overview of the operational work going on across the Commission and those doing it, and offering their expertise and ideas.

Part 3 Roles, responsibilities and code of conduct for Commissioners

The Chair

3.1 The Chair leads the Board. The Board regulates its own proceedings, and has approved Standing Orders for that purpose (see Annex A). The Chair has particular responsibilities for the following matters:

- strategic leadership – leading the development and implementation of the Commission’s Corporate Plan
- Corporate governance – encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout the Commission. The Chair presides at Board meetings and ensures that these are held at regular intervals throughout the year and are accurately recorded. The Chair will also ensure that the Board’s effectiveness is reviewed annually in accordance with this framework
- external communication – representing the views of the Commission to key stakeholders including government ministers, leaders of political parties and other senior politicians, Chairs of public bodies and other organisations, leaders of local government and the media
- agreeing the objectives and undertaking annual appraisals of the Chief Executive, following consultation with other Commissioners

3.2 The Chair is also responsible for:

- taking a lead in identifying the skills and experience required to fill vacancies among the Commissioners, with a view to seeking a proper balance of expertise; and that this is represented to the Speaker’s Committee as part of the process for recruiting new Commissioners
- ensuring that new Commissioners receive a full, formal and tailored induction on joining the Commission
- assessing the performance of individual Commissioners
- seeking feedback on the Chair’s performance

3.3 In the absence of the Chair, the other Commissioners act as necessary to ensure the continuity of Commission business in accordance with the procedures outlined in the Standing Orders in Annex A of this Framework.

3.4 Commissioners with serious concerns about the Chair's conduct or ability to carry out the role, who feel unable to raise this with the Chair, may raise their concerns with the Independent Adviser to the Audit Committee. The Independent Adviser to the Audit Committee will, on the basis of information gathered, decide whether or not to pursue the matter further. If considered necessary he/she may commission an independent investigation.

Code of Conduct for Electoral Commissioners

3.5 Commissioners must act in accordance with the provisions of the Code of Conduct for Electoral Commissioners, which forms part of the Corporate Governance Framework. They must sign the declaration agreeing to the principles and procedures of the Code of Conduct and return it to the Secretary to the Commission Board. (The Code is at Annex I to this Framework).

Corporate responsibilities of Commissioners

3.6 Commissioners act collectively: they do not have individual authority other than may be accorded in a specific role (such as Chair of a Committee) or by the Board on a particular occasion (see 3.7 below). The Commissioners have corporate responsibility for ensuring that the Commission fulfils its aims and objectives and for promoting the efficient and effective use of staff and other resources.

3.7 The Board can decide to delegate a decision to the Chief Executive in consultation with the Chair, and where appropriate another Commissioner or Commissioners nominated by the Board. When, in the opinion of the Board, an issue has particular significance for Scotland, Wales or Northern Ireland, the relevant Commissioner(s) will be consulted.

3.8 Other responsibilities of Commissioners include:

- ensuring that high standards of corporate governance are observed at all times
- ensuring that the Commission identifies and manages its risks effectively
- establishing and maintaining effective arrangements for the discharge of the Commission's functions, including delegating to staff within a clear framework of strategic control, consulting interested bodies on major developments and responding to their views, where appropriate establishing advisory and consultative bodies to inform the Commission's work, and facilitating good communication with external organisations and the public

3.9 As individuals Commissioners are responsible for upholding the values and principles of the Commission, should act in good faith and in accordance with the Code of Conduct for Electoral Commissioners, and follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life – the 'Nolan Principles' – (see Annex C).

Responsibilities of individual Commissioners

3.10 All Commissioners have a UK-wide remit. In addition the Board allocates additional responsibilities to individual Commissioners. This can encompass:

- chair of the Remuneration and Human Resources Committee
- chair of the Audit Committee (when the Chair of that Committee is a Commissioner)
- lead Commissioners with responsibility for Northern Ireland, Scotland and Wales respectively and called '*Electoral Commissioner, Northern Ireland*' (accordingly, for each country)
- taking a lead in contributing to and/or reviewing work on particular projects e.g. as part of a reference or steering group

Complaints

3.11 The Commission shall approve, publish and maintain a Complaints Policy and Procedure covering the services provided by us to our stakeholders which includes independent review of our complaints via the Parliamentary Ombudsman (with a separate review procedure for freedom of information matters), the details of which shall be made available on the Commission's website.

Review of Board effectiveness

3.12 The Board will review annually its performance and that of its committees.

3.13 Commissioners will have individual meetings with the Chair at least annually at which issues may be raised, which may include how to support individual contribution, commitment to the role (including commitment of time for Board and committee meetings and any other duties), and any learning and development needs identified by the Commissioner. The Chair also seeks feedback on his own performance at these meetings.

3.14 During the Board's review of its effectiveness, an independent evaluation of the Chair's performance may also be carried out.

3.15 The Chair will act on the results of the performance evaluation by recognising the strengths, and addressing the weaknesses, of the Board as a whole and, where appropriate, seek the resignation of Commissioners or make recommendation to the Speaker's Committee concerning the removal of members or the qualities to be sought when considering new members to be appointed to the Commission.

Review of the corporate governance framework

Duty to monitor and review the Framework, including the Code of Conduct for Electoral Commissioners

3.16 The Board will review the corporate governance framework on an annual basis. The Planning Performance and Governance Manager is responsible for the operation of the scheme of corporate governance to ensure that the aims and principles of the framework are given full effect.

Changes to the framework

3.17 Changes to the framework will only be approved by the Board, provided that the Planning, Performance and Governance Manager may from time to time make and publish the following changes:

- such changes as may be necessary to reflect or as may be necessary to comply with or give effect to any legislative changes or requirements
- such other changes of an editorial or consequential nature as may seem appropriate to make the framework of governance internally consistent, up-to-date and readily understandable

3.18 The Planning, Performance and Governance Manager shall ensure that Commissioners are informed of the changes in addition to any other means of publishing changes.

Publication

3.19 The Planning, Performance and Governance Manager will ensure that the framework is made widely available to Commissioners and staff, is published on the Commission website and is updated as necessary.

The Chief Executive

3.20 The Chief Executive is responsible for ensuring that the Chair and Board have timely, accurate and clear information, as required, to carry out their responsibilities.

3.21 The Board has delegated authority (see paragraph 4.2 below) for the day-to-day management of the Commission to the Chief Executive. S/he therefore has responsibility for the overall organisation, management and staffing and for its procedures in financial and other matters including conduct and discipline. This involves the promotion, by leadership and example, of the values embodied in the Nolan Principles. Commissioners should support the Chief Executive in undertaking this responsibility.

3.22 The Commission's Delegated Powers are the arrangements described in Part 4 of this document.

3.23 The Chief Executive is in turn authorised to delegate matters to other Commission staff, and those delegations are set out in an Executive Scheme of Delegation.

3.24 The Chief Executive is the Commission's Accounting Officer as designated by the Speaker's Committee pursuant to paragraph 19 Schedule 1 of the Act. This role carries with it personal responsibility to ensure that appropriate advice is given to the Commission on all matters relating to financial propriety and regularity, for keeping proper accounts and for the efficient and effective use of resources. As Accounting Officer the Chief Executive is answerable to the UK Parliament for ensuring that all the resources available are used properly and give good value for money.

Political activity

3.25 For the Commission to perform effectively the functions given to it by Parliament, it must command wide confidence that it is independent of government and of political parties.

3.26 Commissioners and the Chief Executive must provide to the Commission full details of any activities that might lead to claims that they are or have been an active supporter of one political party or another, or of a particular policy which is associated with the objectives of a political party, or of an outcome that is (or may be) the subject of a referendum, recognising that Commissioners appointed under the amendments to PPERA brought about by the Political Parties and Elections Act 2009 are entitled to be members of a political party.

3.27 Failure to provide all relevant information regarding political activity may be grounds for removal from office or post. A Commissioner or the Chief Executive may be regarded as unfit to continue in that office or post should they engage in any activity that might call into question the Commission's political impartiality or cause risk to public confidence in the Commission, whether actual or perceived.

3.28 Further details of prohibited activity are set out in the Code of Conduct for Electoral Commissioners at Annex I to this Framework.

3.29 The appointments of Commission staff, including the Chief Executive, are also subject to statutory requirements set out in PPERA. The Chief Executive is subject to an additional disqualification to other staff, which effectively means that s/he is subject to the same disqualifications as Commissioners who are not nominated by political parties (the disqualifications are set out at PPERA Schedule 1, paragraph 3, which is included in Appendix 1 of the Electoral Commissioners' Code of Conduct).

Part 4 Commission's business and delegated powers

4.1 This section describes the roles and powers reserved to the Board in relation to the activities and statutory functions of the Commission and those delegated to committees of the Board and to the Chief Executive. The arrangements in Part 4 are referred to as the Commission's Delegated Powers. Schedule 1, paragraph 12 of the Act provides that the Commission, or any committee or sub-committee of the Commission, or the Chief Executive, may delegate functions to the Commission's staff. The Board has delegated certain of its functions to the Audit Committee and the Remuneration and Human Resources Committee, and the Chief Executive.

4.2 The Board by approval of this corporate governance framework delegates to the Chief Executive all responsibility for the day-to-day management of the Commission. Where a matter is not specifically reserved to the Board, or a Committee or sub-committee, the Chief Executive has authority to act subject to the following conditions:

- any relevant approved Commission policy shall be complied with
- any expenditure shall be within the agreed budget

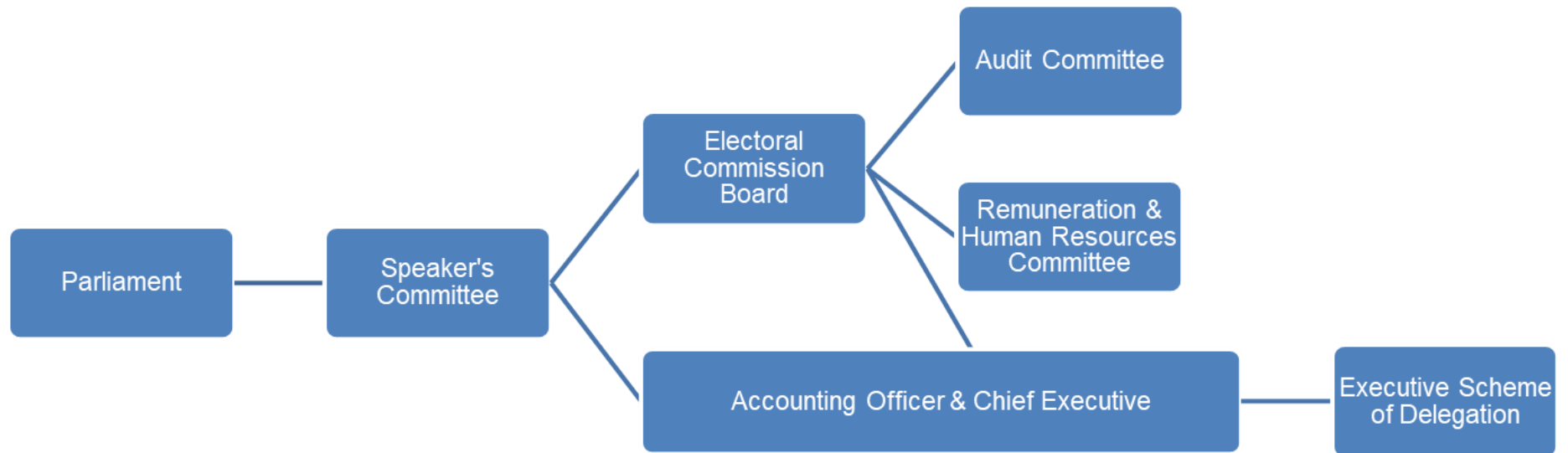
4.3 In addition, the Board by approval of this corporate governance framework authorises the Chief Executive to appoint another officer of the Commission to act on the Chief Executive's behalf. References in these arrangements to the Chief Executive include any person(s) to whom the Chief Executive has delegated their authority.

4.4 The Commission has an Executive Scheme of Delegation which sets out the authority for various levels of staff and decision-making. This is reviewed periodically, and not less than annually, by the Executive Team.

4.5 The Commission delivers its work through a combination of projects and business delivery work. Our approach to project management helps to ensure that a consistent approach is applied to work across the Commission, and supports delivery through the development of detailed plans. Members of the Executive Team in their roles as Project Directors are responsible for the overall delivery and achievement of objectives for each project. Decision-making within our project management arrangements takes place variously at Executive Team, or Project Board level, but will in any event be consistent with the Board Scheme of Delegation and the Executive Scheme of Delegation.

4.6 The Commission has a Schedule of Policies, which sets out in table form our key policies, whether statutory or discretionary, their purpose, the policy 'owner', and when due each policy is due for review.

Electoral Commission – delegation of powers and duties



Powers reserved to the Board

Reference/heading	Decision	Relevant specific provisions in PPERA
Corporate Governance	Consideration and approval of the Corporate Governance Framework including delegated powers, Standing Orders and Prime Financial Policies.	
	Consideration and approval of the Code of Conduct for Electoral Commissioners.	
	Establishment of committees of the Board; appointment of members of committees; appointment of the Chairs of committees; appointment of the Independent Adviser to the Audit Committee and agreement of terms of reference of committees.	Schedule 1 paragraphs 8,9 and 10
Strategy	Setting the strategic direction.	
	Periodic review of key Commission policy positions.	
Corporate plans and budget	Consideration and approval of the key principles and approach to informing the content of the Commission's budget, and Corporate Plan.	Schedule 1 paragraphs 14 and 15

Reference/heading	Decision	Relevant specific provisions in PPERA
	Variations to the approved budget where the variation would have a significant impact on the overall approved levels of income and expenditure. A financial variation shall be treated as significant if it involves incurring one-off expenditure of £1 million or more, or recurring expenditure of £250,000 or more per annum.	
Annual reports and accounts	Approval of key messages in annual reports and adoption of accounts (includes reporting on use of investigatory powers and civil sanctions and the annual report for the performance of the Commission in relation to the local government elections (or related matters) in Scotland).	Schedule 1 paragraphs 17 and 20 and 20A Schedule 19B paragraph 15 and Schedule 19C paragraph 27 Local Administration (Scotland) Act 2011
Appointment of Assistant Commissioners	Approve appointment of Assistant Commissioners when relevant.	Schedule 1 paragraph 7
Performance management	Consideration of regular performance and finance monitoring reports.	
Risk management	Satisfy itself that there are appropriate risk management arrangements in place for the Commission.	
	Determine the Commission's risk appetite.	
Human Resources	Approval of significant changes to overall staff terms and conditions of employment.	Schedule 1 paragraph 11

Reference/heading	Decision	Relevant specific provisions in PPERA
	<p>Appointment and termination of employment of the Chief Executive including approval of remuneration recommendations from the Remuneration and Human Resources Committee.</p> <p>Decisions relating to the Chief Executive's contract terms, remuneration and any bonus, if different from the framework applying to all other staff, will be taken by the Board, on the recommendation of the Remuneration and HR Committee.</p>	Schedule 1 paragraph 11
Significant publications³	Where the Chair and Chief Executive have identified a significant publication that merits consideration by the Board, agreement in advance to the key messages, the plan for the publication, and for communication and implementation.	
Promotion of public awareness of UK electoral and democratic systems	Approval of strategies and expenditure to meet this statutory duty.	Section 13

³ Significant publications means any work of sufficient significance to merit consideration by the Chair and the Chief Executive, and, in some instances, by the Board. This includes: Corporate Plan, Annual Report, statutory reports including election reports and significant policy reports, significant published guidance and significant research reports.

Reference/heading	Decision	Relevant specific provisions in PPERA
Responses to Government and other consultations, or public positions, beyond existing policy	Approve approach to consultation responses or other public positions which are either beyond agreed policy or of major public or political significance.	
Performance standards issues (Electoral Administration) for Returning Officers and Electoral Registration Officers	Approval of the overall framework of performance standards and reviewing the development of performance standards.	Sections 9A and 9B
Party finance regulation issues	Approval of enforcement policy.	Schedule 19B paragraph 14
	Receive emerging and final recommendations to Secretary of State for review of candidate spending limit review.	
	Receive periodically for the purpose of monitoring and review a summary of PEF statutory decisions taken.	
Policy Development Grants and assistance to parties	Approve and keep under review the scheme for the allocation of policy development grants to political parties, submitting recommendations for terms and change to the Secretary of State.	Section 12
Commission Administration	Approve minutes of Board meetings.	

Reference/heading	Decision	Relevant specific provisions in PPERA
Litigation	Approval of decisions to initiate or defend litigation in respect of matters which are of public, political, financial or reputational significance.	
Election pilot reports	Agree participation in and reporting on pilot schemes.	Section 9
European Parliament elections – distribution of MEPs	When required by notice of the Secretary of State, make a recommendation as to the distribution between the electoral regions of a total number of MEPs.	Section 3 of the European Parliament (Representation) Act 2003
Secretary of State electoral administration direction power to Electoral Registration Officers – only exercisable on recommendations of the Commission	Approve any recommendations of the Commission to the Secretary of State.	Section 8
Referendums	Approve the approach to question assessment, and the assessment itself.	Section 104 (and if applicable Section 10)
	Approve the approach and budget for public awareness campaigns.	Section 13
	Agree the framework for designating lead campaign organisations for each referendum, and designate.	Sections 108 and 109

Reference/heading	Decision	Relevant specific provisions in PPERA
	Approve the framework for allocation of grants to campaign organisations.	Section 110

Decisions/duties delegated by the Board to committees

Committee	Decision/duty
Audit	Provision to the Board of assurance that appropriate risk, internal control and governance processes are in place across the Commission.
	Approval of the Risk Management Framework and regular review of the Commission's strategic, corporate and directorate risks.
	Confirmation of the Annual Assessment of Information Risk Management.
	Review of the Annual Governance Statement and to recommend approval of the Statement by the Accounting Officer as appropriate.
	Review of the accounting and financial policies and the annual accounts of the Commission and to recommend to the Commission Board that it adopts the accounts and to the Accounting Officer that s/he sign the accounts as appropriate.
	Recommend to the Commission Board any amendments of the financial policies.
	Review the plans and reports of the National Audit Office and management responses to any proposals.
	Approval of the process of appointment of an internal audit service for the Commission.
	Agreement of the strategic and annual internal audit plans.
	Review the reports of the internal audit service and management responses to any proposals.

Committee	Decision/duty
	<p>Approval of any proposals for the purchase of non-audit services from contractors who provide audit services.</p> <p>Approval of the Whistleblowing Policy.</p> <p>Approval of the Anti-fraud Policy.</p> <p>Approval of the Anti-bribery Policy.</p>
Remuneration and Human Resources	<p>Approve the framework for the total benefits package (remuneration and employee benefits) for all staff of the Electoral Commission (including the Executive Team)</p> <p>Recommend to the Board the remuneration of the Chief Executive, if different from the framework applying to all other staff, together with decisions (recommendations) relating to the Chief Executive's contract terms, remuneration and any bonus.</p> <p>Review the on-going appropriateness and relevance of the total benefits framework and propose amendments to the Board as appropriate.</p> <p>In determining frameworks and policies for the total benefits package, take into account that:</p> <ul style="list-style-type: none"> • members of staff should be provided with appropriate incentives to encourage enhanced individual and collective performance in a fair and responsible manner • members of staff should be rewarded for their individual contributions to the success of the Commission • the Commission must observe its obligations under PPERA

Committee	Decision/duty
	Approve significant changes to organisational structure and/or overall staff terms and conditions of employment and any impact of the change such as termination of contracts.
	Review an annual report to the Committee of any terms, or payments made on termination of employment to ensure that failure is not rewarded and that the duty to mitigate loss is fully recognised. The Chair of the Committee will be notified in advance of making such terms and payments (e.g. settlement agreements).
	Request any reports or surveys which the Committee deems necessary to help it fulfil its obligations, for example salary benchmarking reports or information about remuneration in other bodies.
	Recommend to the Board any changes to the fee for the Independent Adviser to the Audit Committee. It is anticipated that any increase will be in line with that awarded to Commissioners.
	Recommend to the Board the composition and membership of the Appointment Panel for recruitment of the Independent Advisor/Chair of the Audit Committee.
	Support to the Chair in the recruitment of the Chief Executive, including recommending to the Board the composition and membership of the Appointment Panel for recruitment of the Chief Executive.
	Report annually to the Board on the work of the Committee.

Committee	Decision/duty
	<p data-bbox="595 279 1444 311">To act as an advisory group as required on such matters as:</p> <ul data-bbox="633 347 2016 598" style="list-style-type: none"><li data-bbox="633 347 2016 422">• the overall approach and scope of the HR strategy particularly relating to organisational design, significant restructuring or change programmes<li data-bbox="633 459 1780 491">• major trade union or industrial relations issues affecting the whole Commission<li data-bbox="633 528 1937 598">• organisational development relating to the beliefs, values, culture and effectiveness of the Commission

Decisions/duties delegated by the Board to the Chief Executive and decisions/duties of the Chief Executive as accounting officer

Appointment	Decision/duty
Chief Executive	<p>All responsibility for the day-to-day management of the Commission. Where a matter is not specifically reserved to the Board, or a sub-committee, the Chief Executive has authority to act subject to the following conditions:</p> <ul style="list-style-type: none"> • any relevant approved Commission policy shall be complied with • any expenditure shall be within the agreed budget
	<p>The Board authorises the Chief Executive to appoint other members of staff of the Commission to act on the Chief Executive's behalf. Delegations should be recorded in an Executive Scheme of Delegation.</p>
Accounting officer	<p>Approval of the policy for payment of Commissioner fees and travel and subsistence claims (annually, as part of the review of the Corporate Governance Framework).</p>
	<p>The accounting officer has personal responsibility for:</p> <ul style="list-style-type: none"> • regularity and propriety • selection and appraisal of programmes and projects • affordability and sustainability • value for money

Appointment	Decision/duty
	<ul style="list-style-type: none"> • management of opportunity and risk • learning from experience • accounting for the organisation's financial position and transactions <p>The accounting officer must personally sign within the annual report and accounts</p> <ul style="list-style-type: none"> • the statement of financial position • the performance report (management commentary) • the governance statement • the remuneration report <p>the annual accounting officer's certificate confirming his satisfaction with the administration of pensions And, having been satisfied that they have been properly prepared to reflect the business of the organisation, must personally approve:</p> <ul style="list-style-type: none"> • voted budget limits • the associated Estimates Memorandum <p>The Chief Executive as Accounting Officer or the Director of Finance and Corporate Services may authorise employee severance payments which fall outside of the Civil Service Compensation Schemes, subject to advance notice to the Chair of the Remuneration and HR Committee, and an annual report to the Committee of any such payments.</p>

Appointment	Decision/duty
	When the accounting officer is absent and cannot readily be contacted, another senior member of staff should deputise. If a significant absence is planned, the accounting officer, or in their absence the Director of Finance and Corporate Services, may invite the Speaker's Committee to appoint a temporary acting accounting officer.

Annex A Standing Orders

Introduction

A1 Standing Orders, together with the Delegated Powers and Financial Policies, provide a procedural framework within which the Commission discharges its business. They deal with the business of the Commission, procedure at meetings of the Board and any committees, delegation of powers, declaration of interests and standards of conduct.

Place of business

A2 The principal place of business of the Commission is 3 Bunhill Row, London, EC1Y 8YZ.

Meetings of the Board

Calling meetings

A3 The Board shall meet on such dates and at such times and places as the Board shall from time to time determine. Such meetings shall be known as ordinary meetings.

A4 An extraordinary meeting may be called at any time by the Chair or the Chief Executive, or by no fewer than five Board members lodging with the Chair or Chief Executive a written request for such a meeting, stating the business to be transacted. No business shall be transacted at such a meeting other than that specified in the notice of the meeting.

Notice of meetings

A5 At least four clear working days (a working day excludes Saturday, Sunday, Bank Holidays and other days when the Commission offices are closed) before any ordinary meeting of the Board, written notice of the time and place of such meeting and of the business to be transacted shall be sent by the Chief Executive, or a nominated officer acting on his/her behalf, to each Commissioner.

A6 The accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings of the meeting, save that failure to serve such a notice on four or more members will invalidate the meeting.

Business to be transacted

A7 The Chair is responsible for drawing up the agenda of the meetings in consultation with the Chief Executive.

A8 No business other than that specified in the notice of the meeting shall be transacted at that meeting unless the business is of an urgent nature or required by statute to be

transacted and not less than two-thirds of the members present decide that the business shall be transacted.

A9 A member wishing a matter to be included on an agenda shall make his/her request in writing for the Chair to consider at least ten clear days before a meeting. Requests made less than ten days before a meeting may be considered for inclusion on the agenda at the discretion of the Chair.

A10 Agendas for meetings shall include declarations of interest as a standing item.

A11 After each Board meeting there shall normally be a review between the Chair and Commissioners, to consider any issues in the management of the meeting, and provide an opportunity for Commissioners to give feedback to the Chair.

Written comments

A12 If a member who is not present submits written comments on an agenda item(s) then at the discretion of the meeting Chair, these may be circulated at the meeting or read out by the meeting Chair at the appropriate point in the meeting.

Quorum

A13 Board meetings are quorate if there are at least six Commissioners present and able to take part in the discussion, of whom four shall be Commissioners appointed other than under Section 3A of the Act.

A14 However, the quorum shall be five Commissioners, of whom three shall be Commissioners appointed other than under the provisions of Section 3A of the Act in the following circumstances:

- in the case of political finance regulatory decisions
- in the case of decisions to be taken in relation to referendums, or
- when three or more vacancies exist for Commissioners

A15 A smaller quorum for regulatory decisions and decisions relating to referendums provides the greater flexibility needed in these circumstances, enabling the Commission to meet and take decisions at relatively short notice, and avoid delay. Such decisions will be communicated by the Secretary to the Commission Board at the earliest opportunity to any Commissioners not able to be present at the meeting.

A16 Members may attend meetings of the Board by video or telephone conferencing facility. Members attending a meeting by these means shall be deemed to be present in person at the meeting. The responsible officer shall record the circumstances of any member attending a meeting by video-conferencing facility.

A17 If a member has been disqualified from participating in a discussion or resolution to be taken about any matter by reason of the declaration of a conflict of interest, s/he shall no longer count towards the quorum. If a quorum is then not available for the discussion

or resolution to be taken about any matter, that matter may not be subject to a decision. The responsible officer shall record this situation in the minutes of the meeting.

Record of attendance

A18 The responsible officer shall record the names of all members present at the meeting of the Board in the minutes of the meeting.

Chair of meetings

A19 The Chair shall preside at any meeting of the Board. In the absence of the Chair those attending a meeting will agree from among the non-nominated Commissioners a Chair to conduct the proceedings of that meeting.

A20 The Chair determines the detailed procedure for the conduct of business at meetings of the Board and the Chair's decision on questions or order will be observed at the meeting, subject to the provisions of Standing Orders and to any decision of the Board to the contrary.

Decision making

A21 Decisions of our Board will normally be made by consensus rather than by formal vote. Failing consensus, decisions will be reached by a vote when:

- the meeting Chair judges that there is a body of opinion amongst members at the meeting that disagrees with a proposal or has expressed reservations about it and no clear consensus has emerged or is likely to do so, or
- a member who is present requests that a vote be taken and this is supported by at least one other member, or
- any other circumstances have arisen where the meeting Chair judges that a vote is appropriate

A22 In these circumstances each member has a single vote. The meeting Chair will cast his or her vote at the same time as other members. Voting shall normally take place by a show of hands or such other means of assent or dissent as the meeting Chair deems appropriate. Only members present (including by telephone or video-conference) may vote.

A23 The decision will be carried by a simple majority. The meeting Chair's ruling as to the outcome of the vote shall be final.

A24 In the case of an equality of votes, the meeting Chair shall not have a casting vote and the decision will not have been carried. A vote once taken will not usually be re-taken within the same meeting.

A25 If a vote is taken, the number voting for, against and any abstentions shall be recorded in the minutes.

A26 Members may ask for their dissenting views on any matters to be recorded in the minutes.

Decision making by electronic means

A27 Our Board Secretary will manage the process for decision making by electronic means as set out below.

A28 Papers will be produced for all items of electronic business clearly setting out the recommendations to our Board and options considered together with any supporting analysis necessary.

A29 Our Board Secretary will agree with our Chief Executive and our Chair a timeline for a decision to be taken. This will include sufficient time for our Board to read the report, seek clarification on the issues raised and to confirm their decision on the recommendations in the report.

A30 If our Chair is unavailable, then the views of the Chair of the Audit Committee will be sought on the matters above. Similarly, if our Chief Executive is unavailable then the views of at least one Director will be sought in their absence.

A31 Our Board Secretary will circulate the report to our Board electronically, e.g. by email, and set out the timeline at A29 above. Questions or points of clarification should be directed to our Board Secretary who will arrange for a response to be drafted and circulated to our Board in line with the agreed timeline.

A32 Commissioners should confirm their decision on the recommendations in the report by the deadline indicated in the timeline. Once this deadline has passed our Board Secretary will confirm to our Board, Chief Executive and the report author the decision of our Board.

A33 The normal standing orders for declarations of interest and quorum apply to decisions made using electronic means. The quorum for decision making using electronic means is defined as the number of Commissioners participating in the decision by electronic means.

A34 The principle that decisions of our Board are reached by consensus applies to decisions taken using electronic means. Where the procedure on voting is used to make a decision using electronic means, then the means of voting shall be by electronic means, e.g. email.

Principles of decision-making

A35 All decisions of the Board, including delegated decisions, will be made in accordance with the following principles:

- proportionality (i.e. the action must be proportionate to the desired outcome)
- due consideration and the taking of professional advice from staff

- reasonableness, fairness, impartiality, equality and in accordance with natural justice and human rights
- a presumption in favour of transparency in what we do and how we do it, subject to acknowledging that this may not always be appropriate e.g. legal advice and certain regulatory matters
- reasoned, with clarity of aims and desired outcomes, to ensure that those responsible for decision-making provide the reasons for decisions
- efficiency (decisions must not be unreasonably delayed)
- regulatory decision-making should accord with good regulatory practice
- consistency with the duties and responsibilities, aims and objectives of the Commission, including effective and efficient use of resources
- the Board will operate on the principles of collective responsibility, support and respect
- external pressure will not alter Board processes except for potential time-lines
- Board members' behaviour in response to decisions is required to be the same inside and outside the Commission

Openness and responsiveness

A36 The Commission and its staff will conduct all dealings with the public in an open and responsible way, and ensure full compliance with the principles of the Freedom of Information Act 2000.

A37 The Commission recognises the need for confidentiality of certain information, in accordance with statutory requirements or agreed commercial interests, subject to the rights of Parliament, the National Audit Office, HM Treasury and other public bodies to obtain information, and to the rights of individuals to obtain information in accordance with statute.

Adjournment

A38 Any meeting of the Board may be adjourned from time to time and from place to place at the discretion of the Chair. Reasonable notice shall be given where practical of the date and time of the reconvening of the adjourned meeting, save that where a meeting has been adjourned for thirty days or more, notice of the reconvening of the adjourned meeting shall be given as for an ordinary meeting of the Board.

Minutes

A39 Minutes of all Board meetings shall record the decisions taken, and where appropriate, the views of individuals present. The minutes shall record any declarations of interest made at the meeting. The minutes will be submitted for agreement at the following

Board meeting. Once agreed, the minutes, including any amendments required by the Board, shall be signed by the Chair.

A40 Approved minutes (or a version redacted as appropriate) will be published on the Commission's website.

Delegation of Powers

A41 The Commission has approved Delegated Powers that specify those matters that are reserved to the Board for decision, and those matters that may be delegated to committees of the Board or to the Chief Executive for decision. The Chief Executive may in turn delegate any matter within their authority to another officer of the Commission. Any person to whom a matter is delegated by the Chief Executive or under arrangements approved by them shall carry the authority of the Commission in respect of the matter so delegated.

A42 The Board shall review and approve the Delegated Powers annually.

Urgent or non-contentious business

A43 Urgent business may arise between scheduled ordinary Board meetings that requires a decision of our Board before the date when an ordinary or extraordinary meeting of our Board can be convened.

A44 Where decisions that would ordinarily be taken at Board meetings have to be made on an urgent basis they may be taken by our Chief Executive, in consultation with our Chair, with the exclusion of regulatory decisions on party finance matters, or determination of matters relating to referendums, where it is accepted that the nature of the business may require meetings to be called on notice.

A45 In such cases our Chief Executive should take all practicable steps to consult with our Chair, and with as many other Commissioners as our Chief Executive considers appropriate (and if at all possible no fewer than two Commissioners). Our Chief Executive should seek Commissioners' views as to:

- the urgency of the matter requiring decision
- the significance of the decision required
- the possibility of holding an extraordinary Board meeting to consider it
- the possibility of making the decision by electronic means
- the circumstances for Commissioners to comment on the matter
- the action to be taken

A46 Our Chief Executive should decide in the light of Commissioners' views what action to take, should notify as many Commissioners as practicable (and in any event no fewer than two Commissioners) of the proposed action and should allow as much time as they

consider reasonable in the circumstances for Commissioners to comment on the proposals. Our Chief Executive should then act as they consider appropriate.

A47 Our Chief Executive can request our Board Secretary to arrange for a business matter to be decided or discussed using electronic means, e.g. email, at an extraordinary Board meeting or at a meeting called on notice.

A48 The exercise of such powers shall be reported to the next meeting of our Board as an item on the agenda, to approve the minute and date of the decision taken, and note the reason for the exercise of such powers. Our Board will consider whether further action is required. The matter will be recorded in the minutes of the Board meeting to which it is reported.

A49 If our Chair is unavailable, then the views of the Chair of the Audit Committee will be sought on the matters above. Similarly, if our Chief Executive is unavailable then the views of at least one Director will be sought in their absence.

Committees

A50 The Board may establish standing or ad hoc committees or advisory groups, and the Chair may establish advisory groups, consisting of such numbers and for such purposes as the Board, or as the case may be, the Chair, may determine (for example Commissioner Reference Groups). The membership of Appointment Panels for the roles of Independent Advisor/Chair to the Audit Committee, and for the Chief Executive, is decided by the Board on the recommendation of the Remuneration and Human Resources Committee.

A51 Only Commissioners can be a member of a Commission committee.

A52 The provision of these Standing Orders (SOs) shall apply where relevant to the operation of all committees, unless these SOs specify otherwise. They shall not apply to Commissioner Reference Groups (see paragraph 2.16 of the Corporate Governance Framework, above).

Declaration of Interests

A53 Commissioners must declare any potential interests or connections they may have to the Secretary to the Commission Board.

A54 Where there is a conflict of interest, the Board will decide the proper course of action and whether the Commissioner should withdraw from the meeting for discussion and/or the decision-making process.

A55 The interest declared will be recorded in the minutes of the meeting.

Standards of conduct

A56 Commissioners are required to comply with the Commission's Corporate Governance Framework and the Code of Conduct for Electoral Commissioners. Staff are

required to comply with the standards set out in the Code of Conduct for staff and with Human Resources policies.

Use of information

A57 No Commissioner shall use information gained in the course of their duty for personal gain nor seek to use the opportunity of such public service to promote their own or other parties' private interests. Commissioners should at all times avoid behaving in a manner which might bring the Commission into disrepute.

Gifts and hospitality

A58 Offers of gifts and hospitality, whether accepted or not, must be reported to the Planning, Performance and Governance Manager at the earliest opportunity but within a maximum of 28 days together with details of the donor and the approximate value. A Register of Gifts and Hospitality will be maintained by the Planning, Performance and Governance Manager, and published on the Commission's website.

Suspension of Standing Orders

A59 At any meeting the Board may, by a majority of not less than two-thirds of those present and voting, resolve to suspend these Standing Orders for the duration of the meeting or of any item of business to be transacted at the meeting, provided that:

- suspension of Standing Orders does not contravene any statutory provisions or directions
- any decision to suspend Standing Orders is recorded in the minutes
- a separate record of matters discussed during the suspension shall be kept

Amendment of Standing Orders

A60 These Standing Orders or any of them may be amended by alteration, addition or deletion, provided that:

- amendment or variation of the Standing Orders does not contravene any statutory provisions or directions
- at least five days' notice shall be given of the proposed amendment
- the amendment shall be approved by a majority of not less than two-thirds of the members present and voting at the meeting in which it is moved

Review of Standing Orders

A61 The Board shall review Standing Orders annually. The review shall include relevant governance documents having effect as if incorporated into Standing Orders.

Annex B Summary of the statutory framework for the Commission

Political Parties, Elections and Referendums Act 2000

B1 The Commission is an independent body, established by the United Kingdom Parliament under the provisions of the Political Parties, Elections and Referendums Act 2000 (the Act).

B2 The Commission is accountable to the UK Parliament, and specifically to the Speaker's Committee of the House of Commons which is appointed in accordance with the provisions of the Act. The principal powers and duties, and membership, of the Speaker's Committee are set out below.

Legal status

Administrative Law

B3 As a public body, the Commission is subject to normal principles of administrative law. The Commission must act reasonably (in the sense that it should not act in a manner in which no reasonable body such as the Commission would act) and should base its decisions on relevant considerations, disregarding irrelevant factors. The Commission, and the Commissioners, should be objective and impartial and bear in mind that the Commission is an independent statutory body.

A statutory body

B4 As a statutory body, the Commission is subject to the principle that it can only do the things which Parliament through statute has given it the power or the duty to do ('the ultra vires' principle). It must be possible, in relation to any act or decision of the Commission, to identify the statutory authority upon which the Commission is relying.

Ombudsman

B5 The Commission falls within the remit of the Parliamentary Commissioner for Administration (the Ombudsman). It is required to comply with the Code of Practice on Access to Government Information.

Freedom of Information

B6 The Commission is listed as a public authority in Schedule 1 to the Freedom of Information Act 2000 and is therefore subject to the Freedom of Information regime. The Commission has published a Publication Scheme under the Freedom of Information Act

2000. The Commission is required to comply with requests for information unless a defined exemption applies.

Data Protection and document security

B7 The Commission complies with Data Protection law, which requires any organisation that is processing personal data about individuals to comply with certain safeguards. It also gives individuals the right to access information held about them. This right of access is subject to certain exemptions.

Powers, duties and membership of the Speaker's Committee

B8 The Speaker's Committee is appointed in accordance with the provisions of section 2 of the Political Parties, Elections and Referendums Act 2000 (PPERA) to perform the functions conferred on it by that Act. A summary of the principal powers and duties of the Committee are:

- to receive the Commission's annual accounts and examine the Commission's estimates
- to examine the Commission's plan of aims and objectives over the next five years and its estimated requirement for resources during that period and to consult with Treasury
- to designate the Commission's accounting officer and to specify his or her responsibilities
- to report to the House, at least once a year, on the exercise of its functions
- putting in place and overseeing a selection procedure for Commissioners

Membership

B9 The membership of the Speaker's Committee is determined in accordance with the provisions of Section 2 of the Political Parties, Elections and Referendums Act 2000. It consists of the members listed at the Parliament [website](#)

Summary of applicable legislation

B10 The Political Parties, Elections and Referendums Act 2000, as amended (and other legislation that governs the work of Commission).

B11 The Political Parties, Elections and Referendums Act 2000, includes amendments that have been made to it by subsequent legislation since its enactment in 2001. It establishes the Electoral Commission; makes provision about the registration and finances of political parties; donations and expenditure for political purposes; election and referendum campaigns and the conduct of referendums election petitions and other legal proceedings in connection with elections.

B12 In addition to the 2000 Act, other legislation is relevant to the Commission in the discharge of its functions. This includes the primary legislation that under-pins the conduct of elections in the UK and related matters, such as:

- Local Government Acts 1972, 1985, 1986, 1992, 2000 and 2003
- Greater London Authority Act 1999
- [Representation of the People Acts 1981, 1983, 1985 and 2000](#) Election Publications Act 2001
- [Electoral Administration Act 2006](#)
- [European Parliamentary Elections Acts 1978, 1999](#), 2002 and 2004
- House of Commons Disqualification Act 1975
- House of Lords Act 1999
- Greater London Authority Act 1999
- Broadcasting Acts 1981 and 1990 and Communications Act 2003
- Local Government (Scotland) Act 1973
- Scotland Act 1998
- Local Electoral Administration and Registration of Services (Scotland) Act 2006
- Local Government (Wales) Act 1994
- Government of Wales Acts 1998 and 2006
- Northern Ireland (Miscellaneous Provisions) Act 2006
- Armed forces legislation
- Political Parties and Elections Act 2009
- Local Electoral Administration (Scotland) Act 2011
- Police Reform and Social Responsibility Act 2011
- Electoral Registration and Administration Act 2013
- Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014 (Transparency Act)

B13 There are also many key orders, regulations and rules made under the legislation that govern the operation of elections.

B14 In addition, the lawful governance and running of the Commission requires compliance with the general law, such as, equality, human rights, employment,

procurement, health and safety, property, intellectual rights, and access to information legislation.

Annex C The Nolan principles

The seven principles of public life

C1 The 'Nolan Principles' code of practice has been written with regard to the seven principles of public life identified by the Nolan Committee in their First Report on Standards in Public Life in May 1995 and subsequently endorsed by the Government.

Selflessness

C2 Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

C3 Holders of public office should not place themselves under any financial or other obligation to outside individual or organisation that might influence them in the performance of their official duties.

Objectivity

C4 In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

Accountability

C5 Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

C6 Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

C7 Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

C8 Holders of public office should promote and support these principles by leadership and example.

Annex D Prime financial and internal control policies

Introduction

D1 This document sets out the Commission's prime financial policies.

D2 The key objective of setting financial policies is to give a framework for maintaining financial control over Commission resources, which enables strategic priorities to be delivered and the Chief Executive to discharge his/her Accounting Officer responsibilities.

D3 In support of these policies, further detailed policies have been prepared and approved by the Director of Finance and Corporate Services. These detailed financial policies are included in the Finance Manual. The Prime and detailed financial policies together are referred to as the Commission's financial policies.

D4 The Commission financial policies comply, and are consistent, with the financial provisions laid down in the Political Parties, Elections and Referendums Act 2000.

Status and scope of the Commission's financial policies

D5 Compliance with Commission financial policies is mandatory on all Commissioners, contractors and staff (temporary or full time) irrespective of their directorate or role. Any member of staff failing to comply with the financial policies may be subject to disciplinary action under the Commission's disciplinary policy. Any significant breaches of Commission financial policies will be notified to the Audit Committee and to Internal Audit. It is the responsibility of the relevant Director to ensure that staff are made aware of the existence and content of these and the detailed financial policies and that staff with financial responsibility are fully acquainted with them.

Amendment of Prime Financial Policies

D6 To ensure that these policies remain up to date and relevant, the Director of Finance and Corporate Services will at least annually undertake a review and following consultation with the Accounting Officer and scrutiny by the Audit Committee recommend amendments to the Commission Board for approval.

Relation to other policies

D7 These policies are consistent, and should be read, with other policies in force within the Commission, particularly the HR policies as set out in the Staff Handbook.

Capital investment and asset management

Policy

D8 All assets will be centrally purchased or leased within budgets approved by the Commission. Purchase, control, safe custody and disposal will be undertaken in accordance with procedures approved by the Director of Finance and Corporate Services.

D9 The Director of Finance and Corporate Services will:

- ensure that the Commission prepares a consolidated capital budget, and performance is monitored
- maintain appropriate capitalisation limits and depreciation rates
- ensure a central asset register of all items over the capitalisation threshold is maintained
- ensure a central register of attractive and vulnerable items under the capitalisation threshold is maintained
- maintain a delegated schedule of authority for asset disposals

Treasury management and banking

Policy

D10 The Commission will undertake cash management in accordance with HM Treasury banking requirements and guidance. The Director of Finance and Corporate Services will:

- monitor cash flow projections and performance monthly
- maintain and approve a schedule of personnel that sets out who can authorise instruments of payment against the Commission's banking facilities and any limitations to the monetary value of the payments and the combination of signatures required

Debt and work in progress management

Policy

D11 The Commission will allow normal credit terms on settlement of its invoices, but will actively chase debts in excess of this. This policy does not cover civil penalties imposed under s147 of PPERA.

D12 The Director of Finance and Corporate Services will ensure that:

- all services provided are invoiced in a timely manner
- there are appropriate systems in place to recover outstanding debts

- any irrecoverable debts to be written off are properly authorised in accordance with delegated authorities
- appropriate arrangements are in place to manage fees relating to registration of political parties and penalties imposed on political parties

Procurement

Policy

D13 The Commission will ensure appropriate competition within all purchasing to ensure only budgeted, authorised and appropriate expenditure is incurred. Value for money will be sought for all goods and services, by taking into account fitness for purpose, service, sustainability and whole life costs.

D14 Staff involved in dealing with suppliers should preserve the highest standards of honesty, integrity, impartiality and objectivity and ensure that value for money is obtained from all procurement.

D15 The Director of Finance and Corporate Services will ensure that:

- all procurement undertaken gives due regard to sustainability issues and ethical trading issues as permitted by the law and account is taken of the latest case law, European Commission guidance and legislation, government policy and good practice
- orders are properly prepared and authorised, and a schedule of delegated authority to approve orders is maintained and approved
- a schedule is prepared and maintained showing how orders will be placed and the extent to which Procurement will be involved
- appropriately experienced employees are designated as authorised signatories and will maintain a current list of criteria for those staff who are nominated as signatories
- in line with government policy, the Commission will endeavour to include small firms on tender lists for work, which is compatible with their capacity and capability and where they can reasonably compete on value for money terms
- where contracts and framework agreements are in place then all requirements will be purchased through them except as where noted in the Detailed Financial Policies
- appropriate arrangements are in place to manage arrangements for the use of the Government Procurement Card

Creditor payments

Policy

D16 The Commission will aim to pay creditors within 10 days of the date of receipt of valid invoices, or earlier within agreed terms of business.

D17 The Director of Finance and Corporate Services will ensure that:

- The Commission's Purchase Ordering System will be used for all types of purchases except those as listed in the Detailed Financial Policies.
- The Commission operates one central Purchase Ledger from which supplier payments will be made.

Taxation

Policy

D18 The Commission will seek to ensure that all taxes due and payable, are settled promptly with the relevant authority.

D19 The Director of Finance and Corporate Services will ensure that:

- internal audit will undertake an audit of our taxation arrangements at least once every three years
- all income tax and National Insurance contributions due by the Commission and Commission staff and schedule contractors is properly deducted and paid to HM Revenue and Customs

Corporate planning and Project management

Policy

D20 The Commission's Corporate Plan is set out in a published document.

D21 The Chief Executive will ensure that a Corporate Plan is prepared, approved, published and updated as required by the Board.

D22 For internal management the Commission will prepare plans to support the delivery of the Corporate Plan. The majority of the Commission's work is delivered through project and business delivery work. Projects are clearly defined in terms of their scope and the overall objectives they are seeking to deliver.

D23 Further work is undertaken to develop a detailed plan that sets out our approach to delivery. The Executive Team, agree the projects and review our business delivery work. Business delivery work is monitored through operational plans.

D24 The Director or Finance and Corporate Services will ensure processes are in place so that:

- a series of projects are defined in order to deliver the four goals of the Commission
- projects plans are prepared to cover the year ahead, incorporating a full program of activities, resourcing plans and associated risks
- operational plans are in place to support the delivery of activities that do not fall within one of the Commission’s projects
- review of the Commission’s progress against plans is discussed monthly by the Executive Team
- consolidated reports of progress against plans including an explanation of significant variances are presented to the Commission Board quarterly
- risks associated with all plans are reflected appropriately in the Risk Register

Document	Production timescale	Lead / Owner	Publication
Corporate Plan	Produced in the first year of a new Government	Chief Executive	Externally published
Project Plans	Based on the length of the Project	Responsible Project Director	Internal
Directorate Plans	Revised accordingly (at least monthly)	Responsible Director	Internal

Risk management

Policy

D25 The Commission will have arrangements in place for evaluation, awareness and management of its risks.

D26 The Director of Finance and Corporate Services will ensure that:

(a) The Commission has a robust and effective process for risk management approved by the Board. This will include:

- a process for identifying and quantifying risks and potential liabilities throughout the Commission

- management processes to ensure all significant risk and potential liabilities are mitigated as appropriate
- arrangements to periodically review the risk management processes

(b) A report is taken to the Audit Committee on a quarterly basis on the key risks that have been identified and the process for managing them.

Internal Control

Policy

D27 The Commission will put in place an appropriate control environment and effective internal controls that provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and policies.

D28 The Commission will operate an Audit Committee whose terms of reference are specified in the Corporate Governance Framework.

D29 The Chief Executive, as Accounting Officer, is responsible for the Commission's systems of internal control.

D30 The Director of Finance and Corporate Services will ensure that:

- the financial policies are reviewed and updated annually
- an appropriate internal audit function is in place and working effectively
- a system is in place for proper monitoring and reporting of all breaches of financial policies

Audit

Policy

D31 The Commission will maintain an effective and independent internal audit facility and fully comply with the requirements of external audit and other statutory reviews.

D32 The Director of Finance and Corporate Services will ensure that:

- the Commission maintains a professional and technically competent internal audit function
- the process of appointment is approved by the Audit Committee
- the internal audit function has unfettered access to senior Commission personnel, the chair of the Audit Committee and the Chief Executive

Annual financial accounts

Policy

D33 The Commission will produce the statutory annual report and accounts in accordance with all relevant accounting standards, the HM Treasury financial reporting manual, agreed timetables and the current Accounts Direction as issued by the Treasury.

D34 The Director of Finance and Corporate Services will ensure that:

- a timetable for the production of the Annual Accounts is prepared and agreed with external audit and the Accounting Officer
- the accounts are prepared in accordance with the timetable approved by the Accounting Officer, audited and laid before Parliament
- due consideration is given to the external audit completion report and all issues are fully addressed within agreed timescales

Accounting systems

Policy

D35 The Commission will operate one central accounting system from which management and financial accounts will be generated.

D36 The Director of Finance and Corporate Services will ensure that the Commission has appropriate financial and other software to enable it to comply with these policies.

Claims and litigation

Policy

D37 The Commission will maintain arrangements to ensure that all claims and existing or potential litigation against the Commission are handled properly having regard to the Commission's statutory functions and position as a public body, the need to achieve value for money and relevant commercial principles.

D38 Legal Counsel will ensure that procedures are in place to report as soon as practicable any claim having potential significant consequences to the Chief Executive. These claims will be reported to the Audit Committee as part of the arrangements for monitoring risks.

Fraud

Policy

D39 The Commission requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. The Commission will not tolerate any fraud perpetrated against it and will actively pursue any loss suffered. Within

the detailed policies the Commission will maintain a Fraud Response Plan and a response to Money Laundering legislation.

D40 Legal Counsel will:

- after consultation with the Commission's fraud specialists, ensure that the Detailed Financial Policies include a Fraud Response Plan and the Commission's response to Money Laundering legislation
- ensure that there are regular communications to line managers and to staff in general reminding them of their responsibilities under this policy

Fees and charging

Policy

D41 The Commission will review the scales of fees and charges annually and the arrangements in place to collect fees and charges so that it can meet its statutory responsibilities to collect fees for political party registration and fines.

D42 The Director of Finance and Corporate Services will:

- with the Director of Regulation review the scales of fees for political party registration and fines to ensure that the costs of providing these services are known and statutory requirements are met
- approve the method of calculating charges and fees where agreements are reached to charge for services or where the Commission is involved in a competitive tender situation
- approve the methodology for calculating ad hoc fees
- approve the methodology for internal recharges

Payments to outside bodies

Policy

D43 The Commission will administer appropriate grant schemes as is statutorily required, or permitted, to deliver its corporate objectives taking into account the costs and benefits of doing so.

D44 Work may be contracted to other bodies and administered under appropriate contracts or memorandum of understanding.

D45 The Director of Finance and Corporate Services will:

- with the Director of Electoral Administration and Guidance review the arrangements for the administration of fees and charges in relation to referendum

- with the Director of Regulation review the arrangements in place to administer and account for Policy Development Grants
- approve the arrangements for administering and accounting for any grant scheme operated by the Commission
- ensure that proposals for any new grant scheme are supported by legislation and approved by the Board
- ensure that grant schemes are reviewed by internal or external audit on an annual basis

Annex E Responsibilities of the Accounting Officer⁴

Role of the accounting officer

E1 Accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

E2 Formally the accounting officer in a public sector organisation is someone whom Parliament may call to account for the stewardship of the resources within its control.

Appointment of the accounting officer

E3 The Commission's Accounting Officer is appointed under Schedule 1, paragraph 19 (1) of PPERA.

Special responsibilities of accounting officers

E4 Each accounting officer takes personal responsibility for ensuring that the organisation they manage delivers the standards referenced in Managing Public Money. In particular, the accounting officer must personally sign:

- the accounts
- the annual report
- governance statement

E5 And, having been satisfied that they have been properly prepared to reflect the business of the organisation, must personally approve:

- voted budget limits
- the associated Estimates Memorandum

E6 There are several other areas where accounting officers should take personal responsibility:

- regularity and propriety, including seeking Treasury approval for any expenditure outside the normal delegations or outside the subheads of Estimates

⁴ Adapted from Chapter 3 of '*Managing Public Money*', HM Treasury, October 2007

- selection and appraisal of programmes and projects: using the Treasury's Green Book to evaluate alternatives, and good quality project and programme management techniques, such as PRINCE2, to track and where necessary adjust progress
- affordability and sustainability: respecting agreed budgets and avoiding unaffordable longer term commitments, taking a proportionate view about other demands for resources
- value for money: ensuring that the organisation's procurement, projects and processes are systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, good value and avoidance of error and other waste, judged for the public sector as a whole, not just for the accounting officer's organisation
- management of opportunity and risk to achieve the right balance commensurate with the institution's business and risk appetite
- learning from experience, both using internal feedback, and from right across the public sector
- accounting accurately for the organisation's financial position and transactions: to ensure that the published financial information is transparent and up to date; and that the organisation's efficiency in the use of resources is tracked and recorded

When the accounting officer is not available

E7 Each public sector organisation must have an accounting officer available for advice or decision as necessary at short notice.

E8 When the accounting officer is absent and cannot readily be contacted, the Director of Finance and Corporate Services should deputise. If a significant absence is planned, the accounting officer or in their absence the Director of Finance and Corporate Services, may invite the Speaker's Committee to appoint a temporary acting accounting officer.

Conflicts of interest

E9 If an accounting officer faces an actual or potential conflict of interest, it is essential to find a way of dealing with it. Possible ways of managing this issue include:

- for a significant but temporary conflict, inviting the Speaker's Committee to appoint an interim accounting officer for the period of the conflict of interest
- for a minor conflict, declaring the conflict and arranging for someone other than the accounting officer to make decisions on the issue(s) in question
- for serious and lasting conflicts, resignation

Annex F Interpretations

Interpretation

F1 The Board of the Commission shall be the final authority on the interpretation of this document. The Secretary to the Commission Board shall advise the Board at ordinary meetings on the interpretation of this document. At committee and other meetings, the responsible officer for administrative and secretarial functions for the meeting shall advise on the interpretation of this document.

F2 Any expression to which meaning is given in the Commission's governing legislation shall have the same meaning in this document. In addition:

- **'Accounting Officer'** means the Officer responsible and accountable for funds entrusted to the Commission – for the Commission it shall be the Chief Executive
- **'Board'** means the Board of Electoral Commissioners together
- **'Chair'** is the person appointed by Her Majesty the Queen on recommendation of the House of Commons.
- **'Commission'** means the Electoral Commission.
- **'Commissioner'** or **'Board Member'** or **'Member'** means a person appointed by Her Majesty the Queen to be a member of the Commission.
- **'Chief Executive'** means the chief executive officer of the Commission and the Commission's Accounting Officer.
- **'Significant Publications'** as referred to in the scheme of delegation means the Corporate Plan, Annual Report, Statutory reports including election reports, Strategies for major public awareness campaigns, and significant policy reports
- **'Nominated Officer'** means an officer charged with responsibility for discharging specific tasks under Standing Orders and other documents that have the force of Standing Orders.
- **'Officer'** means an employee of the Commission.

Annex G Audit Committee Terms of Reference

Purpose

G1 The Audit Committee supports the Accounting Officer in carrying out their formal accountability responsibilities. The Committee offers objective advice and ensures that the most efficient, effective and economic risk, control and governance processes are in place. The Audit Committee also acts on behalf of the Board to provide them with assurance on these issues.

Membership

G2 There shall be three members of the Audit Committee, plus a Chair. The Chair is appointed by the Commission Board. An Independent Adviser shall be appointed by the Commission Board, but not be a member of the Audit Committee.

G3 The Board will appoint three of their number to be members of the Audit Committee. The Chair of the Electoral Commission may not be appointed as a member of the Audit Committee.

G4 Members of the Audit Committee will serve for three years, unless a member ceases to be an Electoral Commissioner or asks to stand down. Members may be re-appointed for a further period not exceeding three years, or until the expiry of their term as a Commissioner (if that is sooner).

G5 Members shall have an induction programme provided for them.

Other attendees

G6 The Electoral Commission's Accounting Officer, Director of Finance and Corporate Services and Head of Strategic Planning and Performance, together with representatives of the National Audit Office and Internal Audit, will normally attend meetings of the Audit Committee by invitation. The Audit Committee may ask any other member of the Commission's staff to attend its meetings to help with its consideration of any matter.

G7 The Audit Committee may ask any or all of those who are not the Chair or members to withdraw, to facilitate open and frank discussion of particular matters.

Access

G8 The Head of Internal Audit and the representative of the National Audit Office will have free and confidential access to the Chair of the Audit Committee.

G9 The Independent Adviser acting as Chair will have a right to attend any meeting of the Electoral Commissioners (except those involving party and election finance regulatory

decisions), and will anyway be invited to attend at least one meeting of the Commission Board a year, usually to present the accounts and the annual report of the Audit Committee to the Commission Board.

G10 A representative of the National Audit Office and the Head of Internal Audit will have a right to attend any meeting of the Electoral Commissioners (except those involving parties and election finance regulatory decisions) on request.

Chair

G11 The Board will appoint as an independent adviser to the Audit Committee a person with a CCAB⁵ accountancy qualification who has no other connection with the Commission. The independent adviser shall not be a member of the Committee nor vote.

G12 In the absence of the Chair of the Audit Committee, the members of the Committee may agree that another member will take the chair for the time being.

Secretary

G13 Support to the Audit Committee will be provided by the Secretary to the Commission Board.

Quorum

G14 Two members of the Audit Committee will constitute a quorum.

Meetings

G15 The Audit Committee will meet regularly and at least three times a year. The Chair of the Committee may convene additional meetings as necessary, including at the request of the Accounting Officer, the Head of Internal Audit or the National Audit Office.

Responsibilities

G16 The Audit Committee supports the Accounting Officer in discharging his or her formal accountability responsibilities by offering objective advice and ensuring that the most efficient, effective and economic risk, control and governance processes are in place, and that the associated assurance processes are optimal. The Audit Committee also acts on behalf of the Board to provide them with assurance on these issues.

G17 The Audit Committee tests and challenges the assurances which are available to the Accounting Officer, the way in which these assurances are developed, and the management priorities and approaches on which the assurances are premised.

⁵ The **Consultative Committee of Accountancy Bodies**

G18 In addition, from the work it does, the Audit Committee will develop good knowledge of areas of weakness in the organisation and of their significance. This can assist the Accounting Officer in identifying his or her priorities for action.

G19 The Audit Committee will review in particular:

- the strategic processes for risk, control and governance
- the planned activity and results within information governance and the Annual Assessment of Information Risk Management
- the Annual Governance Statement and recommend approval of the Statement by the accounting officer as appropriate
- the accounting policies and the annual accounts of the Electoral Commission, including the process for review of the accounts prior to submission for audit; levels of error identified; and management's letter of representation to the National Audit Office
- the plans and reports of the National Audit Office and management responses to any proposals
- the reports of the internal audit service and management responses to any proposals, as well as agree the strategic and annual internal audit plans
- assurances relating to the corporate governance requirements for the Electoral Commission including the approval of the Whistleblowing Policy, the Anti-fraud Policy, the Anti-bribery policy, and the policy for authorising claims for expenses from the Chief Executive and Chair together with review of authorised expenses prior to publication, with an opportunity to raise any queries with the Board
- proposals for tendering for Internal Audit services, or for the purchase of non-audit services from contractors who provide audit services

G20 The Audit Committee will make an annual report to the Commission Board on its work.

Minutes

G21 Minutes of the Audit Committee's meetings will be taken and, subject to the endorsement of the Chair, circulated to committee members, and included as draft on the agenda of the next meeting of the Commission Board, where they will be presented by either the Chair of the Audit Committee or one of the members of the Audit Committee on the Chair's behalf. They will be approved at the next meeting of the Audit Committee, and published.

These terms of reference were approved by the Board on 22 March 2017

Annex H Remuneration and Human Resources Committee Terms of Reference

Purpose

H1 The Remuneration and Human Resources Committee has been established to support the Chair, Board and the Chief Executive as Accounting Officer (as appropriate) in their responsibilities for:

- approve significant changes to organisational structure (including the structure of the Executive Team) and/or overall staff terms and conditions of employment and any impact of the change such as termination of contracts
- reviewing the policy for and recommending the remuneration of the Chief Executive (at the point of recruitment, or at another time if required)
- agreeing the annual negotiating remit for staff pay awards, (including the Executive Team), taking account of the Commission's obligations under PPERA 2000
- setting the fee for the independent advisor/chair of Audit Committee
- recommending the membership of Appointment Panels for the roles of Independent Advisor/Chair to the Audit Committee, and for the Chief Executive, for approval by the Board

H2 The Committee shall also act as an advisory group on the extent to which organisational development and strategic HR matters support the Board's strategic direction for the Commission.

Membership

H3 The Committee shall consist of three Electoral Commissioners.

H4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Director of Finance and Corporate Services, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting where appropriate.

H5 Members of the Remuneration and Human Resources Committee will serve for three years, unless a member ceases to be an Electoral Commissioner or asks to stand down. They may be re-appointed for a further period not exceeding three years.

H6 Members shall have an induction programme provided for them.

Chair

H7 The Chair of the Remuneration and Human Resources Committee is appointed by the Commission Board. In the absence of the Chair of the Remuneration Committee and Human Resources, the members of the Committee may agree that another member will take the chair.

Secretary

H8 The Board Secretary or the Human Resources Manager will provide administrative support to the Committee.

Quorum

H9 The quorum necessary for the transaction of business shall be two.

Meetings

H10 The Committee shall meet twice a year and at such other times as necessary.

Responsibilities

H11 With regards to matters of remuneration the Committee shall:

- approve the framework for the total benefits package (remuneration and employee benefits) for all staff of the Electoral Commission (including the Executive Team); any significant changes to overall staff terms and conditions of employment and any related changes such as termination of contracts
- recommend to the Board the framework for the remuneration of the Chief Executive, if different from the framework applying to all other staff
- in determining such frameworks and policies, take into account that members of staff should be provided with appropriate incentives to encourage enhanced individual and collective performance and in a fair and responsible manner, be rewarded for their individual contributions to the success of the Commission; and take account of PPERA
- review the on-going appropriateness and relevance of the total benefits framework and propose amendments as appropriate
- recommend to the Board any changes to the fee for the independent Advisor/Chair of the Audit Committee. It is anticipated that any increase will be in line with that awarded to Commissioners
- to review an annual report to the Committee of any terms, or payments made on termination of employment to ensure that failure is not rewarded and that the duty to

mitigate loss is fully recognised. The Chair of the Committee will be notified in advance of making such terms and payments (e.g. compromise agreements)

- to request from the Commission any reports or surveys which it deems necessary to help it fulfil its obligations for example salary benchmarking reports or information about remuneration in other companies
- to report annually to the Board on the work of the Committee

H12 With regards to Human Resources the Committee shall act as an advisory group as required on such matters as:

- the overall approach and scope of the Human Resources strategy particularly relating to organisational design, significant restructuring or change programmes
- major trade union or industrial relations issues affecting the whole Commission
- organisational development relating to the beliefs, values, culture and effectiveness of the Commission
- the Commission's approach, within its workforce, to equality, diversity and inclusion
- health and safety, including the welfare of Commission staff
- provision of support to the Chair in the recruitment of the Chief Executive (including recommending the composition and membership of the Appointments Panel to the Board for its approval)
- provision of support to the Chair in the recruitment of an Independent Advisor/Chair of the Audit Committee (including proposing the composition and membership of the Appointments Panel to the Board for its approval)

H13 The Committee shall review its own terms of reference annually

Minutes

H14 The Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

H15 Minutes of committee meetings shall be circulated promptly to the Chair and all members of the Committee. After approval by the Chair of the committee the minutes will be circulated to all members of the Board (unless a conflict of interest exists) at its next available meeting, for information. The minutes shall be formally agreed at the next meeting of the Committee.

These terms of reference were approved by the Board on 16 September 2020

Annex I Code of Conduct for Electoral Commissioners

Note: No changes from the previous edition.