

A Short Guide to

# The Electoral Commission



## About this guide

This Short Guide summarises the work of the Electoral Commission (the Commission) including what it does, how much it costs, and recent and planned changes. This report was prepared by the National Audit Office during February and early March 2020 and submitted to the Speaker's Committee on 13 March 2020.



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# Introduction

## Requirement for this report

- The Comptroller and Auditor General is required under the Political Parties, Elections and Referendums Act 2000 (PPERA), as amended by the Deregulation Act 2015, to produce a report to the Speaker's Committee (the Committee) on the Electoral Commission's (the Commission's) production of a Corporate Plan, which is due when an Estimate is provided to the Speaker's Committee following a General Election. With the introduction of the Fixed Term Parliament Act in 2011 this was anticipated to be every five years, but with additional elections, the Commission has produced a total of three plans since 2015.

## History of our reporting duties

- In 2018, following the 2017 General Election, we produced a report which summarised the key elements of the Commission's work. Given the limited time since the Election and the interim nature of the Commission's Corporate Plan, we are following a similar methodology with our report to the Committee this year. We have also summarised in Appendix Two other observations from previous NAO reports issued since 2011.

## Aim of this report

- The Speaker's Committee, as a statutory body established under the PPERA, examines the resource estimates and the Five-Year Plans proposed by the Commission on behalf of Parliament. In this role it holds the Commission to account and fulfils a vital role in the governance of the Commission.
- To support the Committee in its work, our report highlights the key elements of the Commission's work, the main elements of its plan and describes how it uses its resources. We have, where appropriate, highlighted areas which we feel the Commission can further develop to enhance its planning and reporting processes, and to enhance transparency and accountability. The Committee may wish to use this report as a means of providing additional information to the public, in addition to supporting its scrutiny of the Commission.

# Summary

The Electoral Commission is the independent body that oversees elections and regulates political finance in the UK. The Commission seeks to promote public confidence in the democratic process and ensure its integrity. It was set up under the PPERA to be independent of government and political parties and is directly accountable to the UK Parliament. The Commission's main office is in London, and it has devolved offices in Northern Ireland (Belfast), Scotland (Edinburgh) and Wales (Cardiff).

## 1) Overseeing elections and referendums

The Commission monitors elections and referendums to make sure they are fair and run well, promoting public confidence in the democratic process. The Commission provides the guidance and advice that enables the delivery of elections as well as setting performance standards for how they should be delivered.

As part of this role, the Commission runs public awareness campaigns ahead of elections to encourage people to register to vote. The Commission does not run the polling stations, count the votes or announce the results at elections. Its role in referendums is different, as it does run national referendums held under the PPERA, or has other responsibilities, depending on the legislation. As part of this role, the Commission works to make sure that referendum questions are worded in a way that voters cannot misinterpret and issues guidance for voters and campaigners.

The Commission publishes reports following elections and referendums detailing costs, turnout and how well these events were run.

## 2) Regulation of political finance

Political parties must submit to the Commission annual statements of accounts, reports of all larger donations and loans they receive and campaign spending returns. The Commission maintains a publicly available and searchable register of these returns and accounts on its website ([www.electoralcommission.org.uk/who-we-are-and-what-we-do/financial-reporting](http://www.electoralcommission.org.uk/who-we-are-and-what-we-do/financial-reporting)). The Commission may impose financial civil penalties on political parties and others if they fail to submit donation and loans returns, campaign spending returns or statements of account. The Commission also has the power to seek forfeiture of impermissible donations accepted by political parties or other regulated individuals or entities.



### Governance

The Commission has a mature and well-established governance structure and its accountability framework meets the NAO's four essentials of accountability. It has a mature approach to risk management, and it has not disclosed any significant control or other governance weaknesses over the past five years.

In managing the impact of legislative changes to increase accountability and transparency to the Scottish Parliament and the Welsh Parliament, it is important that the Commission establishes equitable, clear and transparent costing mechanisms to allocate expenditure to the devolved administrations. It will also be important to consider any necessary adaptations of governance to ensure that the new accountabilities are effectively overseen.



### Planning and performance

In 2018-19 the Commission achieved 17 of its 22 corporate performance indicators. The interim Corporate Plan 2020-21 to 2024-25 does not include any performance measures, but we understand these will be incorporated in its full plan later this year. It will be important to ensure the measures it introduces are part of a balanced scorecard covering the range of Commission activities and cover issues such as quality and use of resources to better measure its value for money.

The Corporate Plan would be enhanced by providing more granular detail on the costs, timetable and milestones for major projects during the plan period. These have been missing in previous plans.



### Use of resources

The Commission has a good track record of financial management, remaining within its estimates, despite a period of intense and unpredictable electoral activity. Its financial statements have been reliable, confirming that its accounts have been materially true and fair and that resources have been used in accordance with Parliament's intentions.

The Commission has undertaken sound work to evaluate the effectiveness of some of its activities, such as Section 13 expenditure on public awareness.

The Commission undertakes projects to further its objectives. We have highlighted that the Commission does not have a consistent approach to the inclusion of indirect costs in its project activity, meaning that the costs of projects could be understated. The Commission considers its current approach to be proportionate.



### People

The Commission's staff engagement scores have fallen in its last two staff surveys to 65% (civil service benchmark was 62% in 2018) and it has experienced high turnover of 31.7% during 2018-19. Recognising these issues the Commission is introducing a new People Strategy in 2020 and aims to achieve higher staff engagement scores in its staff survey and improve staff retention. Staff also highlighted a need to improve the approach to programme and project management, to improve coordination and timely delivery.

The Commission has not set out this strategy in its interim Corporate Plan but it expects to do so in its final version later this year.

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# Key facts



**£16.2m**

Resources used by the Commission in 2018-19 including £616,000 capital spend (£16.2m in 2017-18).



**£19.4m**

The Commission's net resources approved by Parliament for 2019-20, including £990,000 capital spend (£17.8m in 2018-19).



**£130m**

The total cost, including electoral returning officers, incurred by the Commission up to 31 March 2019 for its role in conducting the 2016 EU Referendum.



**26**

Number of separate scheduled electoral events, covered by the Electoral Commission's interim Corporate Plan 2020-21 to 2024-25.



**50%**

of the Commission's operating expenditure was staff costs in 2018-19; £7.7 million.



**65%**

The Electoral Commission's 2018 employee engagement index score (68% in 2017).



**270,000**

Additions to the electoral register the Electoral Commission contributed to in 2018-19, following its voter registration campaigns.



**£242,610**

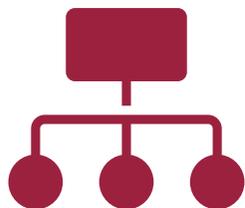
In its role as regulator, the Commission imposed civil sanctions in 2018-19 (£143,300 in 2017-18).



**112**

Investigations completed in 2018-19 (187 in 2017-18).

# Governance



- Effective governance is important in providing transparent and accountable management and oversight of any entity. The Commission's role within the UK democratic system means that it must uphold the highest standards of governance and of accountability for the way in which it uses its resources and delivers against its plans.

- The Commission has specific arrangements for the appointment of Commissioners, who are approved through the Speaker's Committee. It is accountable to Parliament, through resource requests and submission of plans through the Speaker's Committee.

- Effective governance measures enable the Commissioners to demonstrate their role in oversight of the Commission and to provide the evidence to the Speaker's Committee in support of their request for resources through the Estimates process.

- In this section we highlight:
  - the role of the Commissioners and overall organisational structure;
  - the accountability framework;
  - how the Commissioners manage organisational risks; and
  - the impact of devolution of electoral responsibilities.

# Accountability to the UK Parliament: organisational structure

## The Commissioners (January 2020)

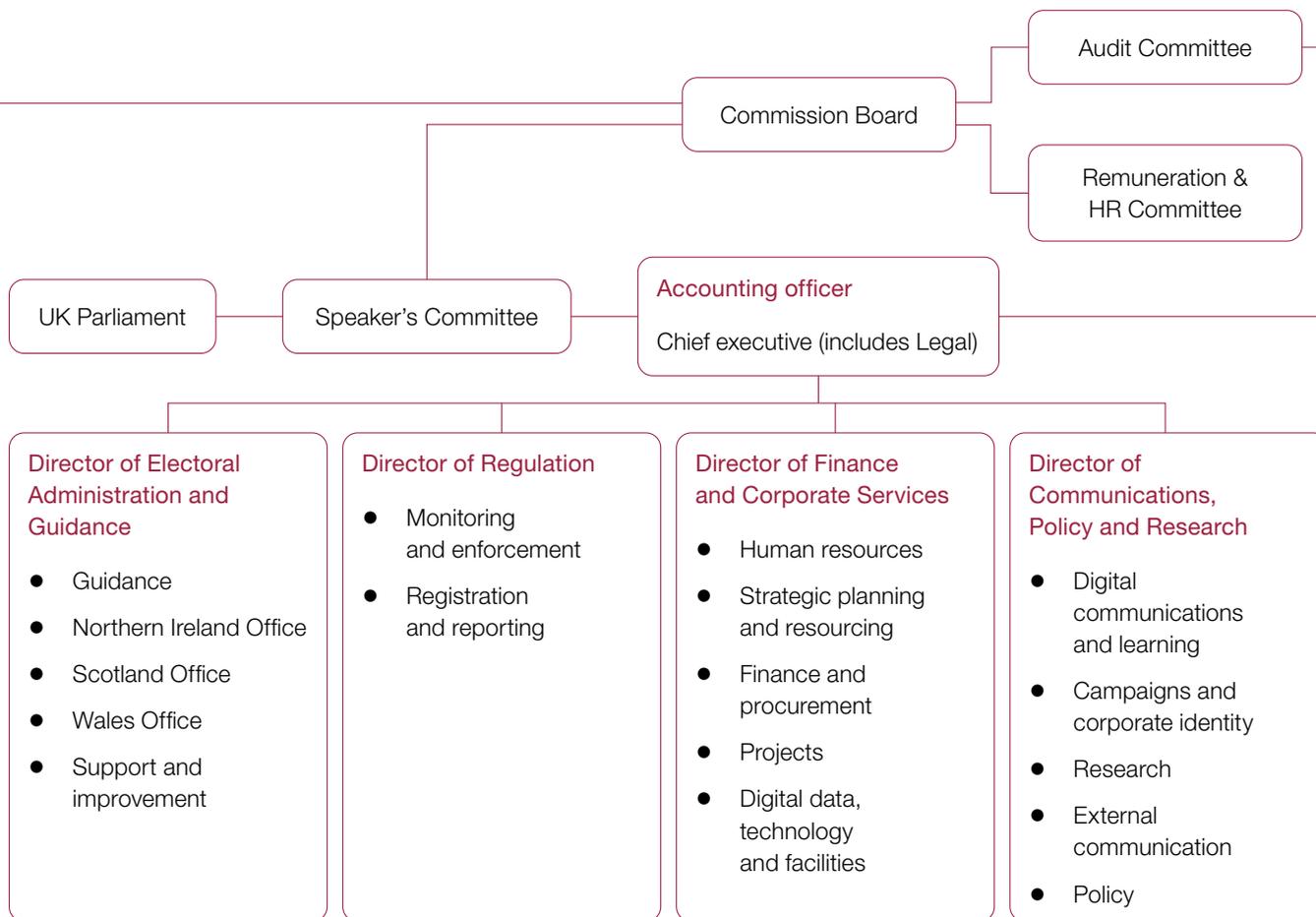
- Sir John Holmes (Chair)
- Dame Sue Bruce
- Anna Carragher
- Sarah Chambers
- Alasdair Morgan
- Professor Dame Elan Closs Stephens CBE
- Rob Vincent CBE
- Lord Gilbert of Panteg
- Joan Walley
- Alastair Ross

There are 10 Commissioners who are appointed by Her Majesty the Queen on the recommendation of the House of Commons for a period of up to 10 years. Three are appointed by the Board to the Audit Committee and three to the Remuneration & HR Committee. There are three Commissioners who represent Scotland, Wales and Northern Ireland. Three of the Commissioners represent the three largest qualifying political parties, and another represents all of the other parties.

Commissioners act collectively and do not have individual authority. They are responsible for enabling the Commission to effectively discharge its functions, ensuring high standards of corporate governance and overseeing risk management and are held to a strict code of conduct.

## Organisational structure

The current organisation structure is presented on this page. A change was made in late 2019 to bring the Legal team directly within the chief executive's office.



Effective governance is important in providing transparent and accountable management and oversight of any entity. Given the Commission's role, it is particularly essential in demonstrating accountable and objective decision-making. The Commission has a mature and well-established governance structure.

# Accountability to Parliament: the essentials of accountability

The NAO's report on [Accountability to Parliament for taxpayers' money](#) highlighted the four essentials of accountability. We have used this to describe the accountability framework within the Commission:

## 1. A clear expression of spending commitments and objectives



Each financial year the Commission is required to submit to the Speaker's Committee an Estimate of its income and expenditure. After its examination, the Speaker's Committee lay the Estimate before the House of Commons.

This is part of Parliament's supply procedure through which the Commission's resource requirements are approved. The Commission reports on outturn against the Estimate in the Annual Report and Accounts, which is audited by the Comptroller and Auditor General.

The Commission conducted a strategic review in 2016-17 with the aim of "being a world class public sector organisation – innovative, delivering great value and getting right what matters most to voters and legislators". This resulted in stated goals against the Commission's three core areas of activity: delivery of elections, regulation of political finance and improving the democratic process, and has informed the projects which have been taken forward by the Commission.

*The Commission has remained within its Parliamentary Control Totals and Estimates in recent years, and has maintained robust financial stewardship of its resources, evidenced by unqualified audit opinions on its Annual Report and Accounts.*

## 2. A mechanism or forum to hold to account



The Commission is accountable to Parliament, and specifically to the Speaker's Committee of the House of Commons. The Committee was established by the PPERA 2000 and is required to report to the House annually on the exercise of its functions, which include examining the Commission's plans, objectives, estimate and annual report and overseeing the selection of Commissioners.

Changes to accountability are expected following introduction of legislation within devolved nations (see page 14).

Commissioners are appointed by Royal Warrant on the recommendation of the House of Commons to the Commission Board, which monitors the Commission's performance, sets strategic direction and is responsible for ensuring it acts within its statutory remit. The Board met nine times in 2018-19.

In April 2019 the Commission Board undertook a review of its effectiveness, which resulted in changes to the forward plan, commissioning of papers and the executive summary to ensure papers were focused and met the strategic agenda of the Board. The Commission is tendering for external facilitation of Board effectiveness in 2020 and a procurement is under way to enhance and automate reporting to the Board.

The Board is supported by the Audit Committee and the Remuneration & HR Committee.

*Board structures have operated effectively, no significant governance issues have been reported in the Commission's governance statement and none have come to our attention.*

## 3. Clear roles and someone to hold to account



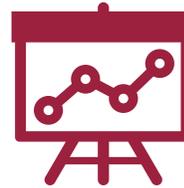
The Chief Executive (Bob Posner, from January 2019) has delegated authority from the Board for day to day management of the Commission. The Chief Executive in turn is authorised to delegate matters to Commission staff, and these are set out in the Executive Scheme of Delegation.

The Chief Executive is also appointed by the Speaker's Committee as the Electoral Commission's Accounting Officer. The Accounting Officer is personally responsible and accountable to Parliament for managing the Commission, its use of public money and its stewardship of assets as set out in [Managing public money](#).

Sir John Holmes was appointed Chair of the Commission from January 2017. The appointment term of six Commissioners' are coming to an end during the 2020-21 financial year, with five being eligible for reappointment.

*The Commission has not made any losses or special payment disclosures or had cause to disclose any failure to comply with [Managing public money](#) in recent years.*

## 4. Robust performance and cost data



The Commission's performance measures are agreed annually by the Commission Board and are reported to it on a quarterly basis.

The Commission's achieved performance against these measures is published in its Annual Report and Accounts.

In 2018-19 the Commission fully achieved 17 of 22 annual performance indicators (pages 20–21).

The Commission has not included any performance indicators in its interim Corporate Plan 2020-21 to 2024-25. It plans to develop these by September 2020. We consider a balanced scorecard of measures is important in demonstrating the efficient and effective delivery of its outputs. The Corporate Plan could also further develop a more granular plan for key project costs and time schedules against which progress over the Plan Period can be measured.

*We believe there is scope to enhance the range and rigour of the performance measures the Commission could use to monitor its performance, and we have noted the Commission's ambition to develop these in its next full Corporate Plan.*

The Commission's accountability framework meets the NAO's four essentials of accountability, but there remains scope to further develop performance measurement, to ensure performance indicators are challenging and cover the breadth and depth of the Commission's activities, and to include these in future Corporate Plans.

# Effective governance: The Governance Statement and risk management

The Commission reports its key governance arrangements within its Governance Statement, demonstrating how the accounting officer has carried out their duties over the financial year. The key feature of a governance statement is the risk assessment.

## Strategic risks identified and managed by the Commission in 2019-20

Risk	How it is managed
The Commission does not deliver all or a significant part of its Corporate Plan.	The Executive Team, Board and Audit Committee regularly monitor corporate activities and risks. The Commission maintains high cyber and information security standards. The Board and Executive Team use business planning, and in-year budget and activity management to direct resources to priorities.
Part or all of an election poll is not well run.	An internal management group oversees the Commission's work on electoral events and emerging issues, including liaison with governments on issues such as civil contingencies; its activities increase during pre-election periods. The Commission undertakes wide but targeted consultation on its core guidance. Public awareness activities encourage voter registration and provide knowledge of electoral fraud. The devolved offices and English Regional Teams support and challenge returning officers to deliver successful polls.
Ineffective regulation of political finance rules.	An internal management group provides oversight of key issues and trends in campaigning. The Commission produces reports on case summaries and decisions, and works with UK public prosecutor bodies and other regulators and law enforcement partners. All regulation procedures are documented in the Quality Management System.
The Commission fails to respond adequately to increased devolution.	A Project Board oversees changes to accountability resulting from UK Parliament legislation affecting its relationship with the Scottish Parliament and the Senedd. They engage with officials across parliaments and governments to ensure the Commission understands and addresses devolution issues that affect it. Advisory Boards operate in Scotland and Wales.
The Commission is not sufficiently prepared for the implications of departure from the European Union for its work	This risk was removed from the Commission's organisational risk register after the UK's departure from the EU. The Commission maintains an impact log for departure from the EU to ensure preparedness. It regularly engages with governments throughout the UK, to understand their plans for voting and candidacy rights for EU member state citizens.

## Assurances provided by a Governance Statement

The Governance Statement provides a number of other assurances, including:

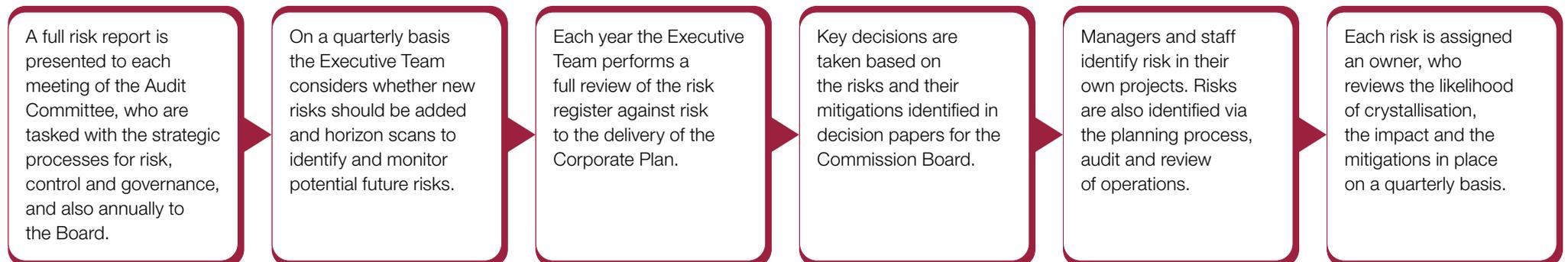
- **Chief executive's statement** – “the frameworks, control environment, processes and scrutiny set out in the Governance Statement were effective since my appointment”.
- **Work of the Committees** – the Audit Committee met three times in 2018-19 and monitored the approved programme of audit and reviews and management's response to these, including five internal audit reports.
- **Review of Board performance** – the Governance Statement includes the Board's assessment of its own effectiveness, which is an integral part of the Commission's governance arrangements.
- **Information governance and data incidents** – There were two information governance-related issues in 2018-19. One incident was the data breach reported in the 2017-18 report and the only incident that required a report to the Information Commissioner's Office (ICO).

## Risk management

The Commission's risk management processes are designed to:

- maintain a clear framework across the organisation within which risks are identified, assessed, managed and regularly reviewed;
- assign specific responsibility for managing risks in their areas of responsibility to individual Executive Team members (including managing risks to significant projects in their capacity as project directors);
- ensure that the significance and impact of risks are assessed on a consistent basis;
- ensure that existing risks are regularly reviewed, and that new risks are identified and managed; and
- provide the chief executive, the Audit Committee and the Commission Board with assurance that the risks are being managed appropriately.

In 2019, the Commission updated its risk management framework. One of the key changes was to move from using a 3x3 matrix to a 5x5 matrix for assessing risk ratings. The new matrix allows for more granular risk assessment and therefore more nuanced decisions about risk appetite and internal controls.



Commissioners ensure that there are systematic processes to identify, monitor and mitigate risks within the Commission. The Commission has an established risk management and governance framework.

# Changes to accountability: Impact of devolution for Wales and Scotland

In 2019 draft legislation was introduced to increase accountability and transparency to the devolved nations.

Responsibility for Scottish Parliament elections is transferring to the Scottish Parliament from 2021-22. The Wales Act 2017 provides the legislative basis for local government and Assembly elections to be transferred to the Welsh Parliament. The Commission aims to work with all stakeholders to support these transitions and ensure any resulting changes to electoral processes are effective. In 2017 the Commission established an advisory group in Scotland and another one in 2018 in Wales to support this work.

## Legislation

- The Scottish Elections (Reform) Bill was introduced to the Scottish Parliament on 2 September 2019.
- The Senedd and Elections (Wales) Act 2019 became law in Wales on 15 January 2020.



## Funding and accountability

- Currently the Commission receives all its resources through the Estimates approved by the UK Parliament, from 2021-22 the Electoral Commission is due to be funded jointly by the UK Parliament, the Scottish Parliament and the Welsh Parliament.
- Each funder will pay the direct cost of electoral events held under their powers each year, plus a share of indirect costs (UK-wide operating costs and overheads). Between 80% and 90% of cost each year will be funded by the Estimates scrutinised by the Speaker's Committee.
- The Electoral Commission will continue to receive small amounts of fee income and may continue to provide rechargeable services to devolved governments.
- The Electoral Commission will be accountable to each of the bodies which fund it, and will be required to report and be held accountable to committees of each of the parliaments. The Speaker's Committee may want to consider how these changes will impact and how it might liaise with other scrutiny bodies in reviewing Corporate Plans.



## Implications for the Electoral Commission in 2020

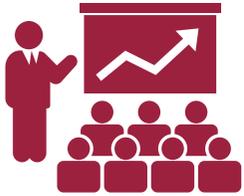


- Working with other stakeholders, the Commission will need to determine the apportionment of UK operating costs and overheads. It is important that there is confidence in the allocation and apportionment of these costs to its other funding bodies. We would encourage the Commission to ensure that key principles of cost allocation are followed to ensure:
  - costs are fair and equitable;
  - transparent and auditable;
  - they provide a stable basis for estimate processes for all parties to enable effective budgeting and monitoring of costs; and
  - costing and allocation methods are proportionate and efficient, reflecting the values involved.
- The Commission will need to clarify and agree relevant accounting policies to ensure that each stakeholder can obtain the assurance and disclosure needed through the Annual Report and Accounts, including the presentation of the use of Parliamentary Estimates. This will avoid duplication of reporting and the additional costs that might arise from this. These decisions may need to be made by September 2020, in time for any planned Estimates for 2021-22.

The Commission is in ongoing dialogue with its main funding stakeholders, HM Treasury, the Welsh and Scottish governments, to ensure all the reporting requirements of stakeholders are met.

**It will be important for the Commission to establish equitable, clear and transparent costing mechanisms to ensure that costs are allocated across the devolved administrations, and that these costs are reported efficiently and accurately in future financial statements.**

# Planning and performance: The Commission's 2021-22 to 2024-25 Corporate Plan



- In producing three five-year plans over the past four years the Commission has not completed a full cycle of corporate planning against which its effectiveness can be measured. The Commission's latest interim Corporate Plan does not provide specific measurable indicators or benchmarks for performance over time, despite its goals remaining the same as for its previous Corporate Plan. We would encourage the Commission to develop challenging figures to benchmark performance and the outputs which it anticipates within its four key goals.

- Effective organisations will produce plans to provide clarity on key strategic aims and the resources which will be required to deliver them. Organisations use longer-term plans to provide strategic direction and shorter-term plans to monitor and deliver these objectives on an annual basis. Organisations can demonstrate their value for money by ensuring a balanced scorecard of measures across their activities, linking these to their core objectives and the resources used. These measures are reported in the Annual Report and Accounts each year.

- Under the requirements of PPERA the Commission is required to produce Corporate Plans covering five years following a General Election. The Commission has had the challenge of being required to produce three versions of its five-year plan over the past five years, to meet the legislative requirements following each General Election. In March 2020 the Commission will submit an interim plan, pending a fuller version in the autumn of 2020, covering the period 2021–2026.

- In this section we consider:
  - a summary of the Commission's interim plan for 2020–2025, covering its goals and plans;
  - how the Commission measures its performance;
  - reported performance measures; and
  - our observations on the Commission's planning and performance reporting.

# The Electoral Commission's Corporate Plan 2020-21 to 2024-25

This page summarises the key elements of the Commission's current proposed Corporate Plan.

## Vision

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

## Goals

1

**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.

2

**To ensure an increasingly trusted and transparent system of regulation** in political finance, overseeing compliance, promoting understanding among those regulated and proactively pursuing breaches.

3

**To be an independent and respected centre of expertise**, using knowledge and insight to further the transparency, fairness and efficiency of our democratic system, and help adapt it to the modern, digital age.

4

**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.

## Plans for the next five years

1

- Continue to provide expert advice and guidance to local authorities, candidates and agents to support the delivery of well-run electoral events.
- Support the scheduled electoral events during the life of the Corporate Plan and work with partners to develop and deliver proposals for improving the accessibility of elections.
- Undertake voter registration campaigns ahead of all major polls, to raise awareness of the need.
- Continue to support the UK's governments' electoral registration annual canvass reforms in Great Britain and the 2020 annual canvass in Northern Ireland.
- Develop and implement a strategy to support increased resilience in the delivery of electoral services at local level.
- Publish new performance standards for electoral registration officers (EROs).
- Respond to and engage with the Scottish and Welsh governments' policy and legislative agendas for changes to the franchise.
- Undertake electoral fraud work, including close engagement with the police and local authorities.

2

- Continue to maintain the registers of political parties and campaigners, ensuring voters have clarity about registered parties and campaigns on the ballot paper.
- Continue to promote transparency of political finance by publishing financial data from parties and campaigners, including that related to elections, alongside delivering a new Political Finance Online system.
- Promote high rates of compliance with the rules and thus transparency for voters.
- Working with parties and campaigners, develop a new strategic framework to ensure effective and impactful proactive support.
- Deliver effective enforcement of the political finance rules, ensuring votes, parties and campaigners have confidence that the rules are enforced proportionately and with impact, within its current powers.
- Respond to the changing environment as more money is spent on digital campaigning.
- Administer the policy developments grants scheme and ensure it operates effectively.

3

- Provide expert advice and support to political parties, campaigners and government and the public.
- Report on the administration of elections.
- Continue to promote and build support for changes to the Commission's democratic processes.
- Develop its evidence base to enable greater understanding of the electoral environment, emerging issues, risks and opportunities that could affect the work of the Commission in the medium to long term and enable it to plan accordingly.
- Enhance its public awareness activity.
- Improve the accessibility of information to partners and the public by developing new corporate website further.
- Proceed with research and data analysis of cases of electoral fraud and support engagement with the UK governments and their legislative agendas.
- Develop a new work programme to cover the next five-year programme.

4

- Implement its new People Strategy.
- Deliver its Ways of Working project to deliver digitally enabled business change to reflect the expectations on a modern employer and ensure the core ICT offering can support those changes.
- Using the Commission's new corporate planning and performance system, focus on developing improved capability and understanding of the delivery of its strategic goals and the impact it is delivering for its customers.
- Continue to work with the Scottish Parliament and the Welsh Parliament to implement its new accountability arrangements.
- Review and refresh how it delivers legal services that effectively and efficiently meet the changing and increasing requirements on the Commission, and reduce use of expensive outside expertise.
- Embed quality management processes across all the Commission's services and functions.

# How the Commission measures its performance

The Commission uses the framework below to measure its performance. This aligns the Commission's vision, goals and activities with performance measurement and wider impact indicators. We see this as an appropriate response to the issues we have raised in our previous reports. The Commission measures its performance against the strategic goals set out in its annual Business Plans.

For each goal it has identified activities which contribute towards its delivery and corresponding performance measures. The Commission has also developed impact indicators to enable it to understand the wider environment in which it works. Many of these are measured through its annual public opinion survey, which tracks voter opinion on key issues such as the perception of electoral fraud and confidence in spending rules. The performance measures are agreed annually by the Commission Board and are reported to the Board on a quarterly basis.

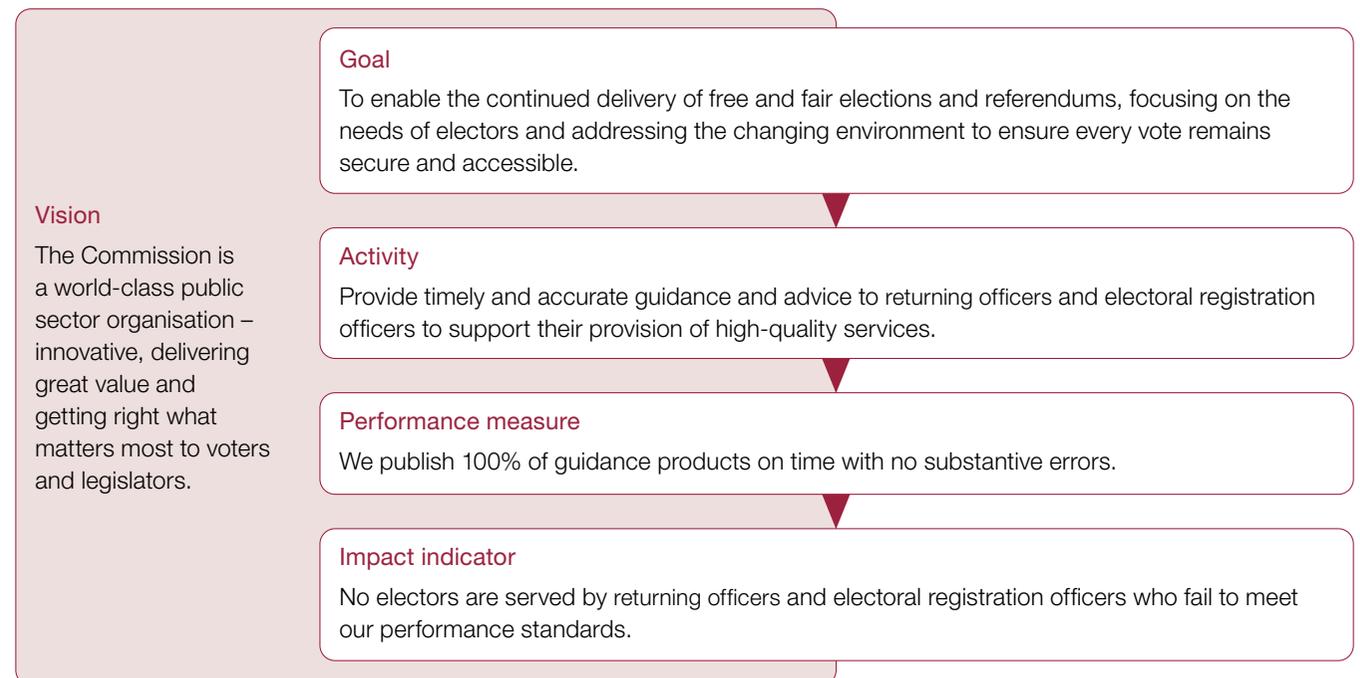
Appendix One highlights the aspects which we consider to be important in the effective measurement of performance, we would encourage the Commission to critically review its measures against these criteria to ensure they provide a sound basis for demonstrating the Commission's effectiveness.

A key element of the Commission's measurement of performance is the annual public opinion survey, known as the Winter Tracker Survey.

The most recent survey published in July 2019 surveyed some 1,731 people about their confidence in the electoral system and processes.

While the Commission sets standards, produces guidance and acts as regulator, it does not directly deliver electoral processes or maintain and manage the electoral registers.

The confidence in the democratic processes can be influenced by a significant number of other stakeholders, in particular the public experience of the electoral registration officers in their own local authority area. This can make it difficult to directly identify the Commission's impact on public opinion.



We would encourage the Commission to critically review its performance measures to ensure they provide a sound basis for demonstrating and measuring the Commission's effectiveness.

# Electoral Commission's reported performance measurement 2018-19

In 2018-19 the Commission fully met 17 of its 22 corporate performance measures (achieved targets are shown in green). Its comparative performance for 2017-18 is shown as an indication of the Commission's progress on the previous year.

From 2018-19 the Commission introduced a target tolerance of +/- 2.5% for assessing a performance measure as having been achieved.

Goal 1: Free and fair elections	2018-19	2017-18	Change 2017-18 to 2018-19
Publish 100% of guidance products relating to electoral registration on time with no substantive errors.	100%	100%	No change
Provide accurate advice to returning officers and electoral regional officers within three working days of receipt of the request (target 100%).	100%	99%	▲
Additions to electoral registers during Electoral Commission public awareness campaigns met or exceed its targets (specific targets agreed ahead of each poll).	100%	May 2018 local government polls: 75%	▲
		June 2017 General Election: 160%	
Review 100% of integrity plans from local authorities identified to be at a higher risk of fraud.	100%	100%	No change
Publish 100% of our reports to planned deadlines.	100%	100%	No change
Comment on 100% of relevant legislation and policy proposals.	100%	100%	No change

Goal 2: Regulating political finance	2018-19	2017-18	Change 2017-18 to 2018-19
Publish routine financial returns from parties and campaigners, including statements of accounts, within 30 working days of receiving them (target 100%).	30%	91%	▼
Check a minimum of 25% of all financial returns for accuracy and compliance each year.	50%	84%	▼
Publish 100% of guidance products on time with no substantive errors.	100%	100%	No change
Provide accurate advice within five to 20 days of receipt of the request, depending on the complexity of the advice (target 90%).	97%	97%	No change
Notify applicants of the outcome of their registration applications within 30 days of a complete application 75% of the time. (In 2017-18 the target was 90%).	84%	84%	No change

## Electoral Commission's reported performance measurement 2018-19 *continued*

Goal 2: Regulating political finance	2018-19	2017-18	Change 2017-18 to 2018-19
Conduct timely and proportionate investigations of which 90% are completed within 180 days.	88%	96%	▼
Issue 90% of final notices setting out its sanctions within 21 days of the deadline for representations. Publish the outcomes of all its investigations.	83%	81%	▲
Make timely regulatory recommendations that reflect the principle guiding its approach to effective regulatory framework.	100%	100%	No change

Goal 3: Independent and respected centre of expertise	2018-19	2017-18	Change 2017-18 to 2018-19
Deliver a scoping project identifying how registering and voting can be modernised to meet voters' expectations in our digital society, including the opportunities and risks involved.	On track	Not achieved (Project in progress)	▲
Publish its evaluation and response to the 2016 and 2017 annual canvass pilot programme.	Published in June	n/a	n/a
Deliver a project to understand the landscape of public democratic engagement in the UK.	On track	n/a	n/a
Publish our evaluation and response to the 2018 voter ID pilots.	Published in July	n/a	n/a
Work in support of the electoral law reform recommendations from the England and Wales, Scotland and the Northern Ireland Law Commissions.	Ongoing	n/a	n/a

Goal 4: Provide value for money	2018-19	2017-18	Change 2017-18 to 2018-19
Learn practical lessons from current home and remote working practices and design future accommodation accordingly.	Working hours pilot successfully concluded and review completed	n/a	n/a
Identify options, costs and benefits of e-procurement and implement a new system accordingly.	New system is due for launch in the spring of 2020	n/a	n/a
Maintaining high staff engagement scores in the annual staff survey and ensuring indicators such as staff turnover are at appropriate levels (civil service average staff engagement score: 62%). NB. The Commission did not report its staff turnover in its annual report.	Staff engagement score: 65%	68%	▼

# The Electoral Commission's Corporate Plan 2020–2025

The Commission's interim Corporate Plan 2020-21 to 2024-25 does not include performance measures against its goals. The Commission plans to develop these by September 2020, based on existing performance measures (see previous pages for details of its performance framework and performance against its key performance indicators (KPIs)). It has set out the impacts and benefits it plans to achieve through its activities against each goal. The Commission's 2020–2025 Corporate Plan is an interim plan, to be superseded by a more developed plan for 2021–2026. We understand this second plan will include a new indicator set which will be developed in early 2020. In the meantime, for 2020-21 the Commission has assessed that it is practical to continue to use the existing KPIs in the Corporate Plan (2018–2023). We have set out our assessment of the interim Corporate Plan against good practice in corporate reporting and KPIs below, drawn from the NAO's work on annual reporting.

The Commission reports its performance annually through the Annual Report and Accounts. Its KPIs, are clearly aligned to the four corporate priorities within its Corporate Plans (pages 20–21 shows these KPIs over time). However, not all of the indicators are quantifiable, and there are several areas where the approach to measuring performance could be further developed:

- **Quality** – indicators could look at opportunities to measure the quality of outputs/ decision-making, drawing upon internal and external quality assurance processes.
- **Costs** – there is scope to benchmark or develop other cost metrics, to provide more information to measure the Commission's efficiency and use of resources, more granular reporting of key project costs and how they have been delivered to time and budget would also provide more measurable value-for-money data.

Good-practice corporate reporting includes:	The Commission's 2020-21 to 2024-25 Corporate Plan
Clarity around purpose, strategic objectives and key programmes/projects.	<ul style="list-style-type: none"> <li>● The Corporate Plan sets out the vision and goals for the Commission.</li> <li>● The plan refers to key programmes/projects in the main body of the Plan, but further emphasis could be given to detailing the intended aims and benefits of these projects, together with some cost and time metrics.</li> </ul>
Details of future plans to implement priorities.	<ul style="list-style-type: none"> <li>● While the Corporate Plan sets out future activities to achieve its priorities greater emphasis could be given to establishing timelines for the key deliverables which support the achievement of the Commission's objectives.</li> </ul>
Strategy clearly linked to performance measures and risks.	<ul style="list-style-type: none"> <li>● The Commission included performance measures in its previous Corporate Plan, it has not included them in the interim plan presented to the Speaker's Committee, due to the time constraints. However, it plans to do so by September 2020. The Commission should ensure that these are clearly linked to its corporate risks.</li> </ul>

## Proposals for the 2021–2026 Corporate Plan

We have noted that previous Corporate Plans have not included the range of KPIs and proposed targets, setting out the Commission's ambitions. We understand the Commission may consider publishing these details in a separate document. This on the basis that it would give the Commission the flexibility to respond to the devolved administrations in Scotland and Wales, and any indicators or targets they may seek during the life of the Corporate Plan. The Commission will seek to focus future KPIs on the impacts on its stakeholders.

The Commission's performance against the indicator set will continue to be published in its annual report.

Future Corporate Plans will be supported by a new cloud-based planning and performance system, called Pentana. This will provide a more comprehensive view of the management and performance of the Commission across its plans and performance measures. Work to develop the 2021–2026 Corporate Plan is under way, including the revisions to its KPIs, and will be in place for the period 2021-22, the first year of the five-year plan. The plan will reflect previous audit recommendations for a balanced scorecard approach to cover the full range of Commission activities, with greater focus on the impacts it has as a result of its work and interventions. The Commission has attempted to benchmark its performance in its 2018–2023 Corporate Plan but could not identify useful comparators for operational elements, even with other regulators, due to differences in role and approach.



There is scope for the Commission to develop its approach in its Corporate Plan to provide more granularity in respect of the costs of key projects and the anticipated timelines for their completion. Additionally, the KPIs could focus on more measurable quality and cost metrics to better demonstrate value for money, and should provide a degree of challenge for the Commission.

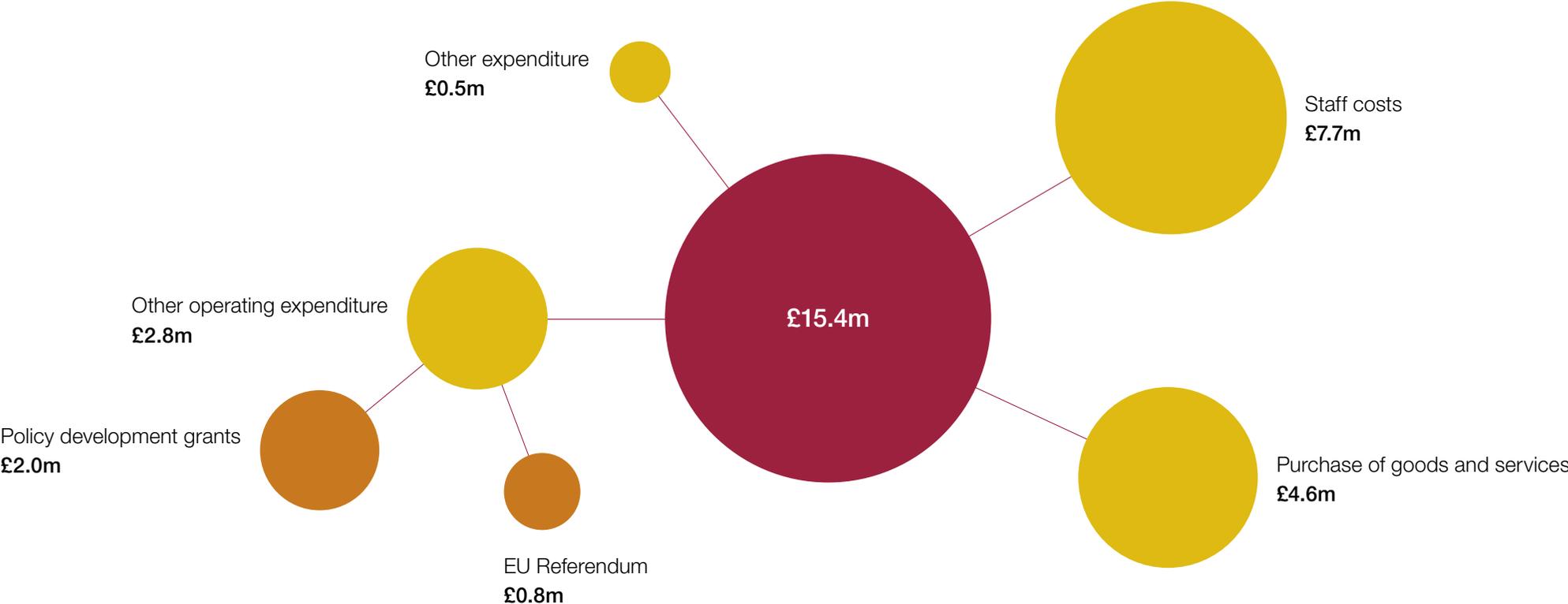
## Use of resources



- In reporting the outcomes it is important to demonstrate transparency in the funds that have been used to deliver these. Providing assurance over the use of resources is a key component of the accountability process, confirming that financial resources are used for the purposes intended by Parliament.
- The Commission has a solid track record of sound financial management, it has stayed within its Estimates over the past five years, despite this being a period of intense and unpredictable electoral activity. It has also provided financial statements which have been reliable and which have received clean unqualified audit opinions, confirming that the accounts have been materially true and fair and that resources have been used in accordance with Parliament's intentions.
- Governance Statements contained within the Commission's Annual Report and Accounts have described how effective control frameworks have operated in recent years, and these have been supported by a programme of internal audit, overseen by the Commission's Audit Committee. These arrangements have not highlighted any significant weaknesses or instances where key controls have failed to operate or where the use of resources have been put at risk.
- This section highlights:
  - where the Commission spends its money;
  - the Commission's spending trends;
  - the impact of the EU Referendum on Electoral Commission expenditure; and
  - the allocation of Policy Grants to political parties.

# Where the Commission spends its money: 2018-19

Electoral Commission total operating expenditure of £15.4 million comprised:



**Notes**

- 1 Figures are taken from the Statement of Comprehensive Net Expenditure and related notes within the Commission's 2018-19 Annual Report and Accounts.
- 2 Other expenditure includes depreciation, amortisation and provision expense.
- 3 Totals do not sum exactly due to rounding.

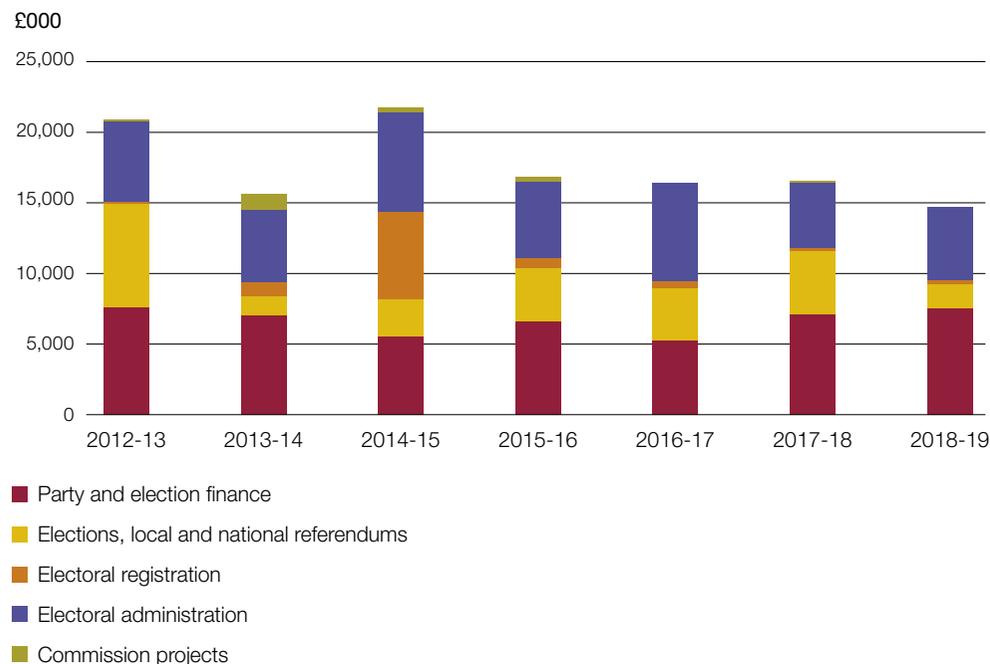
Source: National Audit Office

The Commission's total expenditure in 2018-19 was £15.4m (excludes capital). The Commission spent half of this amount (£7.7 million) on staff costs.

# Spending trends

The Commission's expenditure fluctuates depending on election cycle and significant projects the entity undertakes. The expenditure has stayed within a £15 million to £25 million range for the past seven years.

## Trend in expenditure by operating segment

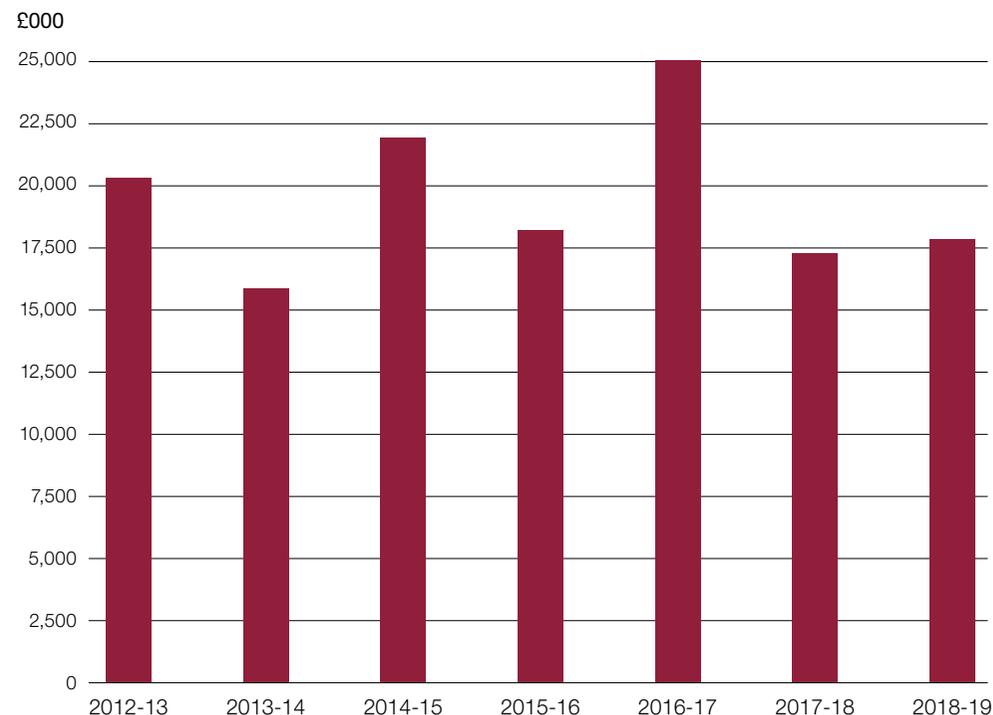


### Notes

- 1 Expenditure comprises Staff Costs, Expenditure per note 2 of the financial statements and Policy Development Grant expenditure. Commission staff costs and corporate overheads are not attributed to programme or project activity, but for the purposes of segmental reporting they are either directly allocated or apportioned as appropriate between Party & Election Finance and Electoral Administration activity.
- 2 In 2014-15, the Commission's Electoral Registration programme focused on work to maximise registration levels as well as supporting the transition to the Individual Electoral Registration (IER).
- 3 The non-voted 2016-17 EU Referendum spend is excluded for the sake of comparability.

Source: National Audit Office

## Trend in spending of voted resources 2012-13 to 2018-19



### Notes

- 1 The amounts include Commissioners' fees, but the non-voted 2016-17 EU Referendum spend is excluded from non-voted resource for comparability.
- 2 Voted expenditure is authorised through the Parliamentary supply process. Non-voted expenditure has separate legislative authority and includes the Commissioners' fees, as they are constitutionally independent of the Executive.

Source: National Audit Office

The Commission's expenditure has remained relatively stable, although it has been impacted by electoral events and the impact of its significant Individual Electoral Registration project.

# The cost of conducting the 2016 EU Referendum

On 23 June 2016 the UK held a referendum on whether to leave the EU. The Commission engaged the Elections Claims Unit (ECU) in the Cabinet Office to receive and process claims from counting officers (CO) for reimbursements of their costs. Queries were sent from the ECU to the Commission for decision before a final settlement was made. Claims over the maximum recoverable amount were agreed initially by the Commission and then approved by HM Treasury before a settlement was made. As a result of the impact of the UK Parliamentary General

Election in June 2017 the claims process was delayed and they were not processed until October 2018. The total cost of the Referendum to the Commission was £130.1 million as shown below. These costs were classified as non-voted expenditure and were directly charged to the Consolidated Fund, rather than included in the Commission's Estimate. Other costs were incurred by the Cabinet Office in respect of the Referendum.

## Cost borne by the Electoral Commission in conducting the 2016 EU Referendum, by year, 2015-16 to 2018-19 (£ million)

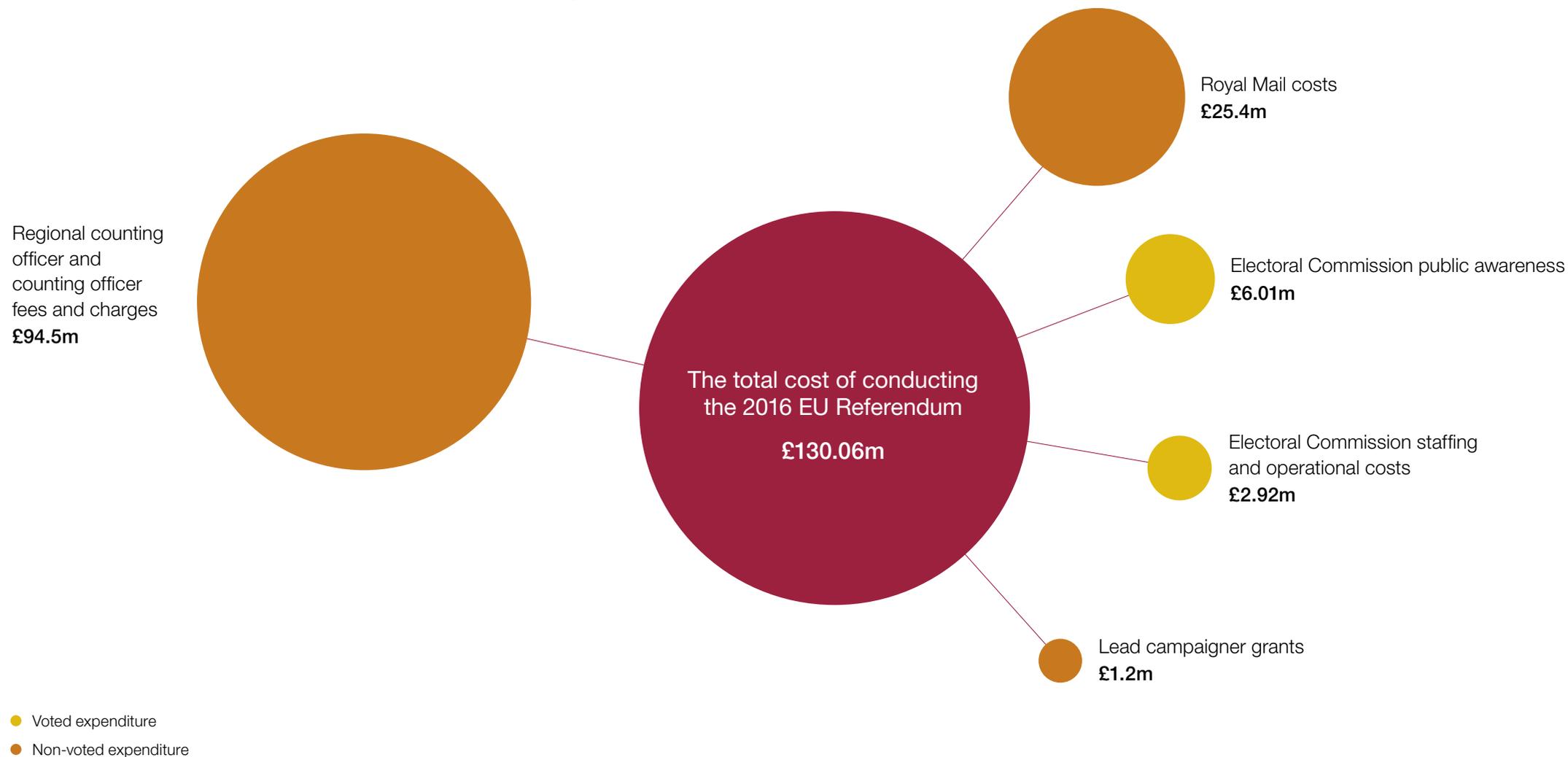
£m	2015-16	2016-17	2017-18	2018-19	Total
<b>Non-voted</b>					
Lead campaigner grants		1.20			1.20
Regional counting officers and counting officers fees and charges		78.44	11.44	4.66	94.54
Royal Mail costs		25.39			25.39
<b>Voted</b>					
Electoral Commission public awareness	0.80	5.25	-0.03	-0.01	6.01
Electoral Commission staffing and operational costs	0.58	1.46	0.06	0.82	2.92
<b>Total</b>	<b>1.38</b>	<b>111.74</b>	<b>11.47</b>	<b>5.47</b>	<b>130.06</b>

### Note

1 Figures are rounded to two decimal places.

# The cost of conducting the 2016 EU Referendum *continued*

## Total cost to the Electoral Commission of conducting the EU Referendum (£ million)



### Notes

- 1 Voted expenditure is authorised through the Parliamentary supply process. Non-voted expenditure has separate legislative authority and includes the Commissioners' fees, as they are constitutionally independent of the Executive.
- 2 Totals do not sum exactly due to rounding.

Source: National Audit Office

# Where the Commission spends its money: Section 13 and policy development grants

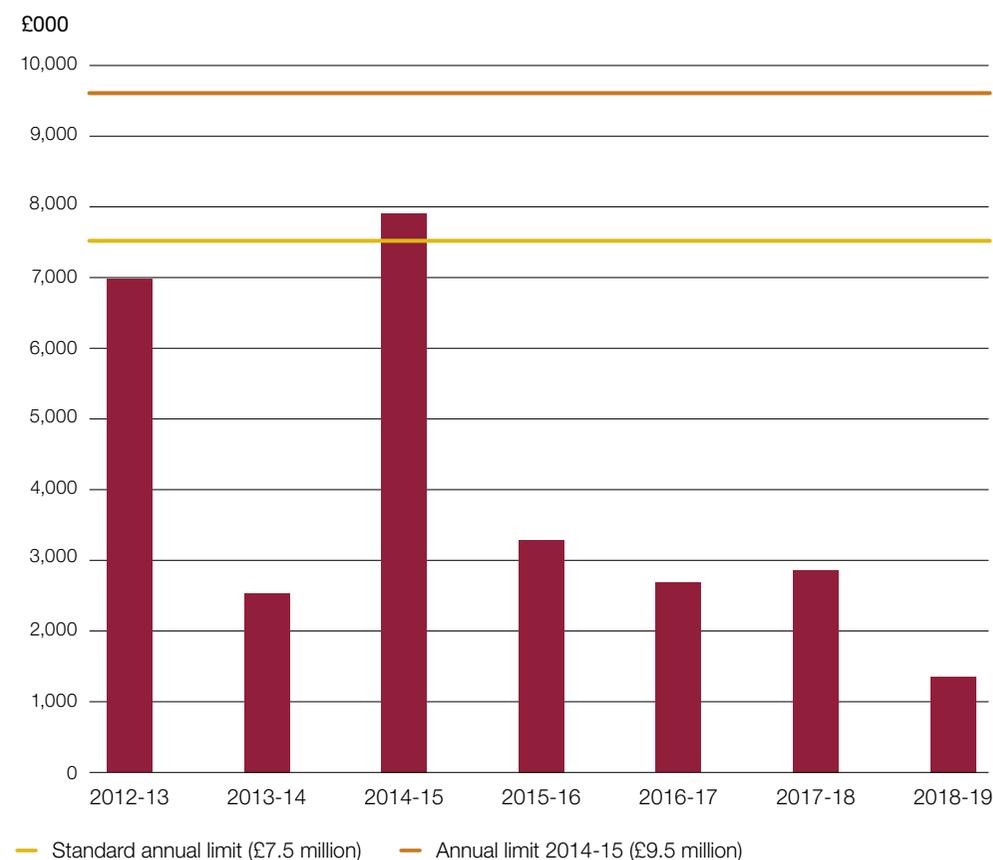
## Section 13 expenditure

Section 13 of the PPERA requires the Commission to promote public awareness of current and pending electoral systems in the UK (it excluded the EU Referendum campaign). The Commission does this via programmes of education and information or by making grants to others to enable them to carry out such programmes.

Section 13 expenditure is capped by statutory instrument at £7.5 million per financial year. Typically the Commission's expenditure on Section 13 activities is significantly lower than this annual limit. It spent £1.35 million on this work in 2018-19; the previous year was impacted by the snap election in June 2017. Expenditure in 2014-15 was dominated by the Commission's work to support the transition from household to individual electoral registration (IER); the limit was raised to accommodate this.

The Commission has demonstrated to us that it undertakes significant work to evaluate the use of these funds, seeking audience feedback on new advertising and undertaking formal evaluations using the Government Communication Service Evaluation Framework. It also uses other partners and NGOs to direct audiences to its own media platforms, reducing costs and helping it target harder-to-reach groups. It monitors effectiveness of its campaigns by recording audience 'hits' and will tailor its campaigns accordingly. It does all of this within an approach which seeks to scrutinise and challenge the costs of awareness campaigns to ensure spend is cost-effective.

Section 13 expenditure 2012-13 to 2018-19



**Note**

1 Figures based on public awareness expenditure subject to the Section 13 cap only, taken from Electoral Commission annual accounts.

Source: National Audit Office

The £7.5 million limit on Section 13 public awareness expenditure is much higher than the Commission typically requires, but it has good arrangements in place to review the value for money of this activity. On policy grants, the formula for distribution is set under legislation, and expenditure is subject to validation by the Commission to confirm that grant conditions have been met.

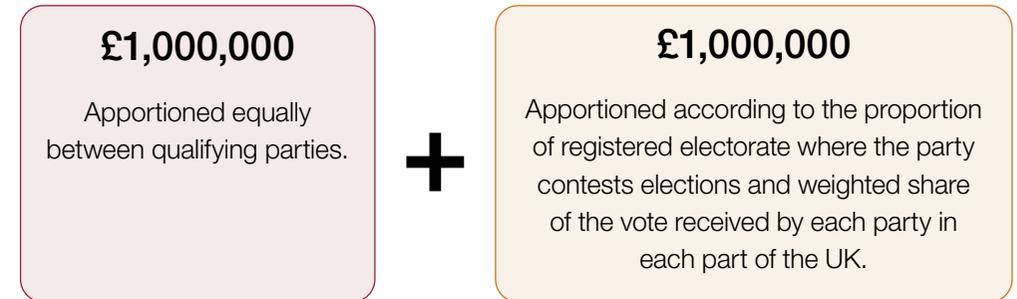
# Where the Commission spends its money: Section 13 and policy development grants *continued*

## Policy development grants

Under Section 12 of PPERA the Commission administers a scheme that pays policy development grants to registered political parties. The Commission must allocate £2 million each year to qualifying parties to assist with the cost of developing manifesto policies for: local government, the National Assembly for Wales, the Northern Ireland Assembly, or Scottish, Westminster or European Parliamentary elections. To qualify, a party must:

- be registered with the Commission;
- have at least two sitting MPs in the House of Commons on 7 March prior to the year in question; and
- both of whom must have taken the oath of allegiance provided by the Parliamentary Oaths Act 1866.

The grant available to each qualifying party is determined by a formula approved by Parliament and the expenditure is subject to audit and scrutiny by the Commission to determine if the funds have been expended for the purposes intended.



In 2018-19 the grant expenditure by qualifying parties was as follows:



# Project management: the Commission's key recent projects

The Commission's Five-Year Plan signposts the delivery of a number of corporate projects, although it does not include details of the timings and milestones for their delivery. We highlight below some of the key corporate projects referred to in the Plan. The NAO has looked at other projects in previous years, a summary of key reports is included in Appendix Two.

## Website redevelopment

**Commission's goal:** To be an independent and respected centre of expertise.



**Project description:** The Commission undertook a project to review (Phase 1) and develop (Phase 2) its corporate website, the previous version of which had been launched in September 2013.

**Expected benefits:** To provide a website that is designed and built based on the needs of stakeholders and provides a much improved user experience.

**Budget:** Phase 1: £60,000 and Phase 2: £70,000. Spend at December 2019 on Phase 2: £26,000. Budget does not include staff costs.

**Planned completion date:** March 2018 (Phase 1) October 2019 (Phase 2).

**Completion:** The Commission launched its new corporate website in July 2019. The project is currently awaiting closure, subject to a lessons learned exercise, which was postponed due to the General Election in December 2019.

**Further plans:** The Commission set out in its interim Corporate Plan for 2020-21 to 2024-25 that it plans to develop its corporate website further by updating and revising the research content it contains, including a project to use open data and digital tools to improve accessibility and to present information in accessible visual formats.

Source: Information was taken from most recent project-related documentation and management reports used by the Electoral Commission. This information is unaudited.

## Canvass reform



**Commission's goal:** To enable the continued delivery of free and fair elections and referendums.

**Project description:** The project covers five broad areas. The first four are focused on canvass reform changes in Great Britain – providing a revised suite of voter materials, a refreshed set of electoral registration officers (ERO) guidance, a new framework for ERO performance standards and a programme to monitor the impact of the changes. The final workstream is focused on the Commission's work to support the delivery of the Northern Ireland canvass.

**Expected benefits:** EROs will have more streamlined canvassing leading to greater efficiency and ability to ensure effective registration.

**Budget:** Total budget for 2019-20 is £435,427. Actual spend as at December 2019 was £499,960. The Scottish Parliament and the Welsh Parliament are expected to fund franchise change elements of the project, a proportion of user testing and some design costs – this is to be confirmed. The budget for 2020-21 is £36,000.

**Planned completion date:** 2020. The Commission anticipates that the passing of UK legislation and the 2019 General Election mean it is likely to need to re-plan its timetable.

**Update on progress:** The Commission completed its consultation and user testing of draft materials at the end of 2019 and intends for them to be signed off by ministers in February 2020. ERO guidance is currently being updated. It is currently consulting on a new set of performance standards for EROs. It is finalising its plans for monitoring, including data collection and research with selected EROs. It is developing a full timetable for the delivery of its work to support the Electoral Office for Northern Ireland. The Commission has identified risks in relation to the project from the tight timescales, impact of the 2019 General Election and timing of reforms in Scotland and Wales.

**Key activities:** The Commission is re-planning key deliverables as a result of the impact of the General Election in 2019. It has discussed changes with key external stakeholders.

In November 2019 the Commission decided to postpone non-essential project work until after the UK General Election in December 2019. As at November 2019 seven of the 11 corporate projects were subject to delays as a result of the General Election, as operational work took priority.

# Project management: the Commission's key recent projects *continued*

## Ways of Working project

**Commission's goal:** To provide value for money.

**Project description:** The project aims to deliver digitally enabled business change to reflect the expectations on a modern employer and ensure the core ICT offering can support those changes.

**Expected benefits:** Refurbished premises, better technology and more flexible working practices.

**Budget:** As at January 2020 the budget was £1,528,465 (includes £258,000 staff costs) with year to date spend of £41,312 as at December 2019.

**Planned completion date:** by 2022.

**Update on progress:** As at December 2019 the laptop contract had been signed off; Local Area Network (LAN) equipment and Wide Area Network (WAN) circuit had been installed at the Commission's premises on Bunhill Row.

**Key activities:** As at December 2019 the Commission's upcoming activities on the project were to complete the lease arrangements for the Bunhill Row accommodation, completing the WAN and Wi-Fi surveys and laptop development work.



## Political finance system (Political Finance Online)

**Commission's goal:** To ensure an increasingly trusted and transparent system of regulation.

**Project description:** Delivery of a new Political Finance Online system to support parties and campaigners to deliver their financial returns efficiently. The system is used by Commission stakeholders to maintain their organisational details and report their financial returns to the Commission.

**Expected benefits:** A new and more efficient system.

**Budget:** £966,571. The revised forecast to complete was £1,067,500 in November 2019. The project spend to date is £502,931. These figures include staff costs.

**Planned completion date:** Go-live date of January to March 2020, previously agreed with the Speaker's Committee. Revised in November 2019 to January 2021.

**Update on progress:** The go-live date was revised after consultation with the parties and to also reflect the best implementation timing for the users. This means that staff costs related to this project will increase. The Commission considers that the case for continuing the project is strong despite rising costs. It judges that maintaining the existing system is challenging and would become very risky during the project to upgrade it, which would now be substantially longer than the time estimated to complete the new system.

**Key activities:** As at November 2019 testing continued on the project and the Commission was in commercial discussions with the supplier to agree contract variation.



Source: Information was taken from most recent project-related documentation and management reports used by the Electoral Commission. This information is unaudited.

The Commission does not have a consistent approach to the allocation of indirect and overhead costs to its projects; this may understate the overall costs of project delivery. The Commission considers its approach to be pragmatic in its circumstances. Staff feedback has highlighted the potential to improve the overall approach to managing project activity within the Commission.

# People: Commission use of human resources

Around half of the Commission's costs are incurred on the employment of its staff. Delivery of the Commission's objectives is dependent upon the skills and capacity of its workforce. In this section we:

- explore the key staff metrics;
- present results from the Commission's latest staff survey; and
- look at the Commission's People Strategy.

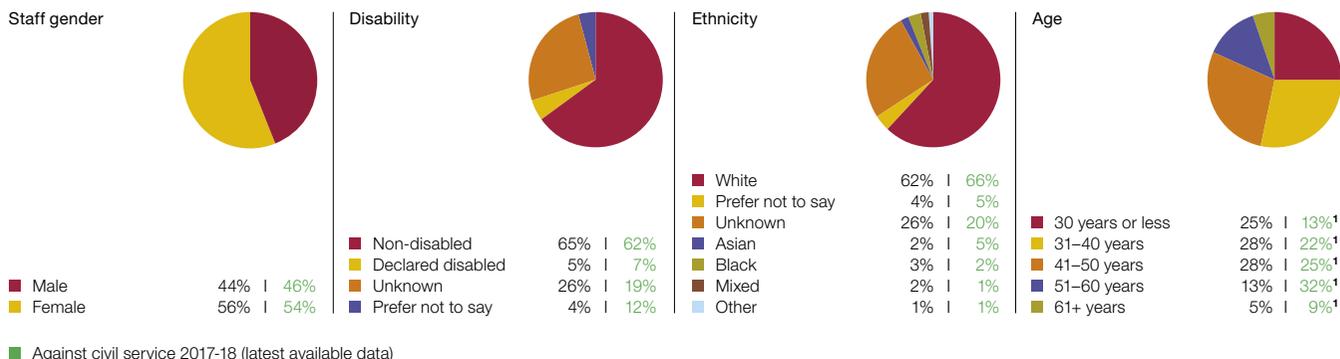
The Commission has a generally younger workforce compared with the civil service and a higher proportion of female staff but a slightly smaller proportion of disabled staff. Where declared, the mix of ethnicity at the Commission is broadly comparable with the civil service.

The Commission is a small organisation and in January 2020 had a total of 159 staff. Staff are relatively evenly spread between communications policy and research, electoral administration and guidance, finance and corporate services and regulation.

The Commission is developing a new People Strategy, which sets out the Commission's approach and ambitions for its people. The plan includes actions to facilitate a culture where employees are able to perform their roles effectively and achieve a continued pipeline of high-calibre people.

The Commission plans to launch this strategy soon and implement it over the next five years of its Corporate Plan.

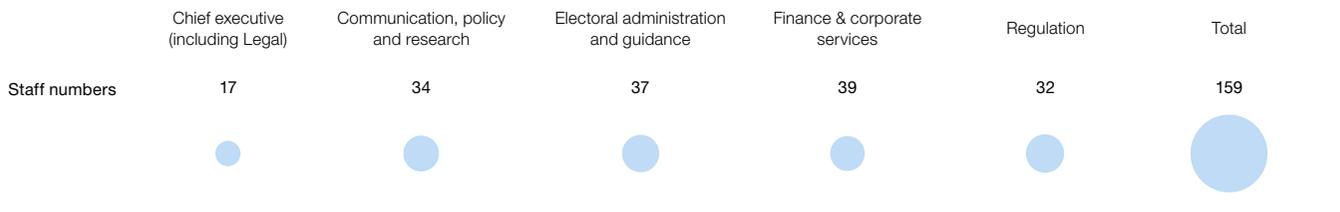
## Workforce in the Electoral Commission as at 31 December 2019



### Notes

- <sup>1</sup> The civil service age bands are 16-19; 20-29; 30-39; 40-49; 50-59; 60-64; 65 and overs so are not exact comparisons for the Commission's data. It does not include Commissioners.
- <sup>2</sup> The above data do not include Commissioners.

### Staff breakdown January 2020



The Commission is a small organisation; its workforce has a younger age profile than the civil service. Its diversity is broadly in line with these benchmarks.

# Staff attitudes and engagement

The Commission is not part of the Civil Service People Survey, but conducts its own annual Employee Engagement Survey. The most recent survey was conducted in October 2018 and achieved a 95% response rate, compared with the civil service overall response rate of 66%.

The overall engagement score of employees in 2018 was 65%, which is lower than the 68% scored in 2017 and the 73% in 2016. This is higher than the civil service benchmark of 62% in 2018. The single best response was for the Commission's flexible working arrangements, such as compressed hours and home working, where 89% of staff agreed that it brought benefits to them and their work. This has been the case for the previous four Employee Engagement Surveys.

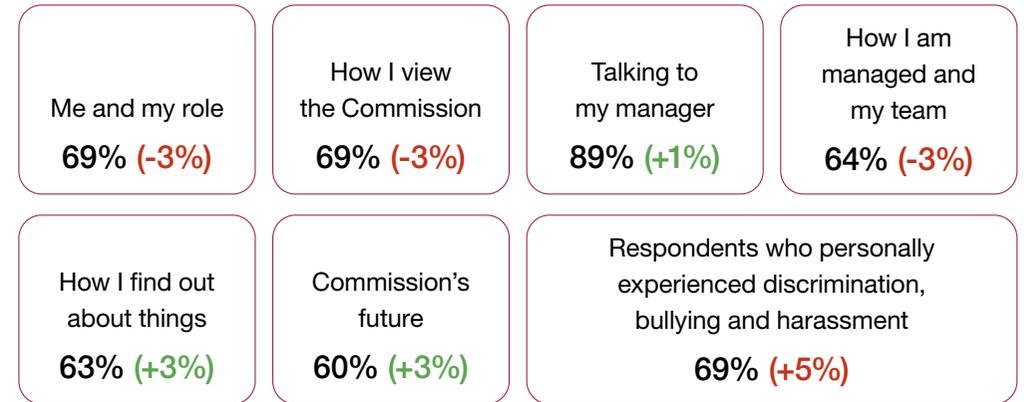
Commission staff were least satisfied with the programme and project management approach, with only 52% of staff agreeing that the programme and project management approach improves coordination and timely delivery of activities.

The percentage of staff experiencing bullying or harassment rose from 7% in 2017 to 13% in 2018, with 24% of staff stating they had seen behaviour towards another person that they considered bullying or harassment, compared with 11% in 2017.

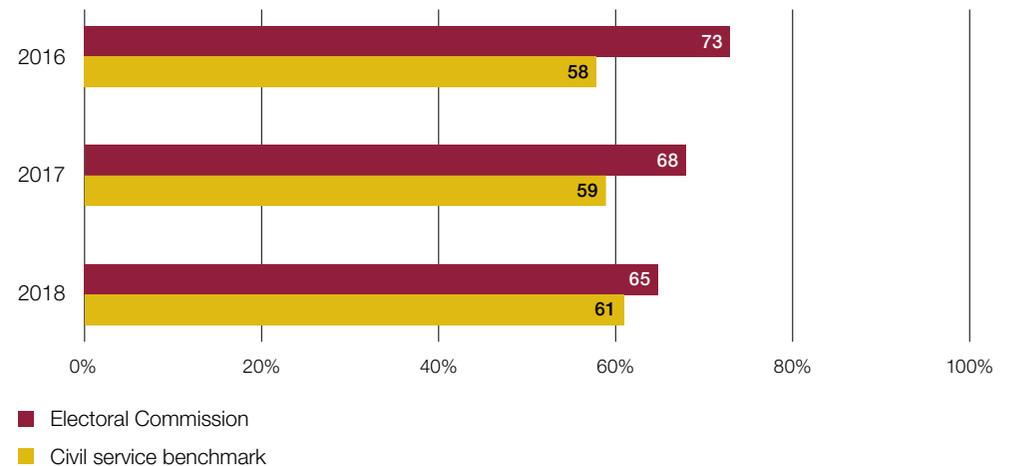
One of the Commission's most improved themes in 2018 was in response to questions about the Commission's future. However, the results were still below those achieved in 2016. The percentage of staff saying they were confident in the Senior Leadership Group's ability to position the Commission well for future challenges was 61% (2017: 58%; 2016: 69%) and the percentage of staff saying over the last year they had had the opportunity to contribute their views on the future direction of the Commission was 62% (2017: 62%; 2016: 78%).

However, staff turnover rates were significant, with total staff turnover in 2018-19 of 31.7%. The Commission recognises these issues and the importance of its people in delivering its aims, and will launch a new People Strategy during 2020, which will link with the Corporate Plan and seek to address the issues emerging from the staff survey results.

## Attitudes of staff in 2018 compared with 2017, who felt positive about:



## Engagement index 2016 to 2018



Source: National Audit Office

The Commission's staff engagement score has fallen in its last two staff surveys to 65%. The Commission is launching a new People Strategy during 2020 and aims to improve staff engagement scores and staff retention rates as a result. The Commission has not set out in its Corporate Plan the timescale for implementing its People Strategy.

# Appendix One: NAO good-practice guidance on designing performance measures

The guidance [published on the NAO website](#) sets out the general principles behind producing high-quality performance information. This information should be used to measure an organisation's progress towards its objectives. The below principles are a good starting point to consider what policies and processes work and why, while also allowing for an effective accountability process.

In developing a performance measurement framework, 'FABRIC' provides a prompt for the elements of a good framework:

**Focused:**

on the organisation's aims and objectives; any performance measures used should map clearly onto objectives and priorities.

**Appropriate:**

to, and useful for, decision-makers within the organisation, and meeting the needs of stakeholders outside the organisation.

**Balanced:**

giving a picture of what the organisation is doing, covering all significant areas of work.

**Robust:**

for example, to withstand organisational or personnel changes.

**Integrated:**

with the organisation's business planning and management processes.

**Cost-effective:**

balancing the benefits of performance information against the costs.

To be effective, the framework requires good performance measures. These are ones that are:

**Relevant:**

to the purpose of the performance framework and to what the organisation is aiming to achieve.

**Able to avoid perverse incentives:**

and should not encourage unwanted or wasteful behaviour.

**Attributable:**

the activity measured must be capable of being influenced by actions that can be attributed to the organisation; with clarity about where accountability lies.

**Well defined:**

with a clear, unambiguous definition so that data will be collected consistently, and the measure is easy to understand and use.

**Timely:**

producing data quickly and frequently enough for the intended purposes, and informing timely decision-making.

**Reliable:**

reflecting stable and consistent data collection processes across collection points and over time.

**Comparable:**

with either past periods or similar programmes elsewhere.

**Verifiable:**

with clear documentation behind it, so that the processes that produce the measure can be validated.

Our reports have highlighted areas for improvement for the Commission and this slide highlights key themes. In general our conclusions about the Commission's arrangements have been positive. Subsequent pages highlight progress the Commission has made in implementing our recommendations.



### Understanding the relative value of different activities

Our 2016 report *Oversight of Electoral Registration Officers (EROs)* during the Individual Electoral Registration project found that the Commission did not routinely seek feedback from EROs about the usefulness of its guidance or keep a consistent record of the extent to which EROs used the Commission's resources. This made it difficult for the Commission to know which of its activities had the most impact or to identify and disseminate best practice to EROs.



Similarly our 2012 report *Regulation of Party and Election Finance* recommended that the Commission should obtain further feedback from stakeholders on what advice and guidance is most useful to them, in order to further reduce the volume of guidance and increase its cost-effectiveness. We also reported that by understanding where it is exerting the most influence and where there are areas which need further attention, the Commission could develop more outcome-focused performance measures.

A review of the *Electoral Commission's Cost Reduction Work* (2011) recommended that the Commission consult with key stakeholders to understand what Commission outputs they value, allowing the Commission to re-prioritise its workload while targeting further savings. The Commission consulted with stakeholders regarding the Commission's future direction as part of the 2016-17 strategic review.

## Appendix Two: Key themes from previous NAO reports *continued*

### Performance measurement and reporting



Our 2016 report *Oversight of Electoral Registration Officers* (EROs) during the Individual Electoral Registration project found that although the Commission used relevant and appropriate performance standards to assess the work of EROs, the Commission could not evidence the completeness or consistency of its reviews of ERO performance.

Our report *The Electoral Commission's role in the Individual Electoral Registration project* (2015) found that project management had strengthened, but a lack of specific objectives made it hard to demonstrate whether the Commission's aims had been achieved and increased the risk that the Commission is held to account for events outside its control. In addition, we identified the absence of costing mechanisms to fully identify the full costs of delivering projects.

A review of the *Electoral Commission's Cost Reduction Work* (2011) recommended that the Commission should examine new ways of measuring and reporting the cost reductions it is achieving in event-related spending and distinguish between where the Commission is simply doing less and where it is operating more efficiently.

Report	Conclusion
<i>Oversight of Electoral Registration Officers</i> during the Individual Electoral Registration project.	The Commission had insufficient information to assess the value for money of its support to EROs.
<i>The Electoral Commission's role in the Individual Electoral Registration project.</i>	The Commission was effectively managing the risks of a high-profile project and was on target to deliver the work on time, within budget.
The Electoral Commission's analysis of the cost of the Parliamentary voting system (AV) referendum.	The Commission's cost analysis was high quality, based on accurate data and good value.
<i>Regulation of Party and Election Finance.</i>	Against a background of diminishing resources, the Commission has become a more proportionate, effective and accessible regulator.
<i>A review of the Electoral Commission's Cost Reduction Work.</i>	We assessed the Commission had delivered good value for money in its structured cost-reduction work.

Our reports since 2011 have found the Commission achieves value for money, but has sometimes struggled with performance measurement, the full costs of its projects and in understanding the relative value for money of its different activities. In addition our reports have highlighted the benefits of obtaining regular stakeholder feedback about the effectiveness of its outputs.

## Appendix Three: Past NAO recommendations

### Oversight of Electoral Registration Officers during the Individual Electoral Registration project (2016)

We recommended the Commission should:	The Commission responded by:	Status
<p>Implement more effective monitoring of its reviews of EROs' activities by:</p> <ul style="list-style-type: none"> <li>confirming checks are complete and that reviewers have sufficient evidence to support their decisions;</li> <li>ensuring decisions are consistent across the Commission; and</li> <li>identifying EROs who are delivering good practice relative to others, so that others can learn from them.</li> </ul>	<p>Following a review of lessons learned from the last focused period of ERO monitoring, the Commission implemented an improved process, in time for monitoring of the 2016 canvass.</p>	
<p>Develop a way to evaluate the value for money of its different activities by:</p> <ul style="list-style-type: none"> <li>routinely gathering feedback from EROs on the usefulness of the Commission's support and guidance activities; and</li> <li>assessing the relative costs of its different activities.</li> </ul>	<p>In October 2016, the Commission implemented the methodology for reviewing our ERO guidance in the same way that it reviews election guidance for returning officers, with regular feedback from those using it.</p> <p>Update from the Commission confirmed that it now gathers feedback regularly from EROs on the usefulness of Commission support and guidance activities as part of standard business delivery work.</p> <p>As part of the construction of the 2017-18 Business Plan, the Commission constructed a budget that apportioned time and costs to activities for all staff within the Commission. This provided an opportunity for senior management to review activities, their outcomes and whether they contributed to the Commission's business. However, the resource required to produce this information was significant. Balanced against the value of the data produced, it was agreed this was not beneficial in 2018-19. The Commission subsequently decided not to continue to report on staff time in this way.</p>	

## Appendix Three: Past NAO recommendations *continued*

### The Electoral Commission's role in the Individual Electoral Registration project (2015)

We recommended the Commission should:	The Commission responded by:	Status
<p>Ensure its role within projects is clearly defined to avoid confusion about responsibilities or accountability, including agreeing responsibility for risk management with its delivery partners.</p>	<p>The Commission has put this recommendation into practice as part of its work in planning for the creation of the new Modern Electoral Registration Programme, which was established by the Cabinet Office. The Commission has worked to ensure that the Programme Definition Document provides clarity over the scope of the programme as a whole and has established a Terms of Reference document with the Cabinet Office to clarify roles and responsibilities of all involved. The Commission will be reviewing this at regular intervals to ensure it remains appropriate throughout the programme.</p>	
<p>Strengthen project management by formalising reporting requirements for key projects to the Commissioners and ensuring accountability for managing risks is clearly documented in the risk register.</p>	<p>The Commission has established reporting requirements for key projects. The Commissioners will be informed of the progress and significant risks of key projects via the monthly chief executive update and the quarterly performance report. All projects maintain a risk register with clear accountability and action timescales. Project boards are required to regularly review the projects' risk register. Compliance is monitored by the Commission's PMO function.</p>	
<p>Review the way it develops its performance measures to ensure they are directly relevant, measurable and based on elements within the Commission's control.</p>	<p>This recommendation has been implemented as part of the completion of the Corporate Plan 2016-17 to 2020-21. The Commission's corporate measures are now split into two categories:</p> <ul style="list-style-type: none"> <li>● Key performance measures and targets (these are under the Commission's control and it has developed them to track activity and progress).</li> <li>● Indicators of the Commission's operating environment (these are measures that concern activities where the Commission seeks to influence, but has limited control over the outcomes).</li> </ul> <p>The Commission monitors these measures to give it an indication of the overall health of the democracy, and to help it to understand where the Commission need to focus its efforts.</p>	
<p>Ensure that it reviews what worked well on this project to identify lessons learned for its wider project management approach.</p>	<p>A lessons learned report was drafted and approved by the Programme Board in September 2016, approved by the PMO and was provided to the Executive Team in early October 2016.</p>	

## Appendix Three: Past NAO recommendations *continued*

### The Electoral Commission's analysis of the cost of the Parliamentary voting system referendum (2014)

We recommended the Commission should:	The Commission responded by:	Status
<p>Continue to advocate strongly for detailed cost analyses to be performed after all national polls in the United Kingdom and consider whether, given access to the necessary data and resources, it can perform them itself.</p>	<p>The Commission wrote in October 2014 to relevant bodies outlining the contents of the NAO review and emphasising the value of public reporting of cost data. Both the Scottish Parliament and the Welsh Parliament have subsequently agreed to make such data available. In addition, the Cabinet Office has committed to publish its data when resources permit.</p> <p>The challenge going forward is to establish a wider analysis of the various available data to identify trends and to seek opportunities for efficiencies. The Cabinet Office has indicated its support for such work but does not currently have the resources available to lead. There are some linkages with wider monitoring of the costs of electoral activity within local authorities.</p>	
<p>Agree with the Cabinet Office a way for the costs of elections between 2009 and 2011 to be analysed and published, so that stakeholders can have timely access to trend data.</p>	<p>Cabinet Office has published the costs of the elections between 2009 and 2011 and has also published the costs of elections since then.</p>	
<p>Agree with the Cabinet Office who will analyse the costs of forthcoming elections in May 2014.</p>	<p>The Commission worked with the Cabinet Office to agree that the Cabinet Office would publish the costs of the 2014 European elections in December 2016.</p>	
<p>Assess the merits of targeting further comparative data at groupings of similar local authorities for the purpose of improving efficiency.</p>	<p>The Commission believes that this level of analysis is for local authorities to pursue based on their own needs and appropriate comparators. The Commission will aim to ensure data are made available in media that will support such analysis where required.</p>	
<p>Work with the Cabinet Office to develop a way of categorising expenditure on elections, so that there is more consistency in claimants' returns in future and less misclassification, and consideration should be given to the costs and benefits of introducing an electronic submission process.</p>	<p>The Commission has worked closely with Cabinet Office to ensure costs are classified in a consistent and meaningful basis that supports effective reporting and comparison. Claims are currently completed and submitted electronically although evidence supporting expenditure is currently held in hard copy form.</p>	

## Appendix Three: Past NAO recommendations *continued*

### The Electoral Commission's analysis of the cost of the Parliamentary voting system referendum (2014)

We recommended the Commission should:	The Commission responded by:	Status
Include specific questions on which advice and guidance formats users and stakeholders find most helpful, and should reduce further the volume and cost of the guidance it produces.	There was extensive consultation undertaken as part of the development of the delivering modern guidance project. The new approach to delivering guidance was developed using this feedback and implementation began in 2019 as planned.	
Develop a 'spheres of influence' model to assess where it is exerting most influence and whether there are areas that need further attention, which would also help it develop more outcome-focused performance measures.	The Commission's communications teams have developed detailed plans for stakeholder engagement since this recommendation was made, based on stakeholder mapping and a focus on priority issues. This work will continue to be developed and strengthened in the coming period.	
Keep its processes for checking the permissibility of donations under review, to ensure that they accurately reflect the risks involved. The Commission undertakes a full check of all such donations but should keep under review the risks and benefits in moving to a sample-based approach.	The Commission considered this recommendation and has implemented a sample-based approach.	