

## **Item: 7.3**

**Monitoring and Audit Committee: 1 April 2021.**

**Internal Audit Report: United Kingdom Parliamentary Election 2019:  
Election Expenses Return.**

**Report by Chief Internal Auditor.**

### **1. Purpose of Report**

To present the internal audit report on procedures and controls relating to the election expenses return for the 2019 UK parliamentary election.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That Internal Audit has undertaken an audit of the procedures and controls relative to the election expenses return for the UK parliamentary election held in December 2019.

#### **2.2.**

The findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the procedures and controls in place within the Council relative to the election expenses return for the UK parliamentary election held in December 2019.

**It is recommended:**

#### **2.3.**

That the Committee review the audit findings to obtain assurance that action has been taken or agreed where necessary.

### **3. Background**

#### **3.1.**

Following each election period, the Council is required to complete an election expenses return for the Election Claims Unit at the Cabinet Office. The election expenses return includes all allowable expenditure incurred by the Council in relation to the running of an election.

### **3.2.**

The objective of this audit was to confirm that the amounts claimed within the election expenses return are in accordance with the requirements of the election expenses guidance and that amounts claimed are supported by appropriate documentation.

## **4. Audit Findings**

### **4.1.**

The audit provides substantial assurance that the processes and procedures relating to the election expenses return are well controlled and managed.

### **4.2.**

The internal audit report, attached as Appendix 1 to this report, does not contain any recommendations.

### **4.3.**

The Committee is invited to review the audit findings to obtain assurance that action has been taken or agreed where necessary.

## **5. Corporate Governance**

This report relates to the Council complying with governance and scrutiny and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **6. Financial Implications**

There are no financial implications associated directly with the recommendations in this report.

## **7. Legal Aspects**

Complying with recommendations made by the internal auditors helps the Council meet its statutory obligations to secure best value.

## **8. Contact Officers**

Andrew Paterson, Chief Internal Auditor, email [andrew.paterson@orkney.gov.uk](mailto:andrew.paterson@orkney.gov.uk).

Karen Rorie, Internal Auditor, email [karen.rorie@orkney.gov.uk](mailto:karen.rorie@orkney.gov.uk).

## **9. Appendix**

Appendix 1: Internal Audit Report: UK Parliamentary Election 2019 - Election Expenses Return.



## Internal Audit

### Audit report

### UK Parliamentary Election 2019 – Election Expenses Return

Draft issue date: 4 March 2021

Final issue date: 22 March 2021

<b>Distribution list:</b>	<b>Head of Executive Support Business/Election Manager</b>
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## Audit Opinion

Based on our findings in this review we have given the following audit opinion.

### Substantial

**The framework of governance, risk management and control were found to be comprehensive and effective.**

A key to our audit opinions is shown at the end of this report.

## Executive Summary

This audit reviewed the Returning Officer's expenses claim forms for the UK Parliamentary Election which was held on 12 December 2019 to ensure the amounts claimed are in accordance with the election expenses guidance from the Cabinet Office.

Our review provides substantial assurance that controls are in place and operating well for the completion of this return.

Several areas of good practice were identified during the audit including:

- The types of expenses being claimed are in accordance with the guidance from the Cabinet Office.
- Evidence is retained to support the items of expenditure which are referenced to the claim form spreadsheets.
- The amounts being claimed by the Council agree to those processed through Integra.
- The file containing the supporting evidence is well structured.

The assistance provided by officers contacted during this audit is gratefully acknowledged.

## Introduction

Following each election period, the Council is required to complete an election expenses return for the Election Claims Unit at the Cabinet Office. Each constituency area is provided with a maximum recoverable amount. The election expenses return includes all allowable expenditure incurred by the Council in relation to the running of an election.

Internal Audit have carried out checks on the election expenses return for the UK Parliamentary Election held on 12 December 2019 to confirm the accuracy of the amounts claimed and provide an opinion on the balance shown.

This review was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.

## Audit Scope

The scope of this audit was to examine the Summary of Accounts relating to the Election Expenses and to verify the balances shown. The objective of the audit was to confirm the following:

- The amounts claimed within the election expenses return are in accordance with the requirements of the election expenses guidance.
- The Summary of Accounts form correctly picks up the totals from the forms within the spreadsheet to give the overall total amount claimed.
- The values within the claim subsections can be verified to the supporting spreadsheets.
- All amounts detailed in the spreadsheets have a voucher as supporting documentation.
- Source vouchers are authorised appropriately, including the avoidance of self-certification. Invoices are provided where appropriate as supporting documentation.
- The Integra election report for the election cost centre reconciles to the transactions on the spreadsheets and the election expenses return.
- The election expenses claim is consistent.

## Audit Findings

### 1.0 Summary of Accounts

- 1.1 This review has confirmed that the requirements of the election expenses guidance have been met and all amounts being claimed agree to the supporting documentation.
- 1.2 There were a small number of administrative errors identified which were notified to the Election Manager who updated the file accordingly.

## Conclusions

- 2.1 Audit testing has confirmed that the balance shown in the Summary of Accounts for the UK Parliamentary Election 2019 is correct. There are no recommendations required from this review.

## Key to Opinion

### Audit Opinion

Opinion	Definition
<b>Substantial</b>	The framework of governance, risk management and control were found to be comprehensive and effective.
<b>Adequate</b>	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
<b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.