

Electoral Commission Corporate Governance Framework

Updated April 2010

Contents

Foreword	3
Part 1 – Aim, objectives, values, principles and accountability	4- 6
Part 2 – The Commission Board and its Committees	7- 8
Part 3 – Roles, responsibilities and Code of Conduct for Commissioners	9-15
Part 4 – Commission’s business and delegated powers	16-21

Appendices referred to in the Code

Appendix A – Standing Orders	22- 28
Appendix B – Summary of the statutory framework for the Commission	29-31
Appendix C - The Nolan principles	32
Appendix D - Prime financial policies	33-41
Appendix E - The Responsibilities of the Accounting Officer	42-43
Appendix F - Interpretation	44

Foreword

The Electoral Commission aims for a model of excellent corporate governance, practising our core values of fairness, impartiality and transparency.

This Corporate Governance Framework was considered by the Board of the Commission on 2 December 2009 and is reviewed annually. It is published on the Commission's website as part of our commitment to be as transparent as possible.

Jenny Watson, Chair

1 Aim, objectives, values, principles and accountability

The Commission

- 1.1 The Electoral 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 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 role of the Speaker's Committee and its relationship with the Commission is described in Appendix B.
- 1.3 A full breakdown of the Commission's duties as defined in statute can be found in Part 3, which also describes which powers are delegated from the Board to members of the staff. The following is a summary of the Commission's main activities:
 - registering political parties, third parties and permitted participants at referendums
 - monitoring and publishing significant donations to parties
 - regulating spending by parties on election campaigns
 - regulating spending by permitted participants at referendums
 - allocating and administering grants to political parties to develop policies
 - ensuring statutory returns are filed on time or penalties appropriately pursued
 - seeking forfeiture of impermissible donations
 - referring criminal matters to the relevant police and prosecuting authorities
 - setting performance standards for returning officers and electoral registration officers
 - conducting certain referendums
 - reporting on the conduct of elections and referendums
 - reviewing electoral law and procedures, and advising on changes
 - advising those involved on the conduct of elections and referendums
 - promoting public awareness of our electoral systems

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

Aim and objectives

- 1.4 The Commission's aim is integrity and public confidence in the UK's democratic process.
- 1.5 This aim is underpinned by two objectives:
 - Transparency and integrity in party and election finance
 - Well-run elections, referendums and electoral registration

Values

- 1.6 Good corporate governance arrangements are critical for achieving the Commission's objectives. The interests of voters are at the centre of the Commission's work.
- 1.7 We have three core values:
 - Fairness: we are fair in the way we treat each other and the people and organisations we deal with.
 - Impartiality: we are impartial in our decisions and actions.
 - Transparency: we are transparent about how we work.

Principles

- 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 and maintaining at all times the Commission's independence.
 - Pursue the Commission's strategic aim of integrity and public confidence in the UK's democratic process.
 - 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 as part of a review of Board effectiveness, to ensure that they remain fit for purpose, and continue to reflect these values and principles.

Accountability

1.10 The Commission demonstrates its accountability to its stakeholders by:

- 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
- 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 about services provided by us to our stakeholders which includes independent assessment via the Parliamentary Ombudsman.

2 The Commission Board and its 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 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 is a statutory minimum of five Commissioners, with nine as a maximum.
- 2.3 A Commissioner may cease 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

The Audit Committee

- 2.4 The Board has established an Audit Committee to support it, and specifically the Chief Executive as Accounting Officer, in 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 accounts and report 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; assurances relating to the corporate governance requirements for the Electoral Commission; and proposals for tendering for either External or Internal Audit services, or for the purchase of non-audit services from contractors who provide audit services.
- 2.5 The Audit Committee comprises four members and meets at least four times a year. Three Commissioners are elected by the Board to the Audit Committee. The Board appoints as a Chair of the Audit Committee a suitably qualified independent person who has no connection with the Commission. The independent Chair of the Audit Committee will have

the right to attend any meeting of the Electoral Commissioners (except those dealing with Party and Election Finance regulatory decisions).

- 2.6 The Chair of the Audit Committee is decided by the Board. The Chair of the Commission may not be appointed as a member of the Audit Committee.
- 2.7 Members of the Audit Committee 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 Appendix G.

The Remuneration Committee

- 2.10 The Commission's Remuneration Committee comprises three Commissioners and meets at least once a year.
- 2.11 The Remuneration Committee has responsibility for the framework, and the determination of the remuneration of the Chief Executive, members of the Executive Team and other staff.

Committees related to the Commission

- 2.12 Section 4 of the Act creates a Parliamentary Parties Panel consisting of representatives of qualifying political parties represented in the House of Commons. The function of the panel is to submit representations or information to the Commission about such matters affecting political parties as the panel think fit. The Commission must consider such representations or information and decide whether, and (if so) to what extent, it should act on the representations or information.
- 2.13 There are also similar non-statutory panels with like purposes that have been created in relation to the Scottish Parliament, National Assembly for Wales and Northern Ireland Assembly.

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 Appendix 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 ensuring a proper balance of expertise
- ensuring that new Commissioners receive a full, formal and tailored induction on joining the Commission
- assessing the performance of individual Commissioners.

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 Appendix A of this Framework.

Corporate responsibilities of Commissioners

3.4 Commissioners act collectively: they do not have individual executive authority. The Electoral 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. Section (3) of the Act prohibits an Electoral Commissioner from:

- a. being a member of a registered party
- b. being an office holder or employee of a registered party

- c. being named as a donor in the register of donations
 - d. being a candidate at a relevant election.
- 3.5 The Political Parties and Elections Act 2009 provides for the appointment of up to four further Commissioners, thereby increasing the maximum number of Commissioners to nine. The additional four Commissioners are not subject to a prohibition on recent political activity, although they must not be members of Parliament. They are nominated by the political parties, and then appointed by Her Majesty the Queen on the recommendation of the House of Commons.
- 3.6 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.
- 3.7 As individuals Commissioners are responsible for upholding the values and principles of the Commission, should act in good faith and follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life (the 'Nolan Principles') (see Appendix C).

Responsibilities of individual Commissioners

- 3.8 All Commissioners have a UK-wide remit. In addition the Commission allocates additional responsibilities to individual Commissioners. This encompasses:
- Chair of the Audit Committee
 - Chair of the Remuneration Committee
 - Lead Commissioner responsibility for Northern Ireland, Scotland and Wales and the English Regions
 - Members of ad hoc scrutiny bodies (eg Reference Groups)

Assistant Commissioners

- 3.9 The Commission may also appoint Assistant Commissioners to inquire into and report to the Commission on such matters as the Commission think fit.

Personal liability of Commissioners

- 3.10 Although any legal proceedings initiated by a third party are likely to be brought against the Commission as an entity, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chair or other individual Commissioners (or Commission staff).
- 3.11 Individual Commissioners who act honestly and in good faith will not have to meet any personal civil liability, which is incurred in execution or purported execution of their duties. The Commission will indemnify Commissioners against claims in these circumstances. The indemnity will not apply where the Commissioner has acted negligently or recklessly.

Register of Interests

- 3.11 Commissioners are required on an annual basis to register any interests with the Secretary to the Commission, and to update as necessary during the year.
- 3.12 The register of interests will contain information on financial and other interests. In particular it may include interests through membership of clubs and other organisations. The interests of close family members and persons living in the same household as the Commissioner should also be recorded.
- 3.13 The Register of Interests shall be made available for inspection on the Commission's website.

Complaints

- 3.14 The Commission shall approve, publish and maintain a Complaints Procedure (with a separate review procedure for freedom of information matters), the details of which are available on the Commission's website.

Review of Board effectiveness

- 3.15 The Board will review annually its performance and that of its committees.
- 3.16 Commissioners will be asked to carry out an assessment of their own performance. This assessment will be reviewed by the Chair of the Commission. Individual evaluation will aim to show whether each Commissioner continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for Board and committee meetings and any other duties).

- 3.17 In the case of the Chair, self-assessment will be reviewed by a Commissioner together with the Chief Executive, with the same aim as for the other Commissioners. The senior Commissioner will discuss the evaluation of the Chair's performance with the other Commissioners, without the Chair present.
- 3.18 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, proposing new members should be appointed to the Commission or seeking the resignation of Commissioners.

Review of the corporate governance framework

3.19 Duty to monitor and review the Framework

The Board will review the corporate governance framework on an annual basis. The Commission's Secretary 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.

3.20 Changes to the framework

Changes to the framework will only be approved by the Board, provided that the Secretary to the Commission may from time to time make and publish the following changes:

- such changes as may be necessary to reflect any decision made by a person or body with the appropriate authority to delegate or sub-delegate powers to exercise executive or non-executive functions
- such changes as may be necessary to reflect any changes made to the Commission's structure or in the allocation of functions to staff
- 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.

The Secretary to the Commission shall ensure that Commissioners are informed of the changes in addition to any other means of publishing changes.

3.21 Publication

The Secretary to the Commission 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

- 3.22 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.
- 3.23 The Board has delegated authority 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.
- 3.24 The Chief Executive is in turn authorised to delegate matters to other Commission staff. The Commission's Delegated Powers are the arrangements described in Part 4 of this document.
- 3.25 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 Parliament for ensuring that all the resources available are used properly and give good value for money.
- 3.26 The Head of Internal Audit and the representatives of the National Audit Office will have free and confidential access to the Chair of the Audit Committee.

The Commission as employer

- 3.27 The Commission's most valuable asset is its people. It will seek to enhance their skills and experience and is committed to their development in all ways relevant to the work of the Commission.
- 3.28 The Commission will seek to set an example of best practice as an employer and is committed to offering all staff equality of opportunity. It will ensure that the employment practices are designed to promote diversity and treat all individuals equally.
- 3.29 The Commission will ensure that:
- its rules for the recruitment and management of staff create an inclusive culture and where appointment and advancement is based on merit
 - the level and structure of its staffing, including grading and numbers of staff, is appropriate to its functions and the requirements of efficiency, effectiveness and economy

- the performance of its staff at all levels is satisfactorily appraised and the Commission's performance measurement systems are reviewed from time to time
- its staff are encouraged and supported to acquire the appropriate professional, management and other expertise necessary to achieve the Commission's objectives
- proper consultation with staff takes place on key issues affecting them
- clear grievance and disciplinary procedures are in place
- a code of conduct for staff is in place and shall maintain effective 'whistle-blowing' procedures to ensure that concerned staff have a means through which their concerns can be voiced.

Political activities

3.30 For the Commission to perform effectively the functions given to it by Parliament, it must command wide confidence that it is entirely independent of government and of political parties. Commissioners must not be, or be perceived to be, associated with any political party or its policies.

3.31 The Act specifies that a person is no longer a Commissioner, or Chief Executive on the occurrence of the following events:

- (i) S/he consents to being nominated as a candidate, or to be included in a register party's list of candidates at such a relevant election, for one of the following elective offices:
 - Member of the House of Commons
 - Member of the European Parliament elected in the United Kingdom
 - Member of the Scottish Parliament
 - Member of the National Assembly of Wales
 - Member of the Northern Ireland Assembly
 - Member of:
 - any local authority in any part of the United Kingdom, including the Common Council of the City of London but excluding a parish or community council, or
 - the Greater London Assembly
 - Mayor of London or elected mayor within the meaning of Part II of the Local Government Act 2000
- (ii) S/he takes up any office or employment in or with:
 - a registered party or any accounting unit of such a party
 - a recognised third party
 - a permitted participant
- (iii) S/he is named as a donor in the statement of donations or named as a participant in the register of recordable transactions reported under Chapter III or IV of Part IV of the Political Parties, Elections and Referendums Act.

(iv) S/he becomes a member of a registered party.

Paragraph (iv) does not apply to those Commissioners appointed under the provisions of the Political Parties and Elections Act 2009.

- 3.32 It is important that Commissioners (with the exception of nominated commissioners) and the Chief Executive provide 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.
- 3.33 Failure to provide all relevant information regarding their political activity will be ground for removal from post once they are appointed. A Commissioner or the Chief Executive may be regarded as unfit to continue in that post should they engage in any activity that might call into question their political impartiality or cause risk to public confidence in the Commission, whether actual or perceived. Particular regard will be made to activity that may reasonably be regarded as identifying a Commissioner or Chief Executive as an active supporter of one particular party or another.

4 Commission's business and delegated powers

- 4.1 Part 4 describes the roles and powers reserved for the Board in relation to the activities and statutory functions of the Commission and those delegated to the Chief Executive. The arrangements referred to 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 Committee.
- 4.2 The Board 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, and
 - any expenditure shall be within the agreed budget.
- 4.3 In addition, the Board 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 his authority.
- 4.4 The Commission has a number of statutory obligations, principally under the Political Parties, Elections and Referendums Act 2000 (as amended by the Political Parties and Elections Act 2009). The Commission also has numerous discretionary powers outlined in this legislation.

Scheme of Delegation

Subject	Reserved to the Board	Delegated to/responsibility of the Chief Executive
Corporate governance	Consideration and approval of the Corporate Governance framework, including Delegated Powers, Standing Orders and Prime Financial Policies.	Responsibility for all matters of organisational structure below the level of Director.
		S/He can delegate authority to other Commission officers and will prepare and maintain a comprehensive scheme of delegation for the organisation.
Strategy	Setting the strategic direction	
	Periodic review of key Commission policy positions	Ongoing confirmation of key policy positions.
		Responsibility for ensuring that the Commission has a strategy for sound environmental, staff , FOI, ICT policies.
Corporate plans and budget	Consideration and approval of the Commission's corporate plan and annual budgets.	Preparation of corporate plan and annual budgets in line with the Commission's Five Year plan
	Variations to the approved budget where the variation would have a significant impact on the overall approved levels of income and expenditure.	Variations to the approved budget where the variation would not have a significant impact on the overall approved levels of income and expenditure. In any event, 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 report and	Approval of annual report and	Drawing up the annual

Subject	Reserved to the Board	Delegated to/responsibility of the Chief Executive
accounts	adoption of accounts.	report for Board approval.
		Drawing up annual accounts for Audit Committee consideration and Board approval.
Appointment of Assistant Commissioners	Approve appointment of Assistant Commissioners when relevant.	Organising the appointment and remuneration of Assistant Commissioners to carry out duties as defined by the Board.
Performance management	Consideration of regular performance and finance monitoring reports.	To keep the Board informed of any significant variance from the approved operating plans and budget and of progress in achieving objectives.
		To report significant successes or failures and internal issues of significance including senior appointments, structural changes and accommodation changes.

Subject	Reserved to the Board	Delegated to/responsibility of the Chief Executive
Risk management	Approval of the Commission's risk management arrangements. Determine the Commission's risk appetite	To maintain the system of internal control and assurance framework within the Commission and to provide the Board and Audit Committee with assurance on its ongoing effectiveness and appropriateness, including the best use of its resources and application of its resources for the purposes given.
		To advise the Board and Audit Committee as to material changes

Subject	Reserved to the Board	Delegated to/responsibility of the Chief Executive
		thereto.
Human Resources	Approval of significant changes to overall staff terms and conditions of employment.	The structure of the Executive Team, subject to Board approval.
	Appointment of the Chief Executive and members of the Executive Team, including remuneration via the Remuneration Committee	The remuneration of members of the Executive Team, subject to approval by the Remuneration Committee.
	Decisions relating to the Chief Executive's contract terms, remuneration and any bonus will be taken by the Board.	All appointments and other HR issues below the level of Director.
Significant publications ²	Where the Chair and Chief Executive have identified a significant publication that merits consideration by the Board, agreement in advance to the key messages, plan for the publications communication and implementation	In relation to each significant publication, initial approval of the proposal including its purpose, methodology, timescale, cost, intended impact and plan for achieving that intended impact, together with the means by which that impact will be measured
	Approval of any significant publication which the Chair and Chief Executive have identified as requiring Board level approval.	<p>In all cases, approval of the programme of proposed significant publications, and regular review of that programme in consultation with the Chair, identifying which significant publications should be considered and approved by the Board.</p> <p>To report to the Board significant emerging issues and to ensure that maximum value is obtained from the skills,</p>

² Significant Publications means any such work of sufficient significance to merit consideration by 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

Subject	Reserved to the Board	Delegated to/responsibility of the Chief Executive
		knowledge and experience of individual Commissioners in relation to the carrying out of any significant publication and the drafting of significant publications.
Responses to Government and other consultations	Approve approach to consultation responses of major public or political significance.	Approve consultation responses. Where appropriate consult one or more Commissioners with a particular interest, e.g. when a major issue particularly affects Scotland, Wales or Northern Ireland.
Performance standards issues	Approval of the overall framework of performance standards. Reviewing the development of the performance standards.	Approval of detailed performance assessment methodologies.
Party finance regulation issues	Decisions to initiate court proceedings arising from party finance regulatory issues and decisions to refer matters to the Police/Procurator Fiscal (Scotland) or Public Prosecution Service (N. Ireland) are reserved to the Board unless otherwise delegated through approved Commission enforcement policy	Investigation of allegations and initiation of any enforcement action in accordance with approved Commission enforcement policy, below that necessitating Board decision.
Communication issues		Approval of communication plans in consultation with Chair The Chief Executive should sign-off all press releases and other statements where the release of statement is of major public or political significance.

Subject	Reserved to the Board	Delegated to/responsibility of the Chief Executive
Commission Administration	Approval of minutes of Board meetings.	Ensure the Board can function properly through a Board Secretariat.
		To make recommendations for the cycle of Board meetings, and for the composition of agendas for meetings.
		To prepare draft minutes and maintain efficient overall arrangements for the administration of the Commission.
Litigation	Approval of decisions concerning litigation in respect of matters which are of public, political, financial or reputational significance.	Informing the Board about litigation or potential litigation where there is a real prospect that it will be of public, political, financial or reputational significance.
Secretary of State electoral administration direction power only exercisable on recommendations of the Commission	Approve the recommendations of the Commission	Make recommendations in relation to possible Secretary of State directions as to the discharge of duties by registration officers. (s. 8 of the Act).
Referendums	Designate Chief Counting Officer for each referendum Designate lead campaign organisations for each referendum	[the operation of the Referendum will fall to the Chief Counting Officer]

Appendix A – Standing Orders

1 Introduction

- 1.1 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.

2 Place of business

- 2.1 The principal place of business of the Commission is Trevelyan House, Great Peter Street, London SW1P 2HW.

3 Meetings of the Board

3.1 Calling meetings

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.

An extraordinary meeting may be called at any time by the Chair or the Chief Executive, or by no fewer than three 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.

3.2 Notice of meetings

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 behalf, to each member.

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 more than four members will invalidate the meeting.

3.3 Business to be transacted

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

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.

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 direction of the Chair.

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

3.4 Quorum

Board meetings are quorate if there are at least four Commissioners present and able to take part in the discussion, except in the case of party and election finance regulatory decisions, or decisions to be taken in relation to referendums, where the quorum shall be three Commissioners. A smaller quorum for these decisions provides the greater flexibility needed in this area of activity, enabling the Commission to meet and take decisions at relatively short notice, and avoid delay. Regulatory decisions and decisions relating to referendums will be communicated by the Secretary to the Commission at the earliest opportunity to any Commissioners not able to be present at the meeting.

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.

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, he/she 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.

3.5 Record of attendance

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

3.6 Chair of meetings

The Chair shall preside at any meeting of the Board. In the absence of the Chair those attending a meeting will select from among their number a Chair to conduct the proceedings of that meeting.

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 the Standing Orders and to any decision of the Board to the contrary.

3.7 Voting

Unless these Standing Orders provide otherwise, any question arising before the Board shall be determined by a majority of the members present. A member absent at the time of the vote may not vote by proxy. In the event of an equality of votes, the Chair shall have a second or casting vote.

The procedure for voting shall be a matter for the Chair at the meeting, subject to any decision of a majority of the Board to the contrary, including:

- the form that voting shall take, whether by a show of hands or by some other means
- any question whether or not to record the voting in the minutes to show how each member present voted or abstained.

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

3.8 Principles of decision-making

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)
- 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 timelines
- board members' behaviour in response to decisions is required to be the same inside and outside the Commission.

3.9 Openness and responsiveness

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.

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.

3.10 Adjournment

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.

3.11 Minutes

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.

Approved minutes will be published on the Commission's website.

3.12 Delegation of Powers

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 the Chief Executive for decision. The Chief Executive may in turn delegate any matter within his authority to another officer of the Commission. Any person to whom a matter is delegated by the Chief Executive or under arrangements approved by him shall carry the authority of the Commission in respect of the matter so delegated.

The Board shall review and approve the Delegated Powers annually.

3.13 Urgent or non-contentious business

With the exception of regulatory decisions on party finance matters, or determination of matters relating to referendums, where it is accepted that the nature of the business shall require ad hoc meetings to be called on notice, urgent business is deemed to be any matter requiring a

decision of the Board before the date when an ordinary or extraordinary meeting of the Board can be convened. In such cases the Chief Executive should take all practicable steps to consult with the Chair, and with as many other Commissioners as the Chief Executive considers appropriate (and if at all possible no fewer than two Commissioners). The Chief Executive should seek Commissioners' views as to:

- the urgency of the matter requiring decision
- the possibility of holding a Board meeting to consider it
- the action to be taken.

The 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 he considers reasonable in the circumstances for Commissioners to comment on his proposals. S/he should then act as he considers appropriate.

The exercise of such powers shall be reported to the next meeting of the Board which will consider whether further action is required.

3.14 Committees

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 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 advisory groups.

3.15 Declaration of Interests

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

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.

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

4 Standards of conduct

- 4.1 Commissioners are required to comply with the Commission's Corporate Governance Framework. Staff are required to comply with the

standards set out in the Code of Conduct for staff and Human Resource policies.

4.2 Use of information

No Commissioner shall use information gained in the course of their duty for personal gain nor seek to use the opportunity of the 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.

4.3 Gifts and hospitality

Offers of gifts and hospitality, whether accepted or not, must be reported to the Secretary to the Commission together with details of the donor and the approximate value. A Register of Gifts and Hospitality will be maintained by the Secretary to the Commission.

5 Suspension of Standing Orders

5.1 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.

6 Amendment of Standing Orders

6.1 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.

7 Review of Standing Orders

- 7.1 The Board shall review Standing Orders annually. The review shall include all other documents having effect as if incorporated into Standing Orders.

Appendix B – Summary of the statutory framework for the Commission

1. Political Parties, Elections and Referendums Act 2000 (amended by the Political Parties and Elections Act 2009)

- 1.1 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).
- 1.2 The Commission is accountable to 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.

2. Legal status

2.1 Administrative Law

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.

2.2 A statutory body

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.

2.3 Ombudsman

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.

2.4 Freedom of Information

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.

2.5 Data Protection and document security

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.

3. Powers, duties and membership of the Speaker's Committee

3.1 Powers, duties and membership of the Speaker's Committee

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

3.2 Membership

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 (as at March 2010) of the members listed below:

- The Rt Hon John Bercow MP (Speaker of the House of Commons, and Chair of the Committee)
- The Rt Hon Alan Beith MP (Chair, House of Commons Justice Committee)
- Lady Sylvia Hermon MP
- Rt Hon Sir Gerald Kaufman MP
- Mr Humfrey Malins CBE MP
- Rt Hon Jack Straw MP (Lord Chancellor and Secretary of State for Justice)
- Mr Gary Streeter MP
- Sir Peter Viggers MP
- Rt Hon Rosie Winterton MP (Minister for Local Government)

4. Summary of applicable legislation

Political Parties, Elections and Referendums Act 2000
(and other legislation that governs the work of Commission)

- 4.1 The Political Parties, Elections and Referendums Act 2000, includes amendments that have been made to it by subsequent legislation since its enactment in 2001. Set out at paragraph 5 below is an extract from the explanatory notes to the Political Parties, Elections and Referendums Act 2000, that explains the main provisions of the Act.
- 4.2 In addition to the 2000 Act, other legislation is relevant to the Commission in the discharge of its functions. This includes those listed below.
All of the primary legislation that under-pin 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
 - Broadcasting Acts 1981 and 1990
 - 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
- 4.3 There are also many key orders, regulations and rules made under the legislation that govern the operation of elections.
- 4.4 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.

Appendix C – The Nolan principles

The seven principles of public life

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

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

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

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

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

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

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

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

Appendix D – Prime financial policies

1 Introduction

- 1.1 This document sets out the Commission's prime financial policies.
- 1.2 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 Accounting Officer responsibilities.
- 1.3 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.
- 1.4 The Commission financial policies comply and are consistent with the financial provisions laid down in the Political Parties, Elections and Referendums Act 2000.

2 Status and scope of the Commission's financial policies

- 2.1 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 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.

3 Amendment of Prime Financial Policies

- 3.1 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.

4 Relation to other policies

- 4.1 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.

5 Capital investment and asset management

Policy

- 5.1 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.

- 5.2 The Director of Finance and Corporate Services will:

- Ensure that the Commission prepares a consolidated capital budget, and performance against the programme will be 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.

6 Treasury management and banking

Policy

- 6.1 The Commission will seek to optimise cash flows in accordance with HM Treasury banking requirements and guidance. The Director of Finance and Corporate Services will:

- Monitor cash flow performance and projections 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.

7 Debt and work in progress management

Policy

- 7.1 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.
- 7.2 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 or write off all outstanding debts
 - any debts 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.

8 Procurement

Policy

- 8.1 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.
- 8.2 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.
- 8.3 The Director of Finance and Corporate Services will ensure that:
- 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.
 - 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, government policy and good practice.

- 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.

9 Creditor payments

Policy

- 9.1 The Commission will aim to pay creditors within 30 days of the date of receipt of valid invoices, or earlier within agreed terms of business.
- 9.2 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.

10 Taxation

Policy

- 10.1 The Commission will seek to ensure that all taxes due and payable, are settled promptly with the relevant authority.
- 10.2 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 E contractors is properly deducted and paid to HM Revenue and Customs.

11 Business planning and budgetary control

Policy

- 11.1 The Commission's Corporate Plan is set out in a published document. For internal management the Commission will prepare a one year Operating Plan, backed by Business Plans at directorate level.
- 11.2 The Chief Executive will ensure that a Corporate Plan is prepared, approved, published and updated as required by the Board.
- 11.3 The Deputy Chief Executive in liaison with the Director of Finance and Corporate Services will ensure processes are in place so that:

- operational plans are prepared to cover the year ahead, incorporating a full programme of activities and resource plans.
- Business Plans are prepared annually to implement these activities at Directorate level.
- Consolidated reports of progress against plans including an explanation of significant variances are presented to the Commission Board quarterly.
- Risks associated with all corporate and operational plans are reflected appropriately in the Risk Register.

Document	Timescale	Person responsible for preparation	Status
Corporate Plan	5 years	Chief Executive	Published
Operating plan	1 years	Chief Executive	Internal
Business plans	1 years	responsible Director	Internal

12 Risk management

Policy

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

12.2 The Deputy Chief Executive 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 bi-annual basis on the key risks that have been identified and the process for managing them.

13 Internal Control Policy

- 13.1 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.
- 13.2 The Commission will operate an Audit Committee whose terms of reference are specified in the *Corporate Governance Framework*.
- 13.3 The Chief Executive, as Accounting Officer, is responsible for the Commission's systems of internal control.
- 13.4 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.

14 Audit Policy

- 14.1 The Commission will maintain an effective and independent internal audit facility and fully comply with the requirements of external audit and other statutory reviews.
- 14.2 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.

15 Annual financial accounts Policy

- 15.1 The Commission will produce statutory accounts and reports in accordance with all relevant accounting standards, accounting best practice, timetables and the Accounts Direction as issued by the Treasury.
- 15.2 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 management letter and all issues are fully addressed within agreed timescales.
- The Commission's Management Letter from NAO will be published on the Commission's website.

16 Accounting systems

Policy

- 16.1 The Commission will operate one central accounting system from which management and financial accounts will be generated.
- 16.2 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.

17 Claims and litigation

Policy

- 17.1 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.
- 17.2 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.

18 Fraud

Policy

- 18.1 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.

18.2 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.

19 Fees and charging

Policy

19.1 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 statutory responsibilities in relation to the administration of referendum.

19.2 The Director of Finance and Corporate Services will:

- With the Director of Party and Election Finance review the scales of fees for political party registration to ensure there is no cross-subsidy between business functions, and statutory requirements are met.
- With the Director of Electoral Administration review the arrangements for the administration of charges in relation to referendum.
- 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.

20 Grants

Policy

20.1 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.

20.2 The Director of Finance and Corporate Services will:

- With the Director of Party and Election Finance review the arrangements in place to administer and account for Policy Development Grants.
- With the Director of Communications review the arrangements in place to administer and account for any grant scheme in operation to raise public awareness or encourage participation in the democratic process.
- 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 audit on an annual basis.

Appendix E – The responsibilities of the Accounting Officer

- 1 Planning and monitoring
 - 1.1 Establish the Commission's corporate and business plans
 - 1.2 Inform Parliament of the Commission's progress in achieving its objectives and in demonstrating how resources are being used to achieve those objectives.
 - 1.3 Ensure that timely forecasts and monitoring information on performance and finance are provided to Parliament; that Parliament is notified promptly if overspends or under spends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to Parliament in a timely fashion.
- 2 Advising the Commission
 - 2.1 Advise the Commission on the discharge of its responsibilities as set out in the Act.
 - 2.2 Advise the Commissioners on the Commission's performance compared with its aims and objectives.
 - 2.3 Ensure that financial considerations are taken fully into account by the Commission at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed as far as this is practical.
- 3 Managing risk and resources
 - 3.1 Ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets.
 - 3.2 Ensure that an effective system of programme and project management and contract management is maintained.
 - 3.3 Ensure that all public funds made available to the Commission, including any approved income or other receipts, are used for the purpose intended by Parliament, and that such moneys, together with the Commission's assets, equipment and staff, are used economically, efficiently and effectively.
 - 3.4 Ensure that adequate internal management and financial controls are maintained by the Commission, including effective measures against fraud and theft.
 - 3.5 Maintain a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations.
 - 3.6 Ensure that effective personnel management policies are maintained.

4 Accounting for the Commission's activities

- 4.1 Sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented.
- 4.2 Sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts.
- 4.3 Sign a Statement on Internal Control regarding the Commission's system of internal control, for inclusion in the annual report and accounts.
- 4.4 Ensure that effective procedures for handling complaints about the Commission are established and made widely known within the Commission.
- 4.5 Act in accordance with the instructions and guidance in Government Accounting and other instructions and guidance issued from time to time.

5 Delegation of duties

- 5.1 The Chief Executive may delegate the day-to-day administration of his Accounting Officer and Consolidation Officer responsibilities to other staff of the Commission. However, s/he shall not assign absolutely to any other person any of the responsibilities set out in this document.

Appendix F – Interpretations

Interpretation

1. The Board of the Commission shall be the final authority on the interpretation of this document. The Secretary to the Commission 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.
2. 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.

Appendix G – Audit Committee Terms of Reference

Membership

1. There shall be three members of the Audit Committee, plus a Chair.

Members

2. The Electoral Commissioners as a whole 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.
3. 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).

Chair

4. The Electoral Commissioners will appoint as a Chair of the Audit Committee a person with a CCAB3 accountancy qualification who has no other connection with the Commission.
5. 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.

Quorum

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

Other attendees

7. The Electoral Commission's Accounting Officer, Director of Finance and Corporate Services and Head of Finance, 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.
8. The Audit Committee may ask any or all of those who are not Chair or members to withdraw, to facilitate open and frank discussion of particular matters.

(1) 3 The Consultative Committee of Accountancy Bodies

Access

9. 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.
10. The independent Chair will have a right to attend any meeting of the Electoral Commissioners (except those involving parties and election finance regulatory decisions), and will anyway be invited to attend at least one meeting of the Commission Board a year.
11. 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.

Committee support and reports from the Audit Committee

12. Support to the Audit Committee will be provided by the Committee Services Manager.
13. Minutes of the Audit Committee's meetings will be taken and agreed; circulated to all Electoral Commissioners, and included 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.
14. The Audit Committee will make an annual report to the Electoral Commissioners on its work.

Responsibilities

15. 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 Electoral Commissioners to provide them with assurance on these issues.
16. 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.
17. 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.

18. The Audit Committee will review in particular:

- The strategic processes for risk, control and governance; and the Statement of Internal Control
- The planned activity and results within information governance and information risk management
- 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 planned activity and results of the National Audit Office and Internal Audit
- The adequacy of management response to issues identified by audit activity
- Assurances relating to the corporate governance requirements for the Electoral Commission
- Proposals for tendering for Internal Audit services, or for the purchase of non-audit services from contractors who provide audit services

Reports to the Audit Committee

17. The Audit Committee will be provided with:

19. For each meeting:

- A report summarising any significant changes to the corporate risk register
- A progress report from the Head of Internal Audit summarising:
 - Work performed (and a comparison with work planned)
 - Key issues emerging from Internal Audit work
 - Management response to audit recommendations
 - Changes to the Internal Audit Plan
 - Any resourcing issues affecting the delivery of Internal Audit objectives
- A progress report from the National Audit Office summarising work done (and a comparison with work planned) and emerging findings
- As appropriate:
 - Proposals for review of the Audit Committee's Terms of Reference
 - The Internal Audit Strategy and plan for the year ahead
 - The Head of Internal Audit's Annual Opinion and Report
 - Quality assurance reports on the Internal Audit function
 - The draft accounts of the Electoral Commission
 - The draft Statement of Internal Control
 - A report on any changes to accounting policies
 - The National Audit Office's management letter
 - A report on any proposals to tender for audit functions
 - A report on co-operation between the National Audit Office and Internal Audit

Frequency of meetings

18. 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.