

Annual Report and Accounts

2022-23



HC 1566
ELC/2023/01
GEN-LD16003



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2022-23

For the period 1 April 2022 to 31 March 2023

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Foreword from our Chair



It has been a very busy year for the Electoral Commission in its work to support stakeholders in every part of the UK. I would like to thank all the staff of the Commission for their dedication, professionalism and expertise in providing independent and impartial advice and guidance to voters, administrators, and the regulated community.

A particular focus this year has been preparing for the implementation of the UK Elections Act alongside the distinct electoral agendas in Northern Ireland, Scotland and Wales. The Commission works flexibly as one cohesive unit across these geographies, challenges and opportunities.

We are committed to putting the voter first. We know that public awareness of the electoral system is hugely important to voter engagement and confidence. We have invested in ensuring people can understand what the changes mean for them and how to take part in elections. More widely, we have made efforts to support newly enfranchised and young voters to get involved in the democratic process.

This work is coupled with support for electoral administrators, responsible for delivering the changes on the ground. Our guidance is designed to help them fulfil their responsibilities, against the challenging backdrop of resource constraints and legal complexity. Their work and dedication have been paramount to ensuring the changes were implemented well. Those in England and Northern Ireland with elections in May 2023 have been particularly busy, but administrators in Scotland and Wales have also been preparing for new measures at future polls.

There have also been changes for campaigners to get to grips with. We continue to invest in the regulatory support and advice on offer to help parties and campaigners understand and meet their legal obligations and achieve compliance. I am pleased with the level of take up from the parties and the quality of engagement we've had with them.

I have enjoyed the opportunity to meet a broad spectrum of our stakeholders and those involved in democratic and political systems across the UK. During the year, the Commission Board travelled to Belfast and Chorley for engaging meetings with local organisations, youth groups, candidates, councillors and administrators. Other similar visits are planned in the coming year to support us in hearing direct from stakeholders. We were delighted to be joined by Mr Speaker in his home constituency to discuss our constructive engagement with the Speaker's Committee, through which we are accountable to UK Parliament.

Hearing a range of voices and views is so important to understanding how the Commission can continue to improve and be ready for future demands. It goes hand in hand with ongoing research into modernising elections which, together, will be used to support recommendations to the UK's governments about how the electoral system can continue to support participation in the democratic process.

In October, the Public Administration and Constitutional Affairs Committee of the UK Parliament published its report on our work. We welcomed its findings on the urgent need for consolidation, updating and improvement of electoral law. The report also made recommendations to ensure the Commission remains capable of responding to the challenges the electoral system faces, and recognised that operational independence is a fundamental aspect.

In responding to the UK Government's consultation on its proposed Strategy and Policy Statement for the Electoral Commission, we shared our view that such a statement – by which the government can guide our work – is inconsistent with our role. Both the Speaker's Committee and Levelling Up, Housing and Communities Committee highlighted the importance of maintaining the Commission's independence and the risks posed by such a statement. We await the next stage in this process, but the Board remains firmly committed to independent decision-making, acting according to the needs and interests of the whole electoral community, including voters.

Finally, I'd like to acknowledge that this year we have been responding to a cyber-attack by a hostile actor. This has been a major challenge and important learnings have been taken forward. I apologise to all those, including staff of the Commission, whose personal data has been put at risk.

The Commission puts independence and impartiality at the heart of all its does, and that focus will continue in all our work in the year ahead.

John Pullinger CB
Chair

A message from our Chief Executive



The Commission has, rightly, set itself ambitious objectives in its Corporate Plan, and work to deliver on those goals has been happening at pace.

Our teams in England, Northern Ireland, Scotland and Wales have worked tirelessly to provide high-quality and efficient services to all those we support.

A great deal of effort and expertise has been dedicated to ensuring that the May 2023 elections could be delivered in a way that maintained voter confidence. This was a particular challenge this year, with new changes brought in by the Elections Act layered onto an already complex system.

The Commission's awareness campaign about the new requirement to show voter ID was the most publicly visible illustration of the work that went into ensuring everyone could take part; this was a truly integrated campaign combining paid advertising and partnership engagement, with press, social media and voter information activity.

But voter ID is not the only change from the Elections Act. Throughout the year, the Commission also held consultations on a Code of Practice for non-party campaigners, the introduction of digital imprints, and new accessibility measures at polling stations. Engagement with parties, campaigners, electoral administrators and partners allowed us to improve the usefulness of our guidance and enhance our evidence base about how the law is applied in practice.

We continue to invest and focus on how we can best support our regulated community to understand the law and achieve compliance. The laws around political finance play a big part in providing transparency and maintaining voter confidence in the fairness of the system. Our database now provides information on over £1bn of donations reported by parties and campaigners since the Commission was established in 2000. This is a noteworthy milestone and one that demonstrates the level of information that we make available for everyone to see. We will continue to highlight areas where the UK's political finance system could be reformed to increase confidence in the system.

We are also committed to supporting and championing the voice of young and future voters. In January, over 220 schools across the UK signed up to take part in Welcome to Your Vote Week. This is a focal point of our learning work, which aims to promote greater consistency in political literacy education, and increase political knowledge and

understanding amongst young people. This is an important and growing area of our work, and it's been great to see it go from strength to strength.

Within the Commission we also continue to make positive changes. In response to a cyber-attack on the organisation, considerable improvements have been made to the organisation's digital infrastructure, which recognises the potential risks from cyber-attacks, and helps to protect our systems from such incidents in the future. Work continues on replacing the current online system for registering political parties and reporting financial information, and we regret that the project was not completed in this financial year as hoped.

We have developed a new People Strategy for 2022-25, which sets out planned improvements to improve HR systems, learning and development, recruitment, and performance management. A new development programme was also launched this year, which aims to strengthen the personal leadership skills of our people and to improve and strengthen the Commission's overall culture.

It has been rewarding to see these positive changes over the last year. The executive team and I remain committed to ensuring the Commission is in the best possible position to maximise our performance and support our people and stakeholders.

Shaun McNally CBE
Chief Executive

Performance report



Overview

This section provides an overview of the Electoral Commission, our purpose, our performance during the last year and the key risks to achieving our goals.

We have included summary financial information within the performance report. This is consistent with the financial statements, where more detail is available.

The Political Parties, Elections and Referendums Act 2000 (PPERA) established the Electoral Commission. We are independent of governments and political parties and directly accountable to the UK, Scottish and Welsh Parliaments.

We have prepared our 2022/23 Annual Report and Accounts in accordance with an accounts direction, set out on page 166, issued by HM Treasury under paragraph 17 (2) of Schedule 1 PPERA. We have prepared the powers and sanctions report on page 51 in accordance with paragraph 15 Schedule 19(b) and paragraph 27 Schedule 19(c) PPERA.

Our role

The Electoral Commission is the independent body which oversees elections and regulates political finance in the UK. We work to promote public confidence in the electoral system and ensure its integrity.

Our strategic objectives



Our vision is to ensure people trust, value, and take part in elections and referendums. We aim to achieve this vision by delivering the strategic objectives set out in our Corporate Plan 2022/23 – 2026/27, which we laid in the UK Parliament and Scottish Parliament in April 2022, at the same time as the related Corporate Plan for Wales was sent to the Senedd.

These strategic objectives are the basis on which we evaluate the Commission's performance for the year.

Enabling factors

To ensure we are equipped as an organisation to meet these objectives, we have identified three key enabling activities.

We demonstrate independence and integrity

We continue to demonstrate our independence and integrity by taking decisions on the evidence and being transparent about the reasons for them; basing our policy positions

and recommendations on analysis of evidence; effectively communicating our work and views; providing responsive services to those we support; and maintaining effective governance arrangements.

We are a skilled organisation where diversity is valued

We implement refreshed working practices to reflect wider changes in our work environment and culture; attract, retain and develop the people we need; maintain and improve high standards of management, with a focus on developing our people; and further embed equality, diversity and inclusion in all aspects of our work.

We are a learning organisation where improvement is continuous and resources are used effectively

We procure and implement value for money technology that improves service delivery as appropriate; maintain a sound prudent financial strategy; continue to develop techniques to learn from experience, seek continuous improvement and become more efficient and effective; develop a corporate environmental strategy that meets policy and legislative requirements.

Our role across the UK



We deliver for voters across all parts of the UK, with Electoral Commission offices in **Belfast, Cardiff, Edinburgh** and **London**. We work closely with the UK, Scottish and Welsh governments. We are accountable to the UK Parliament, the Scottish Parliament and the Senedd, and are funded by each of these for the work undertaken on elections under their devolved or reserved powers. Electoral law is not devolved in Northern Ireland and remains reserved to Westminster.

The Commission is a UK-wide organisation, and the Board takes decisions with that approach in mind. Due to legislation, this Annual Report must only focus on the work done in relation to our role and accountabilities to the UK Parliament. Separate information is available for Scotland and Wales and our accountabilities to those parliaments.

Our year at a glance






Q1

-  The UK Government's Elections Act received Royal Assent
-  We published our report on the 2021 canvass and electoral registers in Great Britain
-  Shaun McNally was appointed Chief Executive
-  The May 2022 elections were delivered
-  We launched our consultation on new Returning Officer performance standards






Q2

-  We published parties' annual statements of accounts
-  The Commission held a Board meeting in Belfast
-  The UK Government launched its consultation on a Strategy and Policy Statement for the Commission
-  We published our reports on the May 2022 elections in England, Scotland, Wales and Northern Ireland
-  We launched our consultation on updated accessibility guidance for Returning Officers

Q3

-  We published new guidance for Electoral Registration Officers on managing the process for free voter ID
-  The Public Administration and Constitutional Affairs Committee reported on the work of the Electoral Commission
-  We gave evidence to the Levelling Up, Housing and Communities Select Committee on the draft Strategy and Policy Statement
-  We published campaign spending from the Northern Ireland assembly election
-  We launched our consultation on the draft Code of Practice for non-party campaigners

Q4

-  We launched our voter ID public awareness campaign for the May 2023 elections
-  We published our consultation on the revised Enforcement Policy
-  We ran Welcome to Your Vote week with educational bodies and youth groups
-  We published updated guidance for Returning Officers ahead of May elections, including on new accessibility requirements
-  We launched our voter registration public awareness campaign for the May 2023 elections

Our year in numbers

| | | |
|---|---|---|
| 280,498 voter registrations (2021-22: 660,000) | 100% of election reports published in timely manner (2021-22: 100%) | 66% employee engagement score achieved (2021-22: 67%) |
| 11,829 public enquiry responses (2021-22: 24,643) | 14,800 social media responses (2021-22: 1,259) | 387 donation reports from parties published (2021-22: 412) |
| 82% of party registrations processed within target time (2021-22: 94%) | 91% of investigations closed within target time (2021-22: 68%) | 797 annual statements of accounts published (2021-22: 724) |
| 100% of electoral administration guidance published on time (2021- 22: 100%) | 99% of advice requests from local authorities met within 3 days (2021-22: 99%) | £16k civil sanctions issued as a regulator (2021-22: £58k) |

Performance analysis

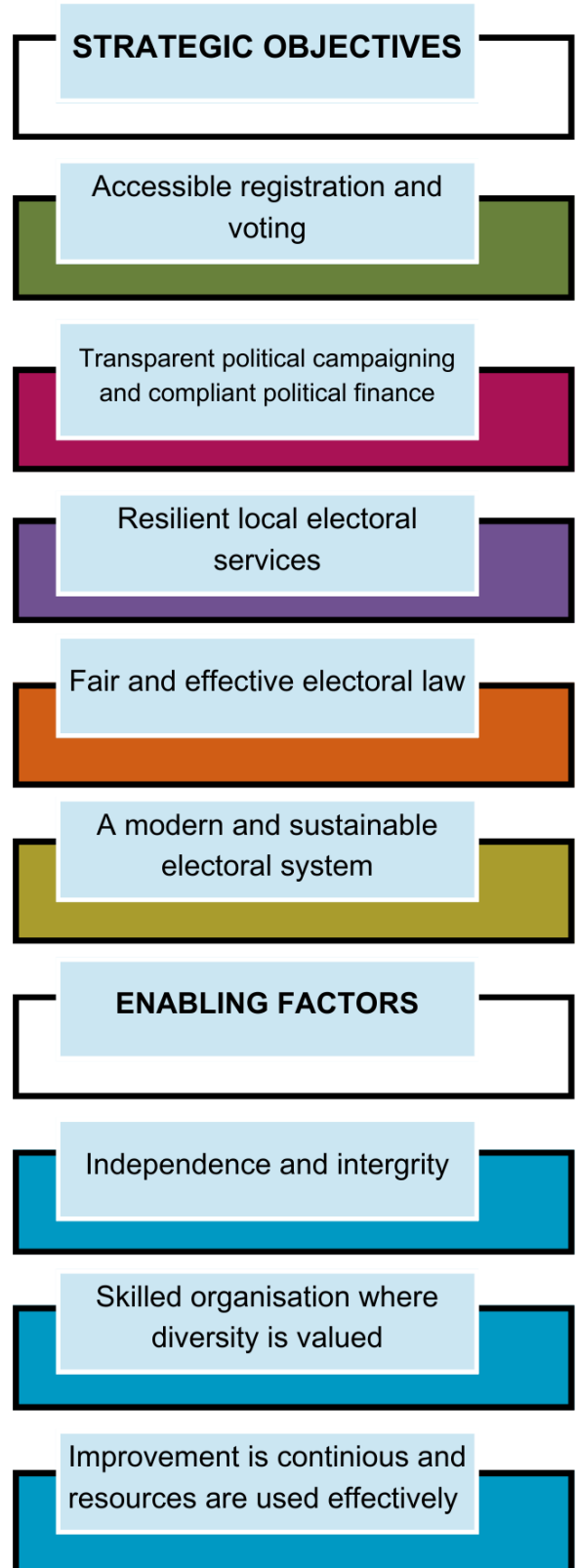
The Commission's Corporate Plan outlines five **strategic objectives** we are working to achieve over the course of a five-year plan, underpinned by three key **enabling factors**. The following sections outline the work done in 2022-23 to achieve each objective and underpin each enabling factor, along with work that is ongoing or planned in the coming year.

As shown in this section, the key performance indicators show that the Commission is meeting the majority of targets and on its way to achieve the key objectives by the end of the Corporate Plan period (March 2027).

As this is the first year of the Corporate Plan, the performance indicators are starting from a new base, and for that reason there are not comparable measurements for previous years.

The indicators show that we achieved our annual goals in key areas, including providing timely advice and guidance to our stakeholders. This is central to our work in supporting compliance, helping administrators to deliver elections, and ensuring voters have the information they need to take part.

Areas where further work is needed to fulfil those ambitions include increasing voter registration activity and more timely publication of statements of accounts.



Objective

Accessible registration and voting

What we are working to achieve



Free and fair elections depend on all people who are eligible and want to vote being able to do so. With this goal, we are striving to:

- increase levels of voter registration, especially amongst groups that currently have difficulty engaging in the process
- remove barriers, especially those that affect people who currently have difficulty trying to cast their vote.

We are working to achieve these outcomes through collaboration with policy makers and other partners to identify barriers to participation and propose solutions. We are directly supporting people who have difficulty engaging in the process, with tailored accessible information and learning resources, and targeted public awareness activity.

Work done to achieve this

- ✓ Our latest evidence shows that between 8-9 million people in Great Britain are either missing or incorrectly registered. As well as advocating for registration reform, ahead of the elections, we ran a voter registration campaign to encourage the public to ensure they were correctly registered ahead of the deadline. This was supported by our Your Vote is Yours Alone campaign, which raises awareness of voter fraud and how voters can protect their vote.
- ✓ Planning and implementing measures in the Elections Act has been a priority for the Commission. The legislation includes measures that impact voters directly, some of which came into force at the 2023 local elections taking place in parts of England. Ensuring voters are aware of the changes is fundamental to supporting their confidence and participation in our electoral system.



We greatly valued being able to feed in to the guidance for Voter ID to ensure that these changes were made as accessible as possible for disabled people.

**United Response,
charity**

- ✓ We prepared for the introduction of the voter ID requirement. In January, the Commission launched a wide-reaching public awareness campaign aimed at raising awareness of the requirement and reminding the public to bring it with them when they voted. Our work helped voters understand which forms of ID can be used and supported those without an accepted form of ID to understand how and when to apply for free ID.
- ✓ We worked with local councils and civil society organisations to support those less likely to have an accepted form of ID, so that they were aware of the free ID and applied in time.
- ✓ The Commission ran a thorough consultation on the new accessibility measures before drafting its guidance, working closely with charities and organisations representing disabled voters. We also shared details with disabled voters of the new accessibility rules, which increase the range of assistance available to them in the polling station.
- ✓ Within the scope of our role, we continued to work with local authorities, police, and parliamentarians to protect the system against electoral fraud. This included running, with the National Police Chiefs Council, the annual conference of Single Points of Contact within police forces that lead on fraud, and engaging with Lord Hayward on his secrecy of the ballot Private Members' Bill.
- ✓ These campaigns and voter communication around the Digital Registration Number, helped to support the successful delivery of the local elections in Northern Ireland.
- ✓ Our learning work aims to promote greater consistency in political literacy education and increase political knowledge and understanding amongst young people. Over 220 schools signed up to take part in Welcome to Your Vote Week in January.



There are few tasks more important in public life than maintaining the trust of the British public in our electoral institutions and our electoral processes.

A huge amount of work is under way, and that will continue until May.

I am grateful to officials, to the Electoral Commission and to councils up and down the land for the work that they are doing.

Lee Rowley, UK minister responsible for elections, February 2023

Performance indicators

| Indicator | Target | 2022-23 |
|---|---------------------------------|-----------------|
| Additions to electoral registers during our voter registration campaigns meet or exceed our targets | 379,810 For 2022/2023 | 280,498* |

The target for voter registration was not met this year. There are a number of factors that could have negatively impacted this KPM, some of which were external and some relate to the campaign including target setting itself. Notably, there was a reduction in campaign spend ahead of these elections and in the early awareness-raising phase. Since the polls, we have reviewed all data to ensure ongoing efficacy of our advertising, and our target-setting processes, to take these insights into account in planning future campaigns.

Ongoing and future work

- We will be evaluating the May 2023 public awareness campaigns for voter ID and registration, to identify learnings and opportunities for improvement. We will be refreshing the creative approach to our voter registration campaign in time for the May 2024 elections.
- With the support of civil society partners, we will evaluate the tailored information we co-created for each key group most likely to be impacted by the new voter ID requirements. This will include refining resources to make them suitable for future years and identifying any gaps in our provision.
- In the autumn, we will publish election reports for England and Northern Ireland, reflecting on how the May 2023 elections were run and recommending changes where necessary. This will include an assessment of the implementation of the new voter ID and polling station accessibility provisions.
- We will work to prepare voters, administrators and the wider electoral community for further changes coming from the Elections Act, including updating guidance for those responsible for implementing the changes. This will include an extension to the franchise through changes to the overseas voter rules.



The current registration system does not work well for voters or administrators. To ensure all eligible voters can have their say at elections, the registration system needs to be reformed.

The Electoral Commission's written evidence to the Levelling Up Select Committee

- We will pilot the inclusion of accessibility information as part of the online election information we provide, including our online polling station finder. This will further reduce pressure on local councils. If successful, we will roll this out throughout the UK. We will continue to extend our 'youth voice' work, building on our current activity in England, Northern Ireland, Scotland and Wales to ensure our work on registration and voting reflects the needs and views of young people.
- We will continue to maintain contingency plans for unscheduled electoral events, including a UK Parliamentary general election and a Northern Ireland Assembly election.
- We will finalise development of feasibility studies on a range of flexible voting options, exploring how new ways of voting could be implemented.
- We expect to appear before the Levelling Up Committee to expand on our written evidence for its inquiry examining voter registration, and will outline our proposals for reforming the system.

Objective

Transparent political campaigning and compliant political finance

What we are working to achieve

It is a fundamental part of the democratic process that campaigners are able to get their messages to voters. Campaigners, including parties, must be able to communicate with voters to explain their views and policies, so that voters are informed when they vote. It's important that voters hear from a wide and diverse variety of campaigners.

Campaigners must be able to campaign without facing undue actual or perceived barriers, while we continue to ensure political finance is transparent. We are working to improve the transparency of political campaigning, and help parties and campaigners to comply with the law by:



- ensuring campaigners can access support to understand the law in the way and at the time that works best for them
- ensuring political finance laws are enforced fairly, working with police services and other regulators to support their work in areas outside our legal remit
- publishing complete and accurate political finance data
- providing insights to campaigners and parliaments on how campaigning methods directly affect voter confidence in elections.

Work done to achieve this aim

- ✓ Ahead of the May 2022 elections, the Commission ran its digital transparency campaign, encouraging voters to think critically about the campaign information they see.
- ✓ Our candidate surveys following the May 2022 polls found that over 40% of candidates across the UK experienced intimidation or abuse during the campaign. As a result, the Commission has taken steps to convene relevant stakeholders to discuss ways to improve their experience, as well as providing candidate guidance and advice on protecting their safety.

- ✓ As a result of the Elections Act, we updated our guidance to reflect new political finance laws for parties and campaigners to support compliance. We worked with campaigners to design a new code of practice for non-party campaigner spending. We consulted on the code and submitted it to Ministers as the law required. We also consulted on new digital imprints guidance to support changes in the law in this area.
- ✓ We held webinars for parties, candidates, agents and others before the May 2022 elections to explain the law, and did the same again for the May 2023 polls. We held virtual advice surgeries that allowed candidates and agents to discuss specific issues around the spending and donation laws with one of our expert advisers. We also offered further advice surgeries in advance of the reporting deadlines, to provide practical and ongoing support with spending returns.
- ✓ We delivered targeted advice and guidance resources to the full range of parties and campaigners. We improved the accessibility and usefulness of our guidance by increasing consultation with parties and campaigners when drafting it. This also enhanced our evidence base on how the law is applied in practice, to inform future compliance resources.
- ✓ We bolstered our advice service on the political finance laws with the recruitment of additional advisors.
- ✓ We launched a new initiative that provides targeted support for newly registered parties, who are likely to be less familiar with the law and their obligations and responsibilities.
- ✓ To ensure our Enforcement Policy is as clear as possible, we made changes to it and consulted parties and campaigners. The Policy sets out how we approach our regulatory investigations and sanctions.
- ✓ Our annual tracker of public opinion found that confidence in the transparency of political finance is in decline. We continue to make recommendations for improving controls on the system to improve confidence, including through engagement with the government, with parliamentarians, and through the national media.



Very informative and easy to work with. Highly engaging with a broad knowledge

Member of Parliament on their contact with the Commission

Performance indicators

| Indicator | Target | 2022-23 |
|--|--------|---------|
| Timely publication of donation and loan reports which are received by the statutory deadline | 100% | 100% |
| Publication of statements of accounts within 60 working days | 100% | 5.02%* |
| Timely progression and conclusion of investigations | 90% | 91.18% |
| Timely notification / issuance of decisions on sanctions (final notices) following representations period | 90% | 100% |
| Timely notification of outcome of party and non-party campaigner registration applications (for new and change of details) | 90% | 81.91% |
| Timely responses to requests for regulatory advice on financial reporting | 90% | 99.17% |
| Effective regulatory guidance products / resources delivered to support compliance with the law | N/A | 59 |
| Guidance product related queries that help identify existing and/or new areas of the guidance that provide additional clarity with the law | 100% | 100% |

There are different deadlines by which parties with income and expenditure under and over £250,000 need to submit their annual statement of accounts to the Commission. Owing to internal resource constraints, a decision was taken in 2022 to combine publication of the two tranches. This meant postponing the publication of a large number of statements until after the reporting deadline for the larger parties. 100% of statements were published on the agreed publication date.

Ongoing and future work

- Following consultation, the Commission's revised Enforcement Policy comes into force after the May 2023 elections and will continue to be used as the basis on which we make decisions relating to enforcement.
- We will monitor changes as a result of the measures for parties and campaigners in the Elections Act implemented during 2022-23 and, subject to parliamentary process, publish a non-party campaigner code of practice and new digital imprint guidance to support our regulated community to understand the changes.
- The Commission will continue to monitor potential threats and risks to the electoral system, including the integrity of the political finance laws. We will keep advocating for improvements to controls on donations to political parties to prevent the threat of foreign interference, and monitor relevant legislation, such as potential impacts from the National Security Bill.
- In response to feedback, we are trialling a process of dedicated points of contact for larger parties, or those who contact us frequently for advice, to help support compliance further.
- We will continue to monitor the themes of queries received to inform and shape our regulatory guidance, enhancing our evidence base on how the law is applied in practice and helping to ensure our guidance is as clear and helpful as possible.
- Along with the police, we will take proportionate actions to ensure compliance with the digital imprints regime when it commences. The Commission will also continue to work with police forces across the UK on tackling intimidation and harassment of candidates.



Have had good quality conversations about regulation and the pressures facing political parties.

**Member of Parliament
on their contact with
the Commission**

Objective

Resilient local electoral services

What we are working to achieve

Local electoral services face significant economic, social, and environmental challenges which risk impacting on their ability to deliver well-run elections and referendums. We are working to help local authorities and electoral administrators to respond to these pressures.

We are also working to support the consistent delivery of high-quality services for voters, and the development of resilient local electoral services by:



- setting challenging performance standards for local electoral services
- providing accessible guidance and support for electoral administrators
- supporting increased resilience of local electoral services
- ensuring the electoral system works effectively.

Work done to achieve this aim

- ✓ The capacity and resilience of electoral administrators remains a significant challenge. Our May 2022 election reports found that administrators struggled to recruit staff and find suitable venues for polling stations and the count. The Commission called for sufficient clarity on funding to effectively prepare for changes from the Elections Act.
- ✓ The implementation of the Elections Act is having a significant impact on electoral administrators, and we have continued to support their understanding and preparation for these changes. This has included the development of guidance and resources to support implementation of the new provisions, as well as the continued provision of an advice service for local authorities, delivered through our devolved and English regional teams.

- ✓ As always, we produced comprehensive guidance on preparing for and delivering the May 2023 elections, designed to support Returning Officers and electoral administrators. Resources were also developed to help local authorities to communicate the new voter ID requirements to their residents. This is an important part of our objective to support local authorities and electoral administrators to deliver effective, sustainable and resilient services.
- ✓ We consulted on new Returning Officer performance standards, which have been designed to provide a robust framework for the delivery of well-run elections, support the effective and consistent implementation of legislative changes, and enable transparent reporting on the delivery of elections. The standards also address the changes arising from the Elections Act. They were finalised and laid in parliaments in December 2022, and are now in place.
- ✓ We have also updated the Electoral Registration Officer (ERO) framework, last reviewed in 2021, to reflect the new responsibilities on EROs arising from the Elections Act.



We had significant numbers of staff not taking up their positions again and this seems to be an increasing problem. We were lucky in that our neighbouring authority did not have elections and loaned us a number of staff. If they had also had elections we'd have been struggling to fill vacancies

An electoral administrator following May 2022 elections

Performance indicators

| Indicator | Target | 2022-23 |
|---|--------|---------|
| Accurate advice to Returning Officers, Electoral Registration Officers, and candidates & agents within three days (Great Britain) | 100% | 99.35% |
| Publication of accurate and timely guidance products for electoral administrators | 100% | 100% |

Ongoing and future work

- As part of our post-election reporting, we will be gathering data from local authorities and surveying those responsible for delivering elections to understand the impact of the new measures, including how they found implementing voter ID.
- We will seek feedback to enable us to evaluate our new guidance for Returning Officers and to identify and take on board any learnings that emerge.
- We will update our guidance to reflect further changes to elections and electoral registration, including reforms to postal, proxy and overseas voting rules, arising from the Elections Act.
- We will continue to use the performance standards to support the consistent delivery of high-quality, electoral services for voters and to support the ongoing resilience of local electoral services.
- We will continue to work with the Electoral Coordination and Advisory Board to address challenges around resilience and capacity, including in relation to polling station staffing and suppliers.



We believe the Electoral Commission's statutory work on how to run elections is very effective.

It provides excellent guidance, supporting resources and good practice for Returning Officers and electoral administrators.

Association of Electoral Administrators, October 2022

Objective

Fair and effective electoral law

What we are working to achieve

Our electoral system is underpinned by a legal framework which establishes how elections are delivered. It sets out who is allowed to vote and the various ways they can cast their vote. It sets out who can stand for elections, who can campaign and how much they can spend, and it sets out how electoral administrators should deliver elections, including counting and declaring the results.

Given its cross-cutting impact, we want to work with parliamentarians and governments to improve electoral law so that it is fit for purpose, reduces complexity, inefficiencies and risk, and enables innovation. We are working with others to reform electoral law by:



- supporting effective consideration and implementation of legislation in the UK's parliaments
- engaging with governments' current electoral law reform agendas, while continuing to make the case for further reform
- continuing to provide expert advice on the practicability and impact of any changes which could be made to improve the electoral system.

Work done to achieve this aim

- ✓ Following the May 2022 polls, we published reports on elections in England, Northern Ireland, Scotland and Wales, reflecting data and evidence gathered on voting, campaigning and delivering the elections. These included recommendations for improving the system further.
- ✓ As the Elections Bill passed through the UK Parliament, we briefed members of the House of Commons and Lords to support their consideration of the measures.
- ✓ We responded promptly with accurate and impartial information to correspondence from elected officials.
- ✓ We continue to advocate for policy change in key areas – including modernising electoral law and protecting politics from foreign interference – in our engagement with stakeholders, parliamentarians and the media.

Performance indicators

| Indicator | Target | 2022-23 |
|--|--------|---------|
| Timely publication of election / referendum reports | 100% | 100% |
| Timely responses to policy proposals and legislative consultations | 100% | 100% |
| Responses to elected stakeholder (MP, MSP, MLA & MS) correspondence within 10 working days | 100% | 97.83% |

Ongoing and future work

- The Commission will share its expertise and evidence with the UK Government as they develop statutory instruments to provide the detail of how the remaining measures in the Elections Act will work.
- We maintain the view that government should ensure legislation is clear at least six months before any new changes are due to be implemented, so that Returning Officers, Electoral Registration Officers and electoral administrators have enough time to prepare.
- We will continue to recommend reforms to UK electoral law and stand ready to support governments and parliaments in considering how best this could be taken forward.
- The Commission will continue to advocate for modernising electoral law, which needs to be simplified to help electoral administrators provide the level of services that voters deserve, and to enable governments and legislatures to deliver their policy priorities.



It has been twenty years since the Electoral Commission was established and we believe it still plays a fundamental role in overseeing free and fair elections and referendums and regulating political finance, and should continue to do so. However, its ability to effectively fulfil its statutory functions is directly impacted by the unnecessary complexity of the law governing this area. There is a consensus that the law is in urgent need of rationalisation and simplification.

PACAC Report, October 2022

Objective

A modern and sustainable electoral system

What we are working to achieve

We need to make sure our electoral system keeps pace with digital developments. We need to capitalise on the scope for greater compliance, transparency and the financial savings technology offers, while working to retain voter confidence in the electoral system. We also need to modernise the electoral system to ensure it is environmentally sustainable. We are working towards a modern and sustainable electoral system by:



- harnessing data and technology to meet the needs of voters, campaigners and electoral administrators
- understanding, calling for action and acting on the changing risks to the election system from the misuse of data and technology
- continuing to build strong relationships and streamlining working practices with all bodies that are part of the electoral system
- supporting governments and the wider electoral community to adopt a strategy and implementation plan which meets environmental standards required of our electoral system.

Work done to achieve this aim

- ✓ The Commission submitted written evidence to the Levelling Up, Housing and Communities Committee's inquiry on electoral registration, including how public data could be more effectively used to improve the accuracy and completeness of electoral registers.
- ✓ As well as providing expert advice and recommendations for improving the current system, we continue to explore the feasibility of modernising the voting and registration process.
- ✓ We will be carrying out accuracy and completeness research on the electoral registers to update our evidence-base on the state of the registers and how the current system is working in practice and could be improved.

Performance indicators

| Indicator | Target | 2022-23 |
|--|---|---------|
| Meeting requirements of existing and emerging or new environmental legislation | N/A – This will be developed when the UK Government’s target is published | N/A |

This indicator is intended to help the Commission measure and report its environmental impact, and to meet its requirements from existing and new environmental legislation. Targets will be developed and baselined during the first three years of the corporate plan, depending on published government targets.

Ongoing and future work

- We are currently updating our accuracy and completeness research, which will help us to understand the health of the UK’s electoral registers. The updated findings for both Great Britain and Northern Ireland will be published in autumn 2023.
- We will continue to engage with the UK Parliament’s Levelling Up, Housing and Communities Select Committee’s enquiry around possible changes to voter registration systems across the UK. The Commission’s feasibility studies on better use of public data and automated or automatic registration will continue to underpin our approach in this area.
- The Commission will continue to invest time and resources in building relationships with other regulators and stakeholders to understand their views and identify opportunities for collaboration.



Without an immediate election on the horizon many involved in this work, including the Electoral Commission, are thinking about where the work to engage young people in our democratic process needs to go next.

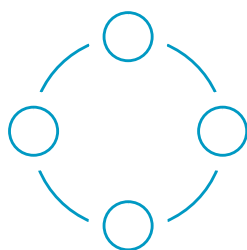
The Commission writing for the Institute for Welsh Affairs

Enabling activity

Independence and integrity

What we are working to achieve

The electoral system depends on the Electoral Commission being an independent non-partisan body, and we therefore hold ourselves to high standards of integrity. We work hard to ensure we are respected for our expertise, and that our advice and decision making are free from bias. Given our unique role, our integrity needs to be clear and demonstrable. We demonstrate our independence and integrity by:



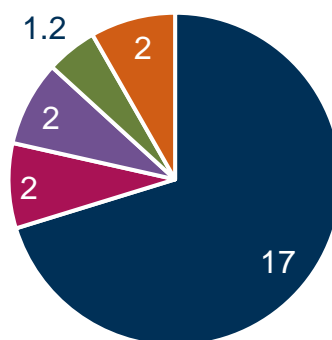
- taking decisions on the evidence and being transparent about the reasons for them
- basing our policy positions and recommendations on analysis of evidence
- effectively communicating our work and views
- providing responsive services to those we support
- seek to maintain effective governance arrangements.

Work done to achieve this aim

- ✓ We published information on closed regulatory investigations on a monthly basis, providing transparency on our findings and any potential sanctions.
- ✓ We reviewed our Enforcement Policy, which we refer to when running an investigation. We sought views to ensure the policy is as clear and helpful as possible so that our approach to enforcement is transparent and can be easily understood.
- ✓ We took an evidence-based approach when developing our consultation response to the UK Government's Strategy and Policy Statement. The response highlighted that the introduction of such a mechanism – by which a government can guide the work of an electoral commission – is inconsistent with our role as an independent regulator and the body that oversees free and fair elections.
- ✓ We provided parliamentarians with briefings to support their consideration of the Elections Bill as it passed through Parliament.

- ✓ Our education resources are designed to be an independent source of material and information for educators to help them teach the issue of politics, without having to stray into politics.
- ✓ We responded to queries from members of the public, parliamentarians, administrators, and regulated community, providing information and advice on the electoral system and democratic participation.
- ✓ We received 89 freedom of information (FOI) requests. We aim to respond to 90% of requests within the 20 working days statutory timeframe, and this year we responded to 97.7% within that timeframe. We were asked to conduct internal reviews into five FOI of our responses during the year, and all of these were responded to within agreed timeframes.
- ✓ We received three subject access requests and 10 requests for erasure under the UKGDPR, all of which were responded to within the statutory response time frame of one calendar month.
- ✓ We handled 28 complaints, compared to 96 in 2021/22. Of these, three were still under consideration at the end of the year. Of those completed, 17 were not upheld, two were partially upheld, two were fully upheld, two were closed due to no clarification being received from the complainant, and two were withdrawn.

Complaints



Not upheld
 Partially upheld
 Upheld
 Closed
 Withdrawn

- ✓ We use our complaints process as a chance to learn, and opportunities for continuous improvement were fed back to the relevant teams. We received one request for review by the Chief Executive. While this review did not change the original outcome of the complaint, it did enable further explanation and assistance.
- ✓ Our dedicated public information service responded to 11,829 public enquiries during the year, received by phone, post and email. Through this service, we answered

questions on a range of topics, including voter ID, voter registration and postal voting. We also responded to over 14,800 queries received via social media.

- ✓ We responded to 51 parliamentary questions at Westminster during 2022/23, including questions on voter ID – both on our campaign and the policy itself – unincorporated associations, donations to political parties and the proposed Strategy and Policy Statement.
- ✓ Chris Matheson MP and Cat Smith MP, members of the Speaker’s Committee, were our spokespeople in the UK Parliament and answered questions on our behalf during the year.

Performance indicators

| Indicator | Target | 2022-23 |
|--|--------|---------|
| Timely responses to social media enquiries | 100% | 100% |
| Timely responses to public enquiries via calls, letters and emails | 100% | 99.69% |
| Timely responses to valid Subject Access Requests | 100% | 100% |
| Timely responses to valid Freedom of Information requests | 90% | 97.7% |

Ongoing and future work

- Election reports following the May 2023 elections will outline any recommendations we think are necessary to improve the system for voters, administrators, and campaigners.
- We will continue to provide accurate and impartial information, guidance and advice to our stakeholders.
- As we prepare for the UK Government’s likely introduction of a Strategy and Policy Statement for the Commission, the Commission’s commitment to independent decision-making remains firm.

Enabling activity

A skilled organisation where diversity is valued

The Electoral Commission is committed to the principle of equality of opportunity, the value of diversity and the benefits of inclusion. We are subject to a range of legislation including the Equality Act 2010, which includes the Public Sector Equality Duty, and Section 75 of the Northern Ireland Act 1998, which prohibits discrimination and promotes equality of opportunity and good relations across a range of protected characteristics.

What we are working to achieve

We want our workforce to feel valued and be supported to achieve their potential. We are working to:



- implement refreshed working practices to reflect wider changes in our work environment and culture
- attract, retain and develop the people we need
- maintain and improve high standards of management, with a focus on developing our people
- further embed equality, diversity and inclusion in all aspects of our work.

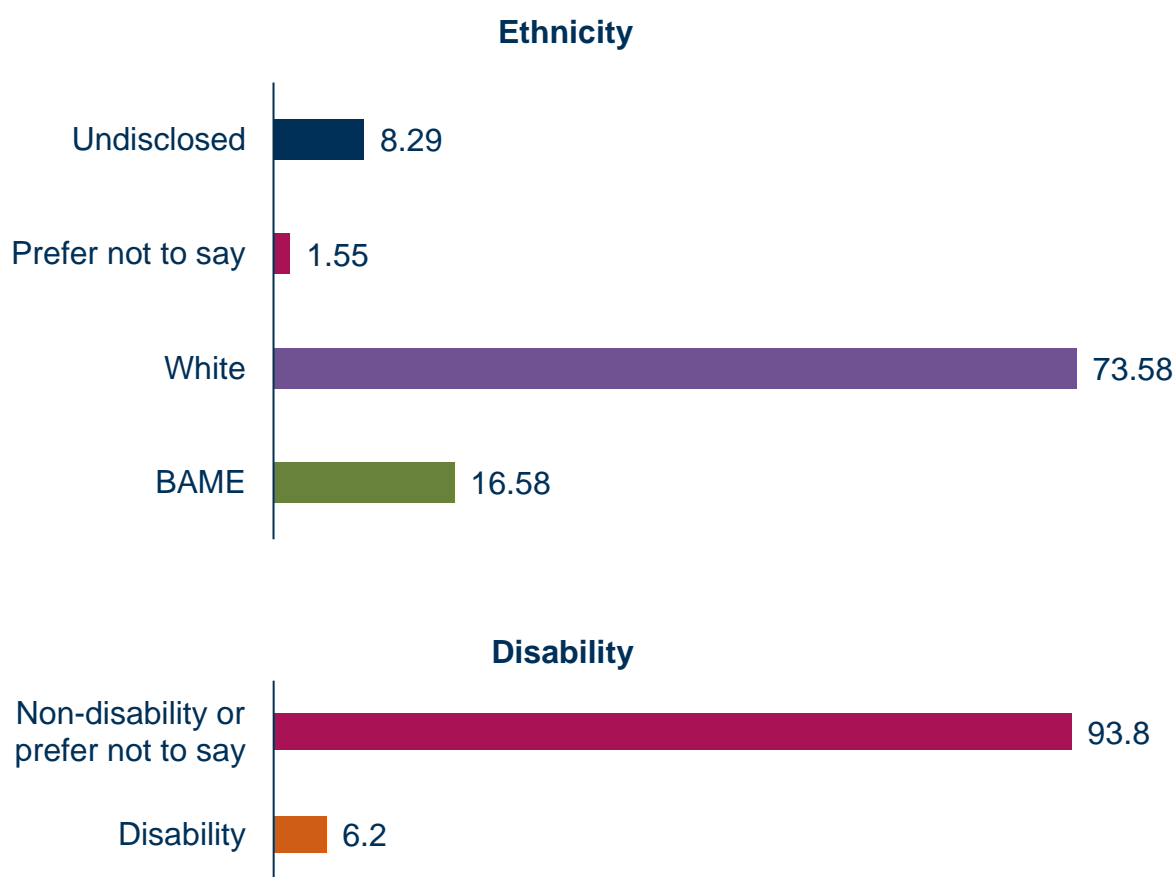
Work done to achieve this aim

- ✓ We published a new Equality, Diversity and Inclusion Strategy, including the Single Equality Scheme for Northern Ireland. The Commission is a UK-wide body and has therefore ensured that it complies with the requirements of both Great Britain and Northern Ireland on equality, diversity and inclusion.
- ✓ We refreshed and updated our processes for Equality Impact Assessments to ensure they reflect best practice.
- ✓ We appointed an independent adviser to our Board to help us continue our focus on equality, diversity and inclusion. The Adviser has made a number of recommendations around how the Commission delivers its commitments in this area, with a particular focus on governance and internal policy and practice. The Commission Board has accepted these recommendations in full and set up a group attended by Commissioners to oversee delivery.

- ✓ Worked with staff in our EDI group and Race at Work Charter Task Force to identify ways of improving equality, diversity and inclusion in the Commission.
- ✓ We raised internal awareness with events and speakers to mark Black History Month and Pride Month.
- ✓ We made changes to our recruitment process, including new training covering unconscious bias and employment law and adding questions on EDI to our interview question bank.

Performance indicators

| Indicator | Target | 2022-23 |
|--|--------|---------|
| Maintained completeness of workforce diversity information | 85% | 90.86% |



Ongoing and future work

- The Commission's People Strategy has four different strands – Recruitment, Learning & Development, Management, and ICT - all of which are underpinned by EDI. Some of the key areas of focus are ensuring roll-out of training on EDI topics, looking at establishing more diverse and inclusive recruitment options, and improving on our EDI data and reporting capability.
- In the next year, we will implement a range of changes to recruitment processes and practices, such as updating our recruitment policy, setting out clear management guidance, and rolling out a new recruitment system.
- We will be strengthening our internal team dedicated to supporting the organisation to deliver EDI related improvements, both internally and externally.
- The Commission will be looking at the opportunities presented by apprenticeships, and for staff who want to undertake qualifications using this pathway.
- We will have a new learning and development strategy prospectus in place by autumn 2023, with a full offer in place by 2025.
- A 'Reverse Mentoring' initiative will be launched, to support internal learning and improvement.
- The Commission will appoint a Disabilities Champion to communicate on its importance and drive organisational engagement.

Enabling activity

A learning organisation where improvement is continuous and resources are used efficiently

What we are working to achieve

The world around us is changing rapidly. We need to adapt fast to be successful. In order to do this, we aim to be rigorous in learning from experience and seek continuous improvement in all that we do. With pressures on public spending set to continue, it is crucial that we continue to manage our costs and make effective use of our technology, funding, time and resources. We are working to:



- procure and implement value for money IT systems that improve service delivery
- maintain our financial strategy to keep the Commission within approved budgets
- continue to develop techniques to learn from experience, seek continuous improvement and become more efficient and effective
- develop a corporate environmental strategy that meets policy and legislative requirements for reduced environmental impact.

Work done to achieve this aim

- ✓ We are on course to remain within the commitment we gave in the Corporate Plan to keep core spending – on regulatory activities, support for electoral administrators and overheads – flat in real terms over the course of the plan period.
- ✓ We regret that we were unable to complete the delivery of the new political finance online system as the project could no longer achieve its aims and would have required ongoing and costly support. We are currently in the discovery phase of our new approach, which is utilising previous work we had developed and consulted on.
- ✓ Like many public bodies, the Commission faces risks from cyber-attacks. To help protect against such attacks, we are investing in our systems. We have migrated our

IT infrastructure to the cloud and invested in cyber-security, giving us a robust technology basis that will allow us to focus on key corporate systems.

- ✓ Prepared the Commission's budget for 2023-24, which was approved by the Speaker's Committee in March 2023.

Ongoing and future work

- We will continue to move our guidance into a new more accessible format online, with all new guidance for the 2024 elections to be made available in this way.
- We remain committed to replacing the current political online system for registering political parties and reporting financial information and will continue to work with parties and campaigners on the next steps.
- We are undertaking a programme of training for internal budget managers and making systems improvements to provide budget managers with real time expenditure data to support better decision-making.

Using our resources to support the delivery of our goals

Our people

Staff relations and engagement



The Commission relies on the dedication, expertise and hard work of its staff. Together, teams work to deliver a high-quality service to voters and stakeholders, while also striving to fulfil the strategic objectives set out in the Corporate Plan.

This work relies on constructive relationships across the Commission, with the Executive Team, and the Board.

A staff engagement group, made up of representatives from all parts of the organisation, meets regularly to discuss corporate issues and Commission culture to seek input and views from colleagues. This is supported by regular cross-team project meetings, team meetings, and line management check ins, to ensure that views and voices are being heard.

This year the Commission launched a new Culture Charter, created by staff, and a new Dignity and Respect Policy. We also rolled out bullying and harassment training. Staff Awards were also held to recognise and celebrate the efforts and achievements of those working within the organisation.

The Commission has an active union, which plays an important role in the dialogue between staff and management. There was an official trade dispute in relation to pay settlements this year, but dialogue and engagement remained constructive.

We completed our latest staff survey in December 2022 and 86% of employees responded. Our employee engagement score was 66% (down marginally from 67% in 2021). Our scores compared most positively to the Civil Service benchmark (2021) in areas such as our people agreeing that:



- They have the opportunity to contribute views before decisions are made that affect them (at 60%, 21% points higher than the benchmark)
- They feel proud when they tell others they work for the Commission (at 81%, 18% points higher than the benchmark)

The areas where we compared least positively to the Civil Service benchmark, and we need to improve, include people agreeing that:



- There are opportunities to progress in their career at the Commission (at 23%, 36% points lower than the benchmark)
- They have the IT systems and equipment needed to do their job effectively (at 48%, 24% points lower than the benchmark)

Performance indicators

| Indicator | Target | 2022-23 |
|---|--------|---------|
| Maintained staff wellbeing score in staff survey | 77% | 77% |
| Maintained staff engagement score in staff survey | 67% | 66% |

Occupational health and safety



We review our health and safety policy annually. We also have procedures, guidance and risk assessments in place to cover our core activities. A health and safety group oversees our arrangements. They meet regularly and report to our senior leadership group. However, primary responsibility for health and safety sits with people managers.

We initiate independent health and safety audits of our premises each year, which involves inspecting working environments and reviewing safety management systems. These audits tell us if our arrangements are suitable and highlight any improvements we need to make. In 2022/23 we:

- Installed LED lighting at our London office, providing a feeling of natural light
- Conducted fixed wire testing at our offices in London and Cardiff
- Supported homeworkers and office-based staff with equipment requests, such as workstation and orthopaedic chairs and back support cushions
- Conducted portable appliance testing at all of our offices
- Continued enhanced cleaning regimes, including provision of hand sanitisers and anti-bacterial wipes.

Our environmental impact



We recognise that delivering our activities has an impact on the environment and we continue to work towards minimising this impact.

We lease office space in four cities from a combination of public and private sector property owners. We do not have direct control of utility supplier and waste disposal targets and management at our premises. For a number of our offices, the property owner manages energy and water consumption as well as waste disposal and recovers costs through a consolidated service charge.

Offices in Edinburgh, Cardiff and Belfast have relocated to smaller, more environmentally efficient premises in the last 10 years. We completed the renewal of the lease for our London office in 2020.

Performance indicators

| Indicator | Target | 2022-23 |
|--|--|------------|
| Reduced environmental impact of energy consumption | N/A – To be developed when the UK Government publishes its target | N/A |

Sustainability report

The Commission is committed to supporting the governments and the wider electoral community. We will adopt a strategy and implementation plan which meets environmental standards required of our electoral system. Internally, we recognise the importance of sustainability as an organisation.

During 2023/24 we will start the process of developing a full environmental and sustainability review. Our aim is that this work will help us to report on our sustainability strategy in more detail in the coming years and to measure progress. More detail will be available in the next Annual Report & Accounts, and will take into account our work across all nations in the UK and with devolved administrations.

Initiatives are in place to help minimise environmental impact

- reduced printed resources provided to electoral administrators and other groups, focusing on electronic provision wherever possible

- encouraged the use of video and teleconferencing to avoid unnecessary travel with consequential CO2 emissions
- operated recycling facilities in all our offices

London Office

Performance commentary on emissions

We aim to decrease our fossil fuel consumption year on year, an ongoing effect of the property owner's introduction of measures to reduce levels of electricity consumption, including lower 'out of hours' operation of plant and machinery and the introduction of energy-efficient lighting. Due to being in rented accommodation, we are restricted in our plans to cut emissions as these are primarily driven by our landlord.

Emissions report

| Greenhouse Gas emissions | | 2022-23 | 2050 Target | 2017-18 (Baseline) |
|--|---|---------------|---------------|--------------------|
| Non-financial indicators (CO2e in tonnes) | Total gross emissions | 125 | 175 | 235 |
| | Gross emissions – Fossil fuel consumption | 99 | 149 | 198 |
| | Gross emissions - Travel | 26 | 26 | 37 |
| Related energy consumption (Kwh) | Electricity | 375,818 | 365,708 | 487,611 |
| | Gas | 188,854 | 158,993 | 211,990 |
| Financial indicators | Expenditure on Energy | Not available | Not available | Not available |
| | Expenditure on Travel | 75,527 | 85,389 | 113,852 |

We have reduced out of hours working since 2017-18 to help cut our emissions. Since the introduction of hybrid working, we have reduced our travel and energy consumption within the office.

In February 2023, a project to install LED lighting at our London office was completed. The impact on the energy consumption was immediate and resulted in a 43% reduction

during February and March 2023, when compared with the corresponding 2-month period in 2022.

Waste report

General waste and recycling figures are based on a proportion of total building waste and are not directly controllable by us. Confidential waste disposal for the organisation is handled separately from that for other building occupants. We shred the confidential waste we generate on-site before it is recycled into low-grade paper.

The general and recycled waste is based on a proportion of total building waste. All general waste produced in the building, including that generated by us, is sent to a nearby energy from waste plant, instead of landfill sites.

We have reduced our use of paper since 2017-18 to help cut our waste. Since the introduction of hybrid working, we have further reduced our paper use significantly.

| Waste | | 2022-23 | 2017-18 (baseline) | |
|--|---------------------|--------------------------------|-----------------------|---------------|
| Non-financial indicators (tonnes) | Total Waste | 5.08 | 10.01 | |
| | Non-hazardous waste | Confidential | 1.00 | 2.81 |
| | | General waste (incl. recycled) | 4.08 | 7.26 |
| Quantity of paper purchased (reams) | | 105 | 650 | |
| Financial indicators | Total disposal cost | Not available | Not available | |
| | | Confidential | £1,972 | £1,134 |
| | | General waste (incl. recycled) | Not available | Not available |

Using our financial resources efficiently

Our resource funding is received from three Parliaments – UK, Scottish and Senedd.



The combined resource initially made available to the Commission was £25.2m voted activity. We also received non-voted funding of £225k to pay Commissioners' fees.

Our final budget breakdown

| | Voted £m | Non-Voted £m | Total £m |
|---------------------------------------|---------------|-----------------|---------------|
| Departmental Expenditure Limit | | | |
| Resource | 25.222 | 0.225 | 25.447 |
| Capital | 1.424 | 0.000 | 1.424 |
| Annually Managed Expenditure | | | |
| Resource | 0.050 | 0.000 | 0.050 |
| Capital | 0.100 | 0.000 | 0.100 |
| Total Net Budget | | | |
| Resource | 25.272 | 0.225 | 25.497 |
| Capital | 1.524 | 0.000 | 1.524 |
| Net cash requirement | 26.123 | 0.000 | 26.123 |

The £2.1m from Scottish Parliament and £1.5m from Senedd budget is shown as income throughout the accounts and Statement of Outturn against Parliamentary Supply (SoPS).

The remainder of the budget drawn down and not spent is included as deferred income in the Statement of Financial Position.

In achieving our objectives, we have used £25.1m worth of our resource budget for the whole year. This was out of the available sum of £25.2m approved by the UK Parliament in our Supplementary Estimate for the net resource voted requirement, net of income received from the devolved authorities. The graphic below summarises our financial performance on the 'voted' element of our budget.

Financial performance 2022/23

Our financial performance follows our strategic performance. For the year 2022/23:

- our staff costs represented 42% of our resource expenditure, which is a decrease from 2021/22 due to additional spend within our public awareness campaigns. The overall spend on staffing is higher by £1.3m.
- our capital expenditure increased by £0.1m from 2021-22 due to the continued improvement within ICT.

Overall expenditure

- Staff costs
- Operating costs
- Public awareness
- Scottish Parliament expenditure
- Policy development grant (PDG)
- Senedd expenditure
- Capital expenditure



Scottish Parliament and Senedd expenditure in the table above are a subset of the overall cost.

We report our underspend to reflect in-year operational decisions, we exclude Policy Development Grant which is distributed by formula set by government.

In 2022/23 the underspend on this measure was £79k against the voted budget (>1%).

Other underspend

- £211k in provisions (Resource AME) due to less than expected pension and dilapidation movements.
- £612k in capital projects due to not continuing with our Political Finance Online project and the shift of on-premise servers to cloud based systems.

Our income in the accounts relates to charges for registering political parties.

We also report and are accountable to the Senedd and Scottish Parliament Corporate Body. The income recognised in the accounts is predominately for devolved elections work. All income is recognised in note 4 of the accounts.

We collect fines raised against political parties and individuals for failure to comply with the rules on party and election finance and then surrender these to the Consolidated Fund as required by law.

In addition to monitoring performance against budgets, we also managed within our cash limits set by the UK Parliament. We required cash amounting to £22.5m to finance our voted activities, which was £3.6m less than the sum of £26.1m approved by the UK Parliament in our Supplementary Estimate. The reconciliation of net resources outturn to net cash requirement, within the accountability report, provides a reconciliation from our outturn to the net cash we required in-year.

The Statement of Cash Flows shows that the cash balance as at 31 March 2023 was £9k.

The Statement of Financial Position as at 31 March 2023 shows negative taxpayers' equity. These liabilities will be met through future provision of supply funding.

Supplier payments

Although we are independent of government, we aim to comply with the Prompt Payment Code that operates across the public sector. The target is to pay undisputed invoices within 30 days. In 2022-23, we paid 100% of invoices within 30 days.

Supply estimate for 2023-24

Our Main Supply Estimate for 2023-24 (HC1385) provides for a net resource requirement of £28.8m. This is an 14% increase from 2022-23 mainly due to the inflationary increases and additional public awareness budget. Our Main Estimate is broken down as follows:

| | Voted £m | Non-Voted £m | Total £m |
|---------------------------------------|-------------|-----------------|-------------|
| Departmental Expenditure Limit | | | |
| Resource | 28.755 | 0.225 | 28.980 |
| Capital | 2.005 | 0.000 | 2.005 |
| Annually Managed Expenditure | | | |
| Resource | 0.050 | 0.000 | 0.050 |
| Capital | 0.100 | 0.000 | 0.100 |
| Total Net Budget | | | |
| Resource | 28.805 | 0.225 | 29.030 |
| Capital | 2.105 | 0.000 | 2.105 |
| Net cash requirement | 29.133 | 0.000 | 29.133 |

The Speaker's Committee approved this on 15 March 2023, and it was laid before House of Commons on 18 May 2023. The Commission is established by legislation and following the principles of the FReM there is an assumption of continued provision of service, there is nothing to suggest services provided by the Commission will cease or future funding will not be provided.

Powers and sanctions report

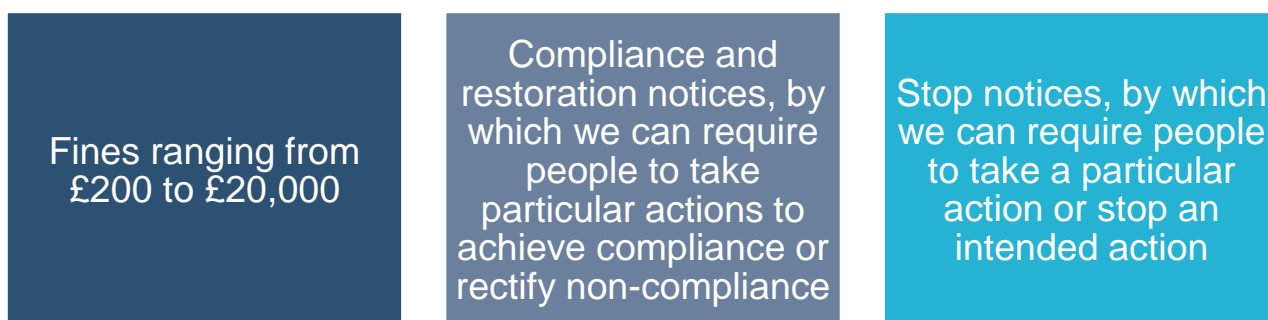
Use of our powers and sanctions between 1 April 2022 and 31 March 2023

We encourage those we regulate to comply with the law by providing support and guidance. However, where proportionate to do so, we take action when they do not follow the law.

PPERA provides us with investigation powers, including the ability to:

- require information (through an investigation notice) from anyone where we suspect there has been a breach of the law or (through a disclosure notice) where we do not suspect an offence but require information in order to fulfil our functions
- require suspects or witnesses to attend for interview
- take action if people do not co-operate with our requirements
- in certain circumstances, enter premises (through an inspection warrant from a Justice of the Peace)

We also have a range of sanctions, including:



These sanctions apply to most, but not all, PERA offences. There are some offences – generally those involving an element of deliberate dishonesty – for which we cannot issue fines, but we can notify the police or relevant public prosecutor.

We are also able to consider ‘enforcement undertakings’ from those we regulate, where for example a party may report an offence voluntarily and propose actions it will take to

put things right, avoiding the need for the party and us to go through potentially time-consuming investigations.

Use of investigatory powers

We are required to report on our use of investigatory powers, specifically cases in which:

- we issued a disclosure or investigation notice
- premises were entered using an inspection warrant issued by a Justice of the Peace
- we applied to a court for an order for disclosure

We are not required to include information where, in our opinion, to do so would or might be unlawful, or might adversely affect any current investigation or proceedings.

We did not issue any disclosure or investigation notices during 2022/23.

We did not use our powers to apply for an inspection warrant to enter premises or apply for any court orders for disclosure.

Concluded investigations

We concluded 34 investigations during 2022/23, compared with 42 in the previous year. We continued to regulate and take enforcement action where it was reasonable and in the public interest to do so. Our work to support parties and campaigners comply with electoral law, and an absence of significant regulated elections were all factors in this reduced number of cases.

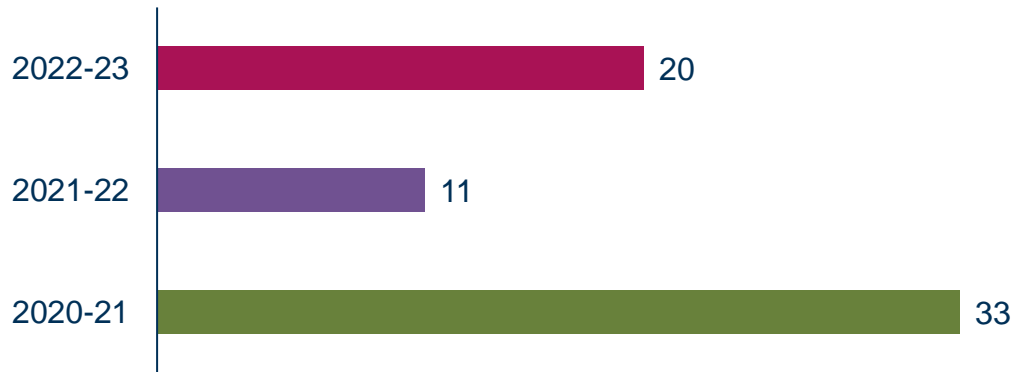
Use of civil sanctions

We are required to report on our use of civil sanctions, specifically cases in which:

- a fixed monetary penalty or discretionary requirement was imposed or a stop notice served (other than cases in which the penalty, requirement or notice was overturned on appeal)
- liability for a fixed monetary penalty was paid before a notice imposing it was issued
- an enforcement undertaking was accepted

25 investigations led to considerations of sanctions, and we imposed 20 penalties, across seven cases. In total, £16,130 of sanctions were imposed.

Penalties imposed



That figure includes one case involving two fixed penalties which were paid early so we did not have to issue notices to impose payments. This does not take account of 17 cases where we found an offence but decided not to impose a sanction. We take a proportionate approach and do not automatically impose a sanction where an offence has taken place.

Details of all penalties imposed during 2022/23 are available on our website.

No enforcement undertakings were offered to us during 2022/23. We did not serve any stop notices up to and including 31 March 2023. No appeals were made against decisions to impose civil sanctions.

Northern Ireland annual report

Our work in Northern Ireland over the last year has largely been dominated by electoral events, from supporting the May 2022 Northern Ireland Assembly election at the start of the year, through to preparations for the May 2023 local council elections over the later part of the year.

This work has been delivered against a backdrop of political uncertainty, with the Assembly unable to elect a First Minister and Deputy First Minister following the May 2022 election. As a responsible regulator, we have maintained up to date contingency plans for an unscheduled election, and throughout this period we have continued to work closely with the Chief Electoral Officer, political parties and the electoral community across Northern Ireland to provide advice and support on issues relating to electoral law, financial reporting, campaigning and voter registration.

Work done to achieve our aims

- ✓ We supported the successful delivery of the May 2022 Northern Ireland Assembly election.
- ✓ Following the Northern Ireland Assembly election, we published a report reflecting data and evidence gathered on voting, campaigning and delivering the election. This included recommendations for improving the system further.
- ✓ We ran a mass-media voter registration campaign ahead of the Assembly election, supported by press and partnership activity.
- ✓ We developed new resources for democratic engagement with schools and other learning providers. Welcome to Your Vote Week took place at the end of January, with a involvement from 20 schools across Northern Ireland.
- ✓ We published campaign spending from the Northern Ireland Assembly election.
- ✓ The Commission's Board travelled to Belfast to meet with the Chief Electoral Officer, academics, youth groups and political parties. Our May 2022 election report found that 71% of candidates in Northern Ireland had experienced some kind of abuse or intimidation. As a result, the Board met with female representatives of all the major parties in Northern Ireland to hear their experiences of abuse while campaigning and to consider ways to increase the safety of candidates at future polls.
- ✓ Ahead of the May 2023 local council elections, in partnership with the Police Service for Northern Ireland (PSNI), Public Prosecution Service and the Electoral Office for



Northern Ireland (EONI), we published joint guidance for candidates to help them recognise and respond to intimidatory and criminal behaviour.

- ✓ We launched our voter registration campaign for the May 2023 Northern Ireland local council elections.
- ✓ In partnership with EONI, Royal Mail and the PSNI we hosted pre-election seminars in Belfast, Omagh and online for candidates and agents taking part in the May 2023 local elections. We also offered one-to-one surgeries to support those participating in the election.
- ✓ Despite the absence of a functioning Assembly, the Northern Ireland Political Parties Panel continued to meet during the year. The panel provides an important link for sharing information between the Commission, the Chief Electoral Officer and political parties.

Looking ahead

- Our report on the May 2023 Northern Ireland local council elections will be published in autumn 2023.
- We will continue to support parties and campaigners to comply with the law, while ensuring that political finance is transparent.
- We will also continue to provide support and guidance to EONI. In March 2023 the Chief Electoral Officer stood down and an interim appointment was made to ensure the delivery of the local council elections. When a new Chief Electoral Officer is appointed, we will work closely with them to support the delivery of well-run elections and electoral registration in Northern Ireland.
- We will publish our latest assessment of the accuracy and completeness of the electoral register in Northern Ireland in autumn 2023.
- We will continue to provide expert advice and recommendations for improving the current system, including making the case for reform of the canvass and wider electoral registration process in Northern Ireland.
- We will build on the work we have already done to provide educational resources, and will seek to establish new partners to promote and improve political literacy across demographics less likely to be engaged in the democratic process.

- The implementation of the Elections Act will continue to impact on our work in Northern Ireland. Working closely with the Northern Ireland Office, the Chief Electoral Officer, and other stakeholders, we will support the implementation of the changes made to the electoral process in Northern Ireland through the Act. This will include responding to relevant consultations on secondary legislation, updating and producing new guidance, and promoting awareness of these changes to the electoral community in Northern Ireland.
- We will maintain up to date planning for a Northern Ireland Assembly election, which is due to be held before April 2024 if an executive is not formed by January 2024.

Commitment to EDI

The Electoral Commission serves a diverse democracy in Northern Ireland. We published our new Equality, Diversity and Inclusion Strategy and Single Equality Scheme for Northern Ireland in autumn 2022.

Under new legislation, Ulster-Scots and Irish language commissioners are expected to be appointed and will be tasked with developing best practice standards and promoting the services provided by public authorities. The Commission will monitor this in relation to its own work and services.

Wales annual report

This report provides an overview of our work on devolved matters in Wales and looks at our performance during the last year.

We have included summary financial information within the performance report. This is consistent with the financial statements, where more detail is available.

The Political Parties, Elections and Referendums Act 2000 (PPERA) established the Electoral Commission. We are independent of government and political parties and directly accountable to the UK, Scottish and Welsh parliaments.

Amendments made to the Government of Wales Act 2006, by the Wales Act 2017, transferred responsibility for devolved Welsh elections and referendums from the UK Parliament to the Senedd. The Senedd Elections Wales Act 2020 sets out the funding and accountability arrangements for the Electoral Commission's devolved activities in Wales.

Work done to achieve our aims

Our work in early 2022-23 focussed on supporting the delivery of the local government elections across Wales. This included:

- ✓ Working with the Wales Electoral Coordination Board (WECB) to provide advice and guidance to Returning Officers and their staff on preparing for and delivering the polls.
- ✓ Working with political parties and Returning Officers to provide targeted support and briefing sessions to candidates and agents contesting the elections.
- ✓ Running a mass-media public awareness campaign for voters, reminding them of the key deadlines for registration and absent vote applications. There were 38,438 applications made to register to vote in Wales during our voter registration campaign.
- ✓ Publishing our evaluation, in July, on the early voting pilots that took place in four Welsh local authority areas at the May 2022 elections.
- ✓ Publishing our statutory report on the elections in September, which reflected data and evidence gathered on voting, campaigning, and delivering the election. We found that the vast majority of voters were satisfied with the process of voting and almost all were able to use their preferred method of voting.

Through the year we focussed activity on our advice and support service to our stakeholders, including electoral administrators, candidates and agents. This included:

- ✓ Consulting administrators in Wales on a new performance standards framework for Returning Officers, which has now been laid in the Senedd.
- ✓ Using our performance standards frameworks to support and challenge Returning Officers at the local government elections and Electoral Registration Officers on their year-round activities to maintain accurate and complete electoral registers.
- ✓ Identifying new opportunities to provide support to the regulated community to help them comply with the rules around campaign finance.

We continued to provide expert advice to Welsh Government and the Senedd on policy development in relation to electoral matters:

- ✓ Appearing before the Llywydd's Committee to give evidence as part of its scrutiny of the 2023/24 financial estimate.
- ✓ Providing a comprehensive response to the Welsh Government's Electoral Reform and Administration White Paper, drawing on our policy work and wide-ranging research with voters, electoral administrators, and campaigners.

We built on the success of our work to promote democratic education by providing learning resources for teachers and youth workers. This included:



- ✓ Working with local authorities, headteachers and our partner Democracy Box to develop and promote our new resources for democratic engagement for schools and other learning providers to support voter participation and confidence.
- ✓ Promoting our Welcome to Your Vote Week at the end of January, which achieved a good level of involvement from organisations across Wales. We held a launch event at the Senedd with the Minister for Education and Welsh Language, Jeremy Miles.

Ongoing and future work

- We see a continuing need to support more newly enfranchised voters across Wales to become involved in democracy. We will therefore expand the reach of our education programme, developing resources relevant to the new Welsh curriculum and engaging further with partner organisations. Our aim is to educate young people about the democratic process and prepare educators to teach political literacy with confidence.
- Through training and briefing sessions, we will support parties and campaigners to comply with the law, while continuing to ensure political finance is transparent.

- We will support Returning Officers and electoral administrators to help them meet the challenges they face in delivering well-run electoral services. Our focus will be on helping them adapt to a diverse electoral landscape and the changing needs of voters in Wales.
- We will work closely with the Senedd and Welsh Government as they introduce new primary legislation to bring into effect plans for both Senedd and electoral reforms. Working with the Wales Electoral Coordination Board, we will convey the views of Returning Officers and Electoral Administrators to Welsh Government and seek to ensure that they are taken into account in the development of this new legislation.
- We will work with Welsh police, campaigners and electoral administrators to explore and address concerns raised by candidates about intimidation and abuse at elections.

Commitment to EDI



The Electoral Commission serves a diverse democracy in Wales, and we are committed to equality, diversity and inclusion. Our programme of partnership work has developed resources to support democratic inclusion for those who experience barriers to voting. This has included providing material in a variety of languages, including British Sign Language, and in a number of formats including easy read, large print, audio and braille. We have also worked with partner organisations in Wales to develop appropriate materials for Gypsy/Travellers, care experienced young people, domestic abuse survivors and people experiencing homelessness.

In the year ahead we will be working closely with representatives from the electoral community to explore how we can improve the accessibility of the electoral process for people who experience barriers to participating in elections.

We are also committed to the principle that the Welsh and English languages should be treated on a basis of equality in public business and provision of resources and services. This has led to further improvement in the service we provide to partners in the language of their choice, and to ensuring that the Welsh Language Standards, set in July 2016, are not only met, but that we are innovative and ambitious in the services that we provide.

We also continue to work closely with the WECB's Welsh Language Advisory Group whose aim is to ensure that the Welsh language is treated equally in matters of electoral legislation and guidance and that necessary support is given to the wider electoral community.

Resources

During 2022/23 we utilised 98% of £1.54m of budget available. This was predominately staffing £1.1m (71%) with advertising and research £0.3m (19%); the remaining amounts represent the Senedd contribution to common activities and corporate overheads. Our segmental reporting on page 152 shows the breakdown between direct and indirect costs.

Funds breakdown (£000s)



Governance

The Commission is formally accountable to, and receives funding from, the Senedd in respect of its functions in relation to devolved Welsh elections and referendums. We report to the Llywydd's Committee which was established for this purpose and works to the "Statement of Funding Principles" which was agreed with the Senedd in early 2021.

In September 2022 we submitted our third set of estimates to the Senedd enabling the UK Treasury to transfer the agreed level of funding to the Welsh Consolidated Fund. This process has been agreed by all parties and ensures all parliaments can be confident in scrutinising our work plans and accounts.

Scotland annual report

Overview

This report provides an overview of our work on devolved matters in Scotland and looks at our performance during the last year.

We have included summary financial information within the performance report. This is consistent with the financial statements, where more detail is available.

The Political Parties, Elections and Referendums Act 2000 (PPERA) established the Electoral Commission. We are independent of government and are directly accountable to the Scottish, Welsh and UK parliaments.

The Scottish Elections (Reform) Act 2020 sets out the funding and accountability arrangements for the Electoral Commission's devolved activities in Scotland.

Work done to achieve our aims

Our work in early 2022/23 focused on supporting the successful delivery of council elections across Scotland. This included:

- ✓ Working with the Electoral Management Board in Scotland to provide guidance and advice to electoral administrators in Scotland to support them in preparing for and delivering the polls. This included new resources created in partnership with disabled people for use in the training of polling station staff.
- ✓ Providing targeted support to political parties and candidates to ensure that they were able to understand and comply with the campaign rules. This included running candidate seminars at political party conferences and a candidate and agent webinar attended by over 180 people.
- ✓ Running a public awareness campaign for voters, reminding them of the key deadlines for registration and absent vote applications and providing information on how to complete the ballot paper using the single transferable



Excellent partnership working which allowed us to get timely and accurate information out about voter registration, postal voting, voting itself and emergency measures due to covid.

Partner organisation

vote. There were 66,716 applications made to register to vote in Scotland during the course of our voter registration campaign.

- ✓ Working in partnership with civil society organisations, such as Enable and Simon Community Scotland, to help people from under-registered groups get ready to vote by sharing resources and running information events.
- ✓ Proving a public information service for voters, including a look-up tool to provide information about their allocated polling station and candidates standing in their ward.
- ✓ Publishing our statutory report on the Scottish council elections in September, including reporting on the steps Returning Officers took to support disabled people's access to the elections. Our report drew on robust research with voters, electoral administrators and candidates and found that the vast majority of voters were satisfied with the process of voting and almost all were able to use their preferred method of voting.

We have invested in our advice, support and regulatory activity in Scotland and increased staff resource to focus on these areas. Our work has included:

- ✓ Consulting administrators in Scotland on a new performance standards framework for Returning Officers, which has now been laid in the Scottish Parliament.
- ✓ Using our performance standards frameworks to support and challenge Returning Officers at the Scottish council elections and Electoral Registration Officers on their year round activities to maintain accurate and complete electoral registers.
- ✓ Identifying new opportunities to provide support to the regulated community to help them comply with the rules around campaign finance.

We continue to provide expert advice to the Scottish Government and Parliament on policy development within the electoral framework:

- ✓ Giving evidence to the Standards, Procedures and Public Appointments Committee on the conduct of the 2022 Scottish council elections, including highlighting areas where the system can be improved for voters, electoral administrators and campaigners.



I found the webinar very effective particularly about the rules governing imprints, candidate spend and donations. I have recommended it to my fellow candidates and agents and will be sharing the link to it with them.

Candidate at May 2022 elections

- ✓ Providing a comprehensive response to the Scottish Government’s consultation on electoral reform, drawing on our policy work and wide-ranging research with voters, electoral administrators and campaigners.

Throughout the last year, we have continued to build on the success of our work to promote democratic education by providing learning resources for teachers and youth workers:

- ✓ Our previous education work has focused on supporting young people to get ready to vote in a particular election, but our Welcome to Your Vote Week campaign in January 2023 marked a shift towards the Commission highlighting the importance of embedding democratic education in schools year-round.



- ✓ Our campaign engaged over 150 schools and youth organisations across Scotland who signed up to run activity with the young people they work with on the theme of ‘Our Democracy’. We also worked with the Scottish Youth Parliament and Girlguiding Scotland to support young volunteers to run workshops in their schools and local communities, and ran events in schools throughout the week for around 700 young people.
- ✓ We piloted a youth voice programme, bringing together a group of young people from across Scotland to provide feedback on our education resources and create new youth-friendly resources.

Ongoing and future work

- In the next year we will work to establish a long-term youth voice programme. We will work to further embed democratic education in schools and youth work settings by supporting youth workers, teachers of PSE (Personal and Social Education) and other subjects to use our resources through teacher networks and training. We will also explore how we can work with public sector and civil society organisations to support care experienced young people and BSL users to learn about their vote.
- We will lead a project, drawing in stakeholders from amongst those administering Scottish council elections and those who campaign in these elections, to identify strategies for improving voter understanding of the single transferable vote system, with the aim of lowering the level of rejected ballots at Scottish council elections.
- We will continue to provide expert advice to the Scottish Government and Parliament as the Government takes forward its commitment to legislate for further electoral reform.
- Through advice, training and briefing sessions, we will support parties and campaigners to comply with the law, while continuing to ensure political finance is transparent.

- We will work with the Electoral Management Board for Scotland to support Returning Officers and Electoral Registration Officers to help them meet the challenges they face in delivering well-run electoral services which continue to meet voters' needs. This will include identifying opportunities to strengthen the resilience of electoral administration teams and exploring options for modernising the voting process.
- We will work with Police Scotland, campaigners and electoral administrators to explore and address concerns raised by candidates about intimidation and abuse at elections.

Commitment to EDI



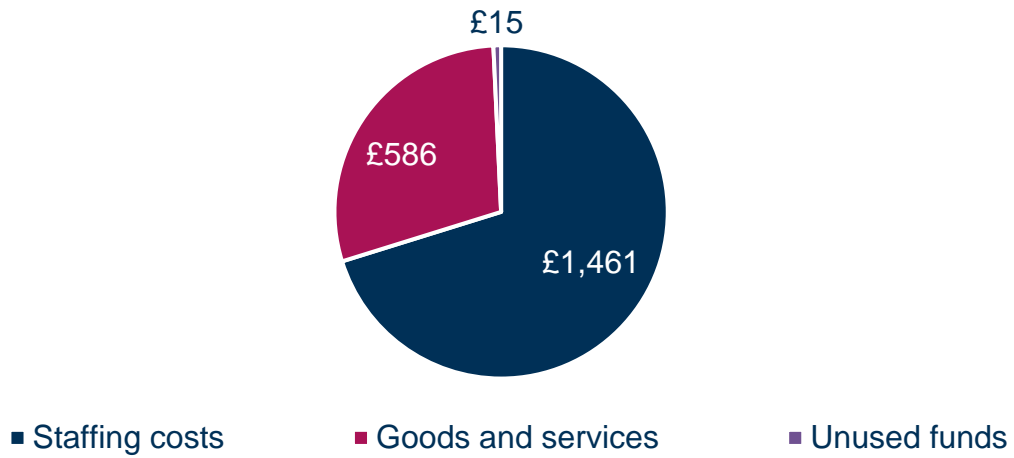
The Electoral Commission serves a diverse democracy in Scotland and we are committed to equality, diversity and inclusion. Our programme of partnership work in Scotland has continued to develop resources to support democratic inclusion for those who experience particular barriers to voting. This has included providing material in a variety of languages, including British Sign Language, and in a number of formats including Easy read, large print, audio and braille. We have also worked with partner organisations in Scotland to develop appropriate materials for Gypsy/Travellers, care experienced young people, domestic abuse survivors and people experiencing homelessness.

In the year ahead we will be working closely with representatives from the electoral community through the EMB Accessibility Improvement subgroup to explore how we can improve the accessibility of the electoral process for people who experience barriers to participating in elections.

Resources

During 2022/23 we utilised 99% of £2.06m of budget available. This was predominately staffing £1.5m (73%) with advertising and research £0.5m (24%); the remaining amounts represent the Scottish Parliament contribution to common activities and corporate overheads. Our segmental reporting on page 152 shows the breakdown between direct and indirect costs.

Funds breakdown (£000s)



Governance

The Commission reports to the Scottish Parliament Corporate Body (SPCB) for accountability purposes. We continue to report to other committees for our work in different policy areas, most notably the Standards, Procedures and Public Appointments Committee.

In September 2022, we submitted our third estimate to the SPCB for the funding of our work in the year 2023/24. The process for developing the estimate followed the 'Statement of Funding Principles' which we agreed in early 2021 with both the Scottish and UK Parliaments along with the Senedd.

Shaun McNally
Chief Executive and Accounting Officer
6 September 2023

Accountability report



Corporate governance report

The Directors' report

The Commission Board comprises 10 Commissioners appointed by Royal Warrant to exercise our functions as described in PPERA.

The Board appoints the Chief Executive to lead and manage our organisation and the Chief Executive appoints a leadership team of Executive Directors.

Details of Commissioners and Executive Directors are set out in the governance statement.

Register of interests

Commissioners and directors have to complete a declaration of interests. They did not hold any significant company directorships or other interests that may have conflicted with their responsibilities. No Commissioner or director had any other related party interests. We update the register of interests regularly throughout the year and publish this on our website.

Going concern

Our Main Estimate has received approval for the resources we require in 2023/24 and our Corporate Plan until 2025/26. As Government body established by legislation and following the principles of the FReM there is an assumption of continued provision of service, there is nothing to suggest services provided by the Commission will cease or future funding will not be provided.

Auditors

The Comptroller and Auditor General is appointed as our external auditor under Schedule 1 of PPERA.

Our internal auditors from 1 April 2020 were RSM UK.

Full details of remuneration for both audit and non-audit work are in the financial statements.

Other disclosures

Some disclosures required in the directors' report have been included elsewhere in the Annual Report and Accounts. We have reported personal data related incidents in the governance statement. Disclosures on employment and engagement with staff are in the 'our people' section of the performance report. Additional information is included in the remuneration report.

No significant events affecting us have occurred since the reporting date and we have disclosed future developments affecting us in the 'Using our financial resources efficiently' section of the performance report.

Statement of Accounting Officer's responsibilities

Under PPERA, I am required to prepare accounts for each financial year, detailing the resources acquired, held, or disposed of during the year and the use of resources by us during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the organisation and of its net resource outturn, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual prepared by Her Majesty's (HM) Treasury, and in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis

In accordance with paragraph 19(1) of Schedule 1 to PPERA, the Speaker's Committee has designated the Chief Executive as Accounting Officer of the Electoral Commission, with responsibility for preparing the accounts and for transmitting them to the Comptroller and Auditor General.

The responsibilities of an Accounting Officer – including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding the Electoral Commission's assets – are set out in Managing Public Money published by HM Treasury.

The Accounting Officer confirms that, as far as he is aware:

- there is no relevant audit information of which the entity's auditors are unaware
- they have taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information

I hereby confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable, and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

Disclosure of information to the National Audit Office

The Accounting Officer, who held office at the date of approval of this report, confirms that, as far as the directors are each aware:

- there is no relevant audit information of which the external auditors are unaware
- each director has taken all the steps required to make themselves aware of any relevant audit information and to establish that the external auditors are aware of that information

Governance statement

The Electoral Commission was set up under PPERA. In accordance with Schedule 1(19) of PPERA, the Speaker's Committee has appointed me as Accounting Officer of the Electoral Commission. My responsibilities in this role are set out separately under The Statement of Accounting Officer's responsibilities. As Chief Executive and Accounting Officer, I have gained assurance that the frameworks, control environment, processes and scrutiny set out in this statement have been effective throughout the financial year by review of documentation, discussions with Commissioners, the independent advisor to the Audit and Risk Committee and staff and meetings with internal and external auditors and other external stakeholders.

Board members are non-executive and are obliged to report all potential conflicts of interest. All members complete a related party annual declaration. I can confirm that all returns have been reviewed and there are no conflicts of interest.

This governance statement is in accordance with HM Treasury guidance. A summary of the procedures, processes and support structures that are maintained to effectively manage and control the resources made available to me by the UK Parliament.

The Electoral Commission is also directly accountable to the Scottish Parliament and Senedd in relation to the exercise of its devolved Scottish and Welsh functions, following amendments of PPERA by the Scottish Elections (Reform) Act 2020 and the Elections (Wales) Act 2020. The Scottish Parliament Corporate Body (SPCB) and the Senedd's Llywydd's Committee provide scrutiny of the Commission.

As the Accounting Officer, I am accountable to The Scottish Parliament Corporate Body (SPCB) and the Senedd's Llywydd's Committee in the same manner to which I am accountable to Speaker's Committee.

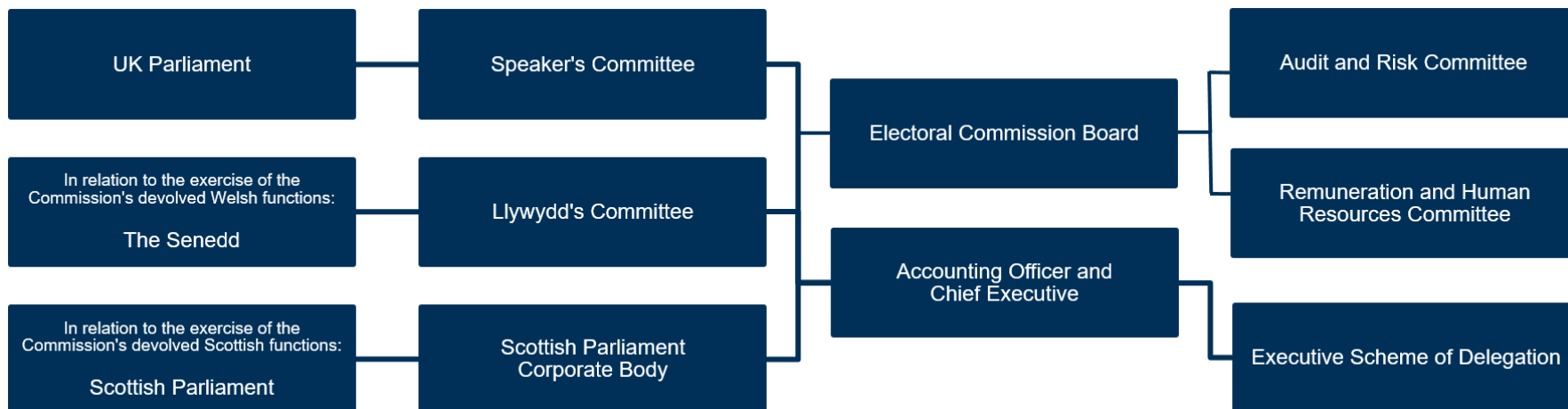
Under new powers in the Elections Act 2022, the Speaker's Committee will have an additional role in examining the Commission's performance in having due regard to the forthcoming Strategy and Policy Statement.

Accountability to the UK Parliaments and our internal governance framework

Note from 1 April 2023 the Audit and Risk Committee will be called Audit and Risk Assurance Committee.

Elections in the United Kingdom are delivered through a mix of devolved and retained powers. Elections to the UK Parliament, for English local government and Police and Crime Commissioners (in England and Wales) and elections in Northern Ireland are reserved to the UK Parliament. Responsibility for parliamentary and local elections in Scotland and Wales are devolved matters for the respective parliaments.

Since 2021/22, the Electoral Commission has been accountable to each parliament for our work on elections under their powers. We are funded by each parliament for the work undertaken on the related elections with common costs, including shared work and corporate costs shared according to population.



The Speaker's Committee

The Speaker's Committee is established under Section 2(1) of PPERA to perform the functions conferred on it by PPERA. These functions include:

- examining our annual resource estimates and laying them before the House of Commons, with or without modification
- examining our five-year plans and laying them before the House of Commons, with or without modification
- receiving our accounts
- designating our Accounting Officer
- reporting to the House of Commons, at least once a year, on how we carried out our functions

Members of the Speaker's Committee from 1 April 2022 – 31 March 2023 were:

- Right Honourable Sir Lindsay Hoyle MP, Speaker of the House of Commons (Chair)
- Right Honourable William Wragg MP, Chair of the Public Administration and Constitutional Affairs Committee (until December 2021)
- Right Honourable Clive Betts MP, Chair of the Levelling Up, Housing and Communities Committee (from December 2021)
- Right Honourable Michael Gove MP, Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (until September 2021 in this role, then from December 2021 as Secretary of State for Levelling Up, Housing and Communities)
- Rt Hon Greg Clark MP, Secretary of State for Levelling up, Housing and Communities (July-September 2022)
- Rt Hon Paul Scully MP, Minister for Local Government (October 2022 only)
- Andrew Stephenson, Parliamentary under Secretary of State for Levelling Up, Housing and Communities (October 2022 only)
- Felicity Buchan MP, Parliamentary under Secretary of State for Levelling Up, Housing and Communities (from December 2022)
- Lee Rowley, Parliamentary under Secretary of State for Levelling Up, Housing and Communities (from December 2022)
- Simon Clarke MP, Minister for Local Government (from September to October 2022)

- Kemi Badenoch MP, Minister for Levelling Up (until July 2022)
- Owen Thompson MP (Scottish National Party)
- Karl McCartney MP (Conservative) (until July 2022)
- Craig Mackinlay MP (Conservative)
- Cat Smith MP (Labour) (Committee spokesperson from October 2022)
- Rachel Hopkins MP (Labour) (from November 2022)
- Christian Matheson MP (Labour) (Committee spokesperson) (until October 2022)

The five appointed members are Members of the House of Commons who are not Ministers. The Speaker of the House of Commons makes these appointments.

The Clerk of the Speaker's Committee is Bradley Albrow.

The Speaker's Committee agreed our Supply Estimate (HC1385) was laid before the UK Parliament on 18 May 2023.

The Llywydd's Committee

The Llywydd's Committee discharges similar functions in relation to our financial accountability to the Senedd as the Speaker's Committee does for the UK Parliament.

Members of the Llywydd's Committee from 1 April 2022 – 31 March 2023 were:

- David Rees MS, Deputy Presiding Officer (Welsh Labour);
- Rhys ab Owen MS (Plaid Cymru)
- Llyr Gruffydd MS (Plaid Cymru)¹
- Janet Finch-Saunders MS, (Welsh Conservative Party)
- Peredur Owen Griffith MS (Chair of the Finance Committee)
- Joyce Watson MS (Welsh Labour)

¹ Replaced Rhys ab Owen in November 2022

The committee agreed our supply estimate included in the Annual Budget Motion 2023-24 which was laid before the Senedd in February 2023 and our supplementary estimate which was laid before the Senedd in March 2023.

Scottish Parliament Corporate Body

The Scottish Parliament Corporate Body oversees the operation of the Scottish Parliament and provides support to MSPs to enable them to carry out their parliamentary duties. It also funds a small number of parliamentary commissioners and related bodies, including the Electoral Commission's activities in relation to Scottish devolved elections. Its membership includes:

- Rt Hon Alison Johnstone Presiding Officer (Chair)
- Maggie Chapman MSP (Scottish Green Party)
- Jackson Carlaw MSP (Scottish Conservative and Unionist Party)
- Claire Baker MSP (Scottish Labour)
- Christine Grahame MSP (Scottish National Party)

The Committee agreed our supply estimate for 2022-23 in March 2022 and our supplementary estimate in November 2022.

Commission Board and leadership team

The Commission Board

The Commission Board meets on a regular basis to consider our strategic direction and objectives and to review our performance. All members of our Executive Team and other relevant staff attend the Board's formal meetings.

His Majesty the King appoints our Chair and Commissioners on the recommendation of the House of Commons. By custom, His Majesty normally appoints Commissioners for a period not exceeding four years in the first instance, with the possibility of re-appointments.

A Commissioner may cease to serve or be removed in accordance with the grounds set out in Schedule 1, paragraphs 3–5 of PPERA. Unless His Majesty reappoints the Commissioner before their period ends their appointment terminates at the end of the specified period. The Commissioner may also ask to terminate their appointment.



Over 2022/2023, we have been joined by two new Commissioners, Roseanna Cunningham and Chris Ruane. Lord (Stephen) Gilbert was re-appointed as a Commissioner in 2022. The terms of Alasdair Morgan and Joan Walley came to an end in 2022. The Board appointed an Independent Adviser on Equality, Diversity and Inclusion, Sal Naseem, to support the Board from September 2022.

The Chair works for two days each week. The other Commissioners spend an average of three days per month fulfilling their duties.

The table below shows the Commissioners who served during the year, with their terms in office indicated. The Speaker's Committee has started considering the re-appointment or recruitment to Commissioner roles, where the Commissioner resigned or where they are near the end of their current terms of office.

Commissioners serving in 2022/23

| Name | From | To |
|-------------------------------------|------------------|-------------------|
| John Pullinger CB | 1 May 2021 | 30 April 2025 |
| Alex Attwood | 1 February 2021 | 31 January 2024 |
| Alasdair Morgan | 12 May 2014 | 30 September 2022 |
| Rob Vincent CBE | 1 January 2016 | 31 December 2023 |
| Dame Susan Bruce | 1 January 2017 | 31 December 2023 |
| Professor Elan Closs Stephens DBE | 13 March 2017 | 12 March 2025 |
| Sarah Chambers | 31 March 2018 | 30 March 2026 |
| Dr Katy Radford MBE | 1 September 2021 | 31 August 2025 |
| Joan Walley | 1 November 2018 | 31 October 2022 |
| Lord (Stephen) Gilbert ² | 1 November 2018 | 31 October 2026 |
| Roseanna Cunningham | 1 October 2022 | 30 September 2026 |
| Chris Ruane | 1 November 2022 | 31 October 2026 |

² Baron Gilbert of Panteg (Lord (Stephen) Gilbert)

During the year, the Board delegated specific activities to the Audit and Risk Committee and the Remuneration and Human Resources Committee.

Audit and Risk Committee

The Audit and Risk Committee support the Accounting Officer in discharging their formal accountability responsibilities and provide assurance to the Board on the discharge of these responsibilities.

The Audit and Risk Committee offers objective advice and ensures that the most efficient, effective, and economic risk, control, and governance processes are in place. The Audit and Risk Committee also acts on behalf of the Board to provide them with assurance on these issues.

The Audit and Risk Committee reviews:

- the strategic processes for risk, control, and governance
- the planned activity and results within information governance and the Annual Assessment of Information Risk Management
- the Annual Governance Statement and recommend approval of the Statement by the Accounting Officer as appropriate
- the accounting policies and the annual accounts, including the process for review of the accounts before submission for audit; levels of error identified; and management's letter of representation to the NAO
- the plans and reports of the NAO and management responses to any proposals, as well as agreeing the strategic and annual internal audit plans
- assurances relating to our corporate governance requirements, including the approval of policies for whistleblowing, anti-fraud, anti-bribery policy, and authorising claims for expenses, with an opportunity to raise queries with the Board
- proposals for tendering for Internal Audit services, or for the purchase of non-audit services from contractors who provide audit services

The Audit and Risk Committee's focus is to review the risk and control of assurances it receives and the adequacy of assurance arrangements themselves.

The Audit and Risk Committee comprises three Commissioners appointed by the Board and is required to meet at least three times a year. The Board has also approved the appointment of an independent adviser to the Audit and Risk Committee, who is a suitably qualified independent person who has no connection with the Electoral Commission. The independent adviser has the right to attend any Commissioner meetings.

The Audit and Risk Committee shares meeting minutes with our Board and formally reports to them annually.

In 2022/23, the Audit and Risk Committee considered the annual accounts and supporting assurance work, the review of legislative compliance and received audit reports on our core financial systems.

Members of the Audit and Risk Committee normally serve for three years, unless a member ceases to be a Commissioner or asks to stand down. The Board may re-appoint them for a further period, normally not exceeding three years.

The Chair of the Audit and Risk Committee during the 2022/23 financial year was Dame Sue Bruce. The independent advisor to the Audit and Risk Committee is Paul Redfern.

The members of the Committee during the same period were:

- Dame Susan Bruce, Chair
- Professor Elan Closs Stephens DBE
- Lord (Stephen) Gilbert

Reviews of audit reports

The Audit and Risk Committee approved and monitored a programme of audit and reviews for 2022/23. The Committee reviews both external and internal audit reports, and monitors which recommendations staff accept and how they implement them. The Audit and Risk Committee also satisfies itself that there are valid reasons for rejecting recommendations.

The Audit and Risk Committee held five meetings in 2022/23. The internal and external auditors routinely attend all meetings, along with staff including the Chief Executive and the Director of Finance and Corporate Services. Going forward, the committee will be known as the Audit and Risk Assurance Committee.

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee comprises three Commissioners and meets at least three times a year.

It supports the Board and the Accounting Officer with their responsibilities for significant changes to staff terms and conditions, reviewing the remuneration policy of the Chief Executive, agreeing the annual negotiating remit for the staff pay award and setting the fee for the independent advisor of the Audit and Risk Committee.

The Committee also acts as an advisory group on the extent to which organisational development and human resource matters support the Board's strategic direction for our organisation.

Members serve for three years, unless a member ceases to be a Commissioner or asks to stand down. The Board may re-appoint them for a further period, normally not exceeding three years.

Remuneration and Human Resources Committee members during 2022/23 were:

- Rob Vincent CBE, Chair
- Joan Walley (until July 2022)
- Sarah Chambers
- Katy Radford MBE (from November 2022)

The Committee met four times and discussed our people strategy, pay, performance management, equality and diversity strategy,, and recruitment and retention risks, and staff survey results.

Review of Board and Committee performance during 2022/23

The Board's forward programme of meetings is aimed at engaging at a strategic rather than operational level, inviting effective input and challenge at an appropriate point. During the year, the Board focussed on the following activities:

- Reviewing the administration of the May 2022 elections
- Reviewing the implementation plans for the reforms introduced by the Elections Act 2022
- Considered the additional accountability arising from the new duty to have regard to a Strategy and Policy Statement designated by the Secretary of State, and submitted a response to the Government's consultation of a draft Statement
- Overseeing budget planning and development of the Main and Supplementary Estimates
- Reviewing public awareness plans for May 2023 elections and the introduction of Voter ID
- Consideration of the Independent Adviser's recommendations on EDI and ways in which the Board could support and improve in those areas

- Consideration of the Commission’s work on modernising elections, particularly on improving registration and voting, and increasing resilience and participation
- Reviewing performance standards for Returning Officers and Electoral Registration Officers
- Consideration of the revised draft Enforcement Policy for consultation
- Consideration of the Commission’s pay remit for 2022/2023
- Closure of the Political Finance Online Project

The Board had in-depth sessions on the following matters:

- Risk management
- Horizon scanning emerging trends and developments relevant to Commission activities

In addition to Board meetings, the Board held off-site events at Belfast and Chorley in 2022/2023. The Board was hosted by Queen’s University Belfast in October, and met with party candidates and the police to discuss candidate intimidation and met with several civil society groups.

The Board travelled to Chorley to meet with the Speaker of the House of Commons and met with local electoral administrators, councillors, and youth and disability groups.



At both events, the Board had academic presentations on research about voter participation from academics from Queen’s University and University of Liverpool.

The Audit and Risk Committee, as well as the Remuneration and Human Resources Committee, reviewed their work during the year and reported to the Board. They provided assurance that their duties were being effectively discharged.

The Board find the quality of data acceptable. The four main categories of data are:

- public opinion data derived from surveys by reputable, independent research agencies using transparent methods
- elections and registration data collected directly from EROs and ROs, including figures on postal voting and turnout
- accuracy and completeness data compiled using a well-developed and robust methodology of fieldwork by an independent research agency

- financial data provided to the executive team, extracted from the main general ledger and analysed into management reports; the Board obtains assurance through our financial controls, which are subject to regular management scrutiny and internal and external audit

The table below shows Board and Committee meeting attendance during 2022/23 (the maximum possible attendance is in brackets).

Board and Committee attendance 2022/23

| Name | Commission Board | Audit and Risk Committee | Remuneration and Human Resources Committee |
|-----------------------------------|------------------|--------------------------|--|
| John Pullinger CB (Chair) | 10/(10) | - | - |
| Dame Susan Bruce | 9/(10) | 5/(5) | - |
| Alex Attwood | 10/(10) | - | - |
| Sarah Chambers | 10/(10) | - | 4/(4) |
| Professor Elan Closs Stephens DBE | 9/(10) | 5/(5) | - |
| Lord (Stephen) Gilbert | 10/(10) | 5/(5) | - |
| Alasdair Morgan | 5/(5) | 3/(3) | - |
| Dr Katy Radford MBE | 10/(10) | - | 2/(2) |
| Rob Vincent CBE | 10/(10) | - | 4/(4) |
| Joan Walley | 6/(6) | - | 2/(2) |
| Roseanna Cunningham | 5/(5) | - | - |
| Chris Ruane | 4/(4) | - | - |

Chief Executive

The Chief Executive is responsible for our organisation overall, including management and staffing and for financial, conduct and discipline matters. Shaun McNally was appointed as the new Chief Executive on 1 April 2022.

Executive Team

Our Executive Committee, which comprises the Chief Executive, Directors and some members of the Senior Leadership team, meets formally once a month to manage the delivery of the organisation's objectives in line with the strategic direction set by our Board. They address ongoing issues and risks in the process. The Executive Team, which comprises the Chief Executive and Directors, meets weekly to discuss current issues and coordinate required activities.

The Directors have delegated authority for day-to-day management with the Chief Executive. These delegations are formally set, recorded, and reviewed on an annual basis.

The Executive Team receives monthly reports on performance, finance and risk management across the organisation and on progress with key projects and initiatives. As well as frequent informal discussions, the Chief Executive meets each member of the Executive Team at least once a month to review and challenge operational and financial performance.

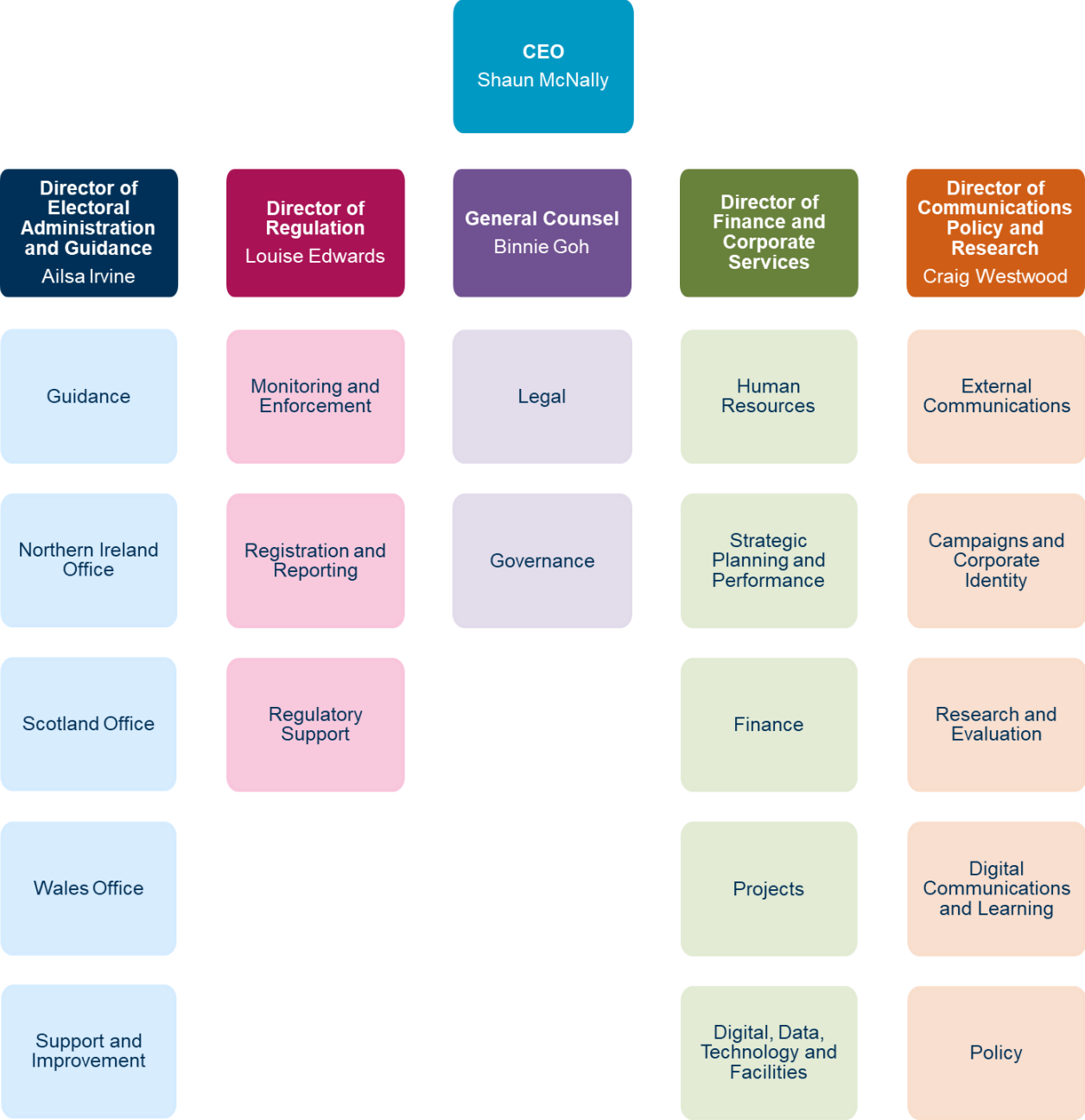
Members of the Executive Team during 2022/23 were:

- Chief Executive and Accounting Officer: Shaun McNally
- Director of Finance and Corporate Services: Kieran Rix
- Director of Regulation: Louise Edwards
- Director of Communications, Policy and Research: Craig Westwood
- Director of Electoral Administration and Guidance: Ailsa Irvine

The General Counsel also attends meetings of the Executive Committee and Executive Team, as well as Board meetings.

Kieran Rix left the organisation on 30 April 2023 and an interim Finance Director, David Moran, has been appointed with effect from 24 April 2023 whilst recruitment for a replacement is considered.

Organisational structure as at 31 March 2023



Risk management, internal control and assurance

We maintain and review the effectiveness of our control framework through the arrangements below.

Corporate governance

The Board reviews our corporate governance framework annually, ensuring that we adopt best practice. The Legal and Governance team are responsible for the operation of the scheme of corporate governance, to ensure we give full effect to the principles of the framework.

Risk management

We have designed our risk management processes to:

- maintain a clear framework across the organisation within which threats and opportunities are identified, assessed, managed and regularly reviewed in line with the organisations guidance on risk appetite
- assign specific responsibility for managing risks in their areas of responsibility to individual Executive Team members (including managing risks to significant projects)
- ensure that the likelihood 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
- provide the Chief Executive, the Audit and Risk Committee and the Board with assurance that the risks are being managed appropriately

We identify and evaluate risks by:

- taking all key decisions following consideration of risks and associated mitigations, which are separately identified in papers for the Board and those taking delegated decisions
- the Executive Team considering whether new risks should be added to the organisational risk register, and whether the existing risks' profiles need to be changed, as part of their quarterly review of risk

- the Executive Team completing a full and comprehensive review of risk at the start of each year, to ensure that the organisational risk register captures risk to the delivery of goals in our Corporate Plan
- presenting a full risk report to each meeting of the Audit and Risk Committee and also annually to the Board
- managers and staff identifying risks in their projects or areas of work
- identifying risk through our planning process, audit, review of operations and training activities
- assigning owners to risks who formally review their likelihood, potential impact and the mitigations in place each quarter and reviewed by the Audit and Risk Committee.

The strategic risks we monitored and managed in 2022/23 were:

Disruption from political events

There are several potential causes of this risk including lack of preparation for unexpected electoral events, and/or new laws or regulations, which negatively impact on our performance, although this did not crystallise in 2022/23. The potential impacts of this risk occurring could be but are not limited to:

- Damage to reputation
- Breach of financial or other rules resulting in significant financial fines and/or other action
- Loss of support from the parliamentary funders, financial or otherwise
- Planned benefits for voters or the Commission corporately are not realised
- Key corporate systems are unavailable or underperform

The key mitigating activities undertaken were:

- Review of contingency plans completed
- Campaign monitoring strategy in place for future polls was updated in the lead up to a general election to integrate any required changes.
- Events delivery steering group provided an oversight to our electoral events work, including ensuring robust contingency planning for scheduled and unscheduled electoral events.
- Supported the delivery of the May 2022 polls, including scenario planning to ensure their safe delivery in the context of the coronavirus pandemic

Failure to support delivery of well-run polls

There are several potential causes of this risk including provision of unclear guidance or inadequate information for voters on election processes, although this did not crystallise in 2022/23. The potential impacts of this risk occurring could be but are not limited to:

- Guidance produced by the Commission is incorrect or misinterpreted
- Guidance is not delivered as quickly as stakeholders would like
- Support for the Commission amongst electoral community is negatively affected
- Reduction in trust and confidence in the running of elections, and Commission suffers reputational damage
- Delays in the registration of new parties close to polls
- Information is not available to voters, campaigners or electoral administrators
- Commission staff are not able to give consistent and timely advice
- Commission does not have the resources to adequately monitor campaigns and potential breaches, particularly social media

The key mitigating activities undertaken were:

- Events Delivery Steering Group met regularly to review, monitor and mitigate risks and issues related to the May polls
- Robust approval arrangements maintained for approving party registration applications
- Effective approach developed and implemented for supporting and challenging local authorities to deliver successful polls
- Wide but targeted consultation carried out on core guidance
- Robust back up and disaster recovery plans established
- Review of contingency planning completed

Failure of political finance regulation

There are several potential causes of this risk including that the Commission fails, or is perceived to fail, to execute its regulatory function properly or effectively. The potential impacts of this risk occurring could be but are not limited to:

- Reduced public confidence in the funding and campaigning of political parties and non-party campaigners
- Commission is not seen as fair and transparent, or is perceived as biased
- Commission is seen as ineffective in relation to regulation of political finance
- Commission is unable to regulate effectively
- Campaigners are unclear on the current law and on changes made as a result of the Elections Bill

The key mitigating activities undertaken were:

- Regulation and Legal teams are adequately resourced
- Compliance checking and publication of donation and loans returns and Statements of Accounts
- Full reports in high impact cases
- All procedures are documented in the Quality Management System
- Publication of individual case decisions
- Published guidance and resources for candidates and agents for elections in May 24
- Robust quality management processes

Failure of financial and commercial management

There are several potential causes of this risk including mismanagement of our budget or commercial relationships. The potential impacts of this risk occurring could be but are not limited to:

- Poor value for money
- Commission is seen as inefficient
- Our accounts could be qualified as failed to follow Managing Public Money (MPM) guidelines
- Commission fails to meet business requirements or its objectives

The key mitigating activities undertaken were:

- Delivery of Annual Report and Accounts (performance section)

- Completed and laid the Vote on Account 2022/23
- Completed the Main and the Supplementary Estimate 2023/24
- Completion and submission of our budgets
- Application of the Commission procurement policy
- Commenced a project to implement our Finance Improvement Plan

Insufficient staff resources, skills or diversity

There are several potential causes of this risk including understaffing or a lack of skills or diversity. The potential impacts of this risk occurring could be but are not limited to:

The potential impacts of this risk occurring could be but are not limited to:

- Damage to reputation
- Reduced quality of service to public
- Inadequate staffing levels lead to a failure to meet business requirements or objectives
- staff working in other areas diverted to cover the public information function
- Reduced capacity to provide advice and maintain stakeholder networks
- Commission is seen as inefficient

The key mitigating activities undertaken were:

- Recruitment via employment agencies to fill staffing gaps
- Supported workforce learning and development via provision of various external training courses
- Equality, Diversity and Inclusion staff group met regularly
- Diversity campaign events delivered
- Advocate for equality, diversity and inclusion
- Commenced a project to implement our People Strategy

Failure of technology

There are several potential causes of this risk including technical issues that disrupt the accomplishment of our work. The potential impacts of this risk occurring could be but are not limited to:

- Damage to reputation
- Commission staff unable to undertake or progress work
- Loss of access to information
- Information security breach
- Commission unable to provide guidance and support to regulatory community
- The Commission is criticised for not carrying out its functions.

The key mitigating activities undertaken were:

- Worked toward business continuity
- Maintained and improved web functionality and content
- Cyber security testing & compliance
- Delivered a project to implement our Technology Modernisation Plan to modernise the Commission's technical infrastructure by upgrading and moving it to an externally managed, cloud based service
- Commenced a project to upgrade SharePoint upgrade SharePoint Online and redesign our intranet



Key incident: complex cyber-attack in 2022/23

During 2022/23 the Electoral Commission was subject to a complex cyber-attack. The incident was identified in October 2022 after suspicious activity was detected. We worked with external security experts and the National Cyber Security Centre to investigate and secure our systems. We also reported the incident to the Information Commissioner's Office (ICO) within 72 hours of identifying the breach.

At the time of the cyber-attack, the Commission held electoral registers for Great Britain from 2014 to 2022 and for Northern Ireland for 2018. This means that the following data was accessible:

- the name and address of anyone in Great Britain who was registered to vote between 2014 and 2022

- the names of those registered as overseas voters between 2014 and 2018
- the names and addresses of anyone who was registered in Northern Ireland in 2018

The registers did not include the details of those registered anonymously.

Also accessible were any details provided to us via email or through online contact forms.

We issued a public notification regarding the cyber-attack on 8 August 2023. The ICO is currently investigating the incident.

We have learned lessons from this incident that have enabled us to make improvements to the security, resilience, and reliability of the Commission's IT systems.

We regret that sufficient protections were not in place to prevent this cyber-attack.

Since identifying it we have taken significant steps, with the support of specialists, to improve the security, resilience, and reliability of our IT systems. This includes; taking steps to secure our systems against future attacks, improving protections around personal data, strengthening network login requirements, improving monitoring and alert systems and updating firewall policies.

We have worked with the National Cyber Security Centre (NCSC) from the outset. We commissioned NCSC-recommended experts to identify the cause of the incident and support us to end the attack. The investigation and its findings presented clear recommendations, which the Commission has implemented.

Key decision: cessation of Technology Project

During the year, there was a review of the Public Finance Online project. This review concluded that the technology project was no longer likely to deliver the required value for money and the decision was taken to cease the project resulting in an impairment of £1,779,250.

This decision is in line with our obligations under Managing Public Money, since the best value for money and most feasible option for delivery was to cease work on the existing project and consider different technological and project approaches to delivery using our existing user stories.

See also fruitless payments on page 126.

Failure of stakeholder relationships

There are several potential causes of this risk including poor engagement with stakeholders or not meeting stakeholders needs. The potential impacts of this risk occurring could be but are not limited to:

- Reputational damage
- Damages stakeholder relations
- Reach and impact of Commission's work is restricted
- Reach of work with under-registered groups restricted

The key mitigating activities undertaken were:

- Built new and develop existing under-registered groups partnerships
- Build partnerships with education partners and produced education resources for young people
- Deliver voter communications for the May 2023 elections
- Communicated the electoral changes enacted by the Elections Bill

Damage to physical assets

There are several potential causes of this risk including ineffective or inefficient safety management. The potential impacts of this risk occurring could be but are not limited to:

- Commission is unable to meet business needs
- Non-compliance with health and safety at work causing harm and suffering to employees, contractors, service users or the public
- Data breach or loss
- Damage to reputation

The key mitigating activities undertaken were:

- Planned physical security risk assessments
- Security advice provided on our intranet
- Information management and security policies in place
- Health and safety policies and guides available on intranet
- Mental Health First Aiders programme

Inadequate procedures

There are several potential causes of this risk including failure to update or manage procedures to ensure they are sufficient and effective to avoid disruption to Commission's work, although this did not crystallise in 2022/23. The potential impacts of this risk occurring could be but are not limited to:

- Damage to Commission operations and reputation
- Stakeholder needs are not met
- Inadequate assurance and inadequate control of projects, leading to issues with costs, timeliness and deliverables
- Impaired customer service (quality and/or quantity of service)
- Breach of our public sector equality duties
- Errors in work produced by team which are carried over into external publications

The key mitigating activities undertaken were:

- Corporate planning processes adjusted
- Created new legal processes for recovering litigation costs and unpaid penalties
- Provide support and guidance for projects
- Robust quality assurance processes
- Thorough planning and project management

Damage to reputation

There are several potential causes of this risk including alleged bias, poor performance or lack of proactivity. The potential impacts of this risk occurring could be but are not limited to:

- Destruction of trust and stakeholder relations
- Negative media coverage
- Potential litigation
- Allegations of bias
- Undermining of Commission decision

The key mitigating activities undertaken were:

- Reviewed and updated Commission Board pages on external website
- Maintained the complaints function
- Completed Equality Impact Assessments

See also 'Failure of technology – Key incident: complex cyber-attack in 2022/23' on page 89.

Failure to comply with law

There are several potential causes of this risk including failure to comply with UK and the four nations' laws and regulation, although this did not crystallise in 2022/23. The potential impacts of this risk occurring could be but are not limited to:

- Commission could be sanctioned, and stakeholders could raise concerns about non-compliance
- Damage to reputation
- Potential litigation
- Negative media coverage
- Breach of our public sector equality duties
- loss of credibility



Operational risks reflect the strategic risks identified above and operational risk management contributes to mitigating those risks. Operational risks are managed day-to-day through established processes, line management and review, and through management reporting.

In particular, we use quality management and review processes to provide assurance that our regulatory activity complies with legal and other requirements, and to ensure we commence, conduct and conclude our investigations properly. These processes include separation between investigators and decision-makers. Legal advice and review is included in the process at all relevant stages in the process.

The management processes, risk reviews and mitigations put in place for 2022/23 have assured the Accounting Officer that we have maintained an appropriate risk management regime.

New operational risks for 2023-24 agreed and signed off by Directors. In addition, new strategic risks have been agreed to replace the current set. Strategic risks assessment will

be more dynamic taking into consideration risk appetite and monthly analysis of how the underlying very high and high operational risks relate to the assessment of strategic risks.

External audit

The Comptroller and Auditor General is the head of the National Audit Office and our external auditor, as set out under Schedule 1 of PPERA. The NAO did not provide any non-audit services in 2022/23.

The National Audit Office provides management letters, planning, update and completion reports as part of the statutory audit process that also informs the Accounting Officer of observations made.

Internal audit

Our internal auditors in 2022/23 were RSM UK.

RSM completed audits in accordance with their methodology, which aligns with the Public Sector Internal Audit Standards. Their reports offer an independent opinion on the adequacy and effectiveness of our control systems. Our Audit and Risk Committee approved the agreed risk-based audit programme.

RSM completed nine internal audit reports:

- Website management (performance and design)*
- Electoral fraud monitoring*
- Quality Assurance
- Follow- Up 21/22*
- Governance
- Electoral Registration Officer (ERO) Performance
- Annual Tracker Survey Review
- Core Financial Controls 22/23
- Follow- Up 22/23

*Audits planned for 2021/22 but concluded in 2022/23

The remaining report will continue into 2023/24:

- IT Strategy & Infrastructure

For each of the ten completed audits, the internal auditors provided a report that included their key findings, an indication of the level of assurance from their findings and recommendations for action to strengthen any control weaknesses. The Audit and Risk Assurance Committee monitors how we implement report recommendations. The Audit Opinion considered our governance, risk management and internal control arrangements as substantial in their overall adequacy and effectiveness. The Core Financial Controls audit for 2022/23 was considered Reasonable Assurance, with controls broadly in place as operating as intended.

Policy development grants

We provide policy development grants to qualifying political parties, as outlined at note 3 to the accounts. We maintain control over grant payments through a comprehensive claim and review process. All parties submitted expenditure returns resulting in payments of £1,991,268 with no issues identified.

Information governance

Our management of information risk is an ongoing process. We inform and measure our approach against the Lord Chancellor's Code of Practice on the management of records, the Cabinet Office's Security Policy Framework (SPF), Govs007: Security and the Cyber Essentials Standard for Information Security.

The Audit and Risk Committee oversees our approach to managing information risk. Executive responsibility lies with the Director of Regulation and Digital Transformation in their role as Senior Information Risk Owner (SIRO).

Consistent with Cabinet Office guidelines, the Audit and Risk Committee and Chief Executive receive an annual report of information risk management from the SIRO.

For 2022/23, the focus of technical upgrade of systems from on premise to the cloud, migration and improving technical control measures. Cyber Essentials Accreditation will be applied for in 2023/24. The report focused on the improvements, covered risk management, transparency, incident management and procedures to ensure continuing awareness of risks and responsibilities.

The Audit and Risk Committee and Chief Executive considered and were satisfied with the SIRO assessment of the effectiveness of overall information risk management including assessment against relevant guidance and frameworks.

Personal data related incidents

In 2022/23 there were six personal data incidents including one physical device stolen from the organisation, and the identification of a cyber-attack that included compromise of a number of Commission servers and data held by the Commission. This incident was reported to the Information Commissioner's Office, which continues to examine it.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the control environment. In completing this review, I consider:

- the work of managers who have responsibility for developing and maintaining the control framework
- the work of the internal auditors
- comments made by our external auditors in their reports to those charged with the governance of our organisation

The Audit and Risk Committee advises me on the effectiveness of my control systems. I am satisfied that the annual assessment of information risk, as received by the Audit and Risk Committee, highlighted no areas of undue concern. The Audit and Risk Committee confirmed the assessment of the effectiveness of overall information risk management, including assessment against relevant guidance and frameworks.

During 2022/23, the Board implemented the agreed actions from the previous Board effectiveness review and internal audit on governance. The Board reviewed its performance and effectiveness in January 2023. No undue concerns were raised by this review.

There was a sophisticated cyber-attack with an interest on electoral process in 2022. This has been thoroughly investigated and mitigations are in place. Other than this incident, I am satisfied that no significant control weaknesses were identified during the year. There are no remaining control weaknesses considered sufficient to introduce significant risks to our policies, aims and objectives, or material errors in our financial statements. I am also satisfied that the weaknesses that were identified have been, or are being, addressed through appropriate action.

The review of effectiveness includes consideration of our whistleblowing policy. This provides employees and workers with alternative routes to disclose malpractice, illegal acts or concerns about wrong doings. There were no instances of whistleblowing during 2022/23 and I am satisfied sufficient controls are in place.

I am satisfied that the control weaknesses identified throughout the year have been carefully addressed to mitigate any potential risks to our policies, aims, and objectives, as well as to prevent any material errors in our financial statements. While we have taken focused steps to rectify these issues, it's important to acknowledge that there have been challenges, including fundamental concerns with our accounting system and the need for significant impairments. These challenges have prompted us to intensify our efforts towards improvement in these specific areas. We are committed to fostering a proactive

approach to ensure the ongoing enhancement of our controls and procedures, building a stronger foundation for the future.

- Leadership is articulated in a clear vision from the Chair, Board and Executive Team, monthly meetings contribute to achieving our goals, including our risk appetite.
- Effectiveness is met through the Audit and Risk Committee, regular meetings are throughout the year with an independent adviser present.
- Accountability, the Electoral Commission prides itself on promoting transparency throughout its work and reporting.
- Sustainability, the Electoral Commission produces a 5 year Corporate Plan which maps out our long-term goals and plans.

Remuneration and staff report

Chair and Commissioners remuneration

Commissioners are appointed by Royal Warrant to exercise their functions as described in PPERA. John Pullinger was appointed as Chair of Commissioners on 1 May 2021.

The House of Commons has resolved that fees for the Commissioners shall increase on 1 April each year, by the percentage increase paid for High Court judges in that year. In accordance with this arrangement, fees increased by 3%.

The Chair's salary and Commissioners' fees are paid out of the Consolidated Fund, as may be specified in a resolution of the House of Commons. The fee for each day worked in the period 1 April 2022 to 31 March 2023 increased to £410 (2021/22: £398).

Commissioners are paid in arrears based on the actual days worked and on submission of claims from the Commissioners. The table below presents the fee payments each Commissioner received on a cash-basis to match the funding from the Consolidated Fund during the 2022/23 financial year. The salary for the Chair of the Commissioners is also included. The House of Commons provides for Commissioner pensions in a resolution.

Salary and fee payments to Commissioners in 2022/23 (Subject to audit)

| Name | 2022/23 £ | 2021/22 £ |
|---|--------------|--------------|
| John Pullinger CB (Chair from 01/05/2021) | 80,916 | 73,785 |
| Dame Susan Bruce ³ | 9,859 | 23,802 |
| Alex Attwood | 13,604 | 13,860 |
| Sarah Chambers | 7,167 | 7,374 |
| Professor Elan Closs Stephens DBE | 12,373 | 15,988 |
| Dr Katy Radford MBE ³ | 13,053 | 3,998 |
| Alasdair Morgan (until 30 September 2022) | 4,945 | 8,935 |
| Joan Walley (until 31 October 2022) | 8,692 | 7,913 |
| Rob Vincent CBE | 7,778 | 8,819 |
| Lord (Stephen) Gilbert | 9,373 | 7,998 |
| Roseanna Cunningham (from 1 October 2022) | 5,104 | 0 |
| Chris Ruane (from 1 November 2022) | 4,651 | 0 |

All figures shown above are inclusive of Employers' National Insurance to match funding from Consolidated Fund. The increase in fees are not reflected in the figures payable above.

The remuneration for the independent adviser to the audit and risk committee, as set by the Remuneration and Human Resources Committee, is the same as the daily rate for Commissioners.

³ Fees paid for Dame Susan Bruce for 2020/21 were paid in April 2021 and therefore shown in the above table. Fees for Dr Katy Redford MBE for 2021/22 were paid in April 2022.

Our independent advisers, Paul Redfern and Sal Naseem received £3,488 and £5,373 respectively, for their roles in respect of 2022/23 (2021/22: Paul Redfern £2,388, Sal Naseem £nil). Reasonable travel and subsistence expenses actually incurred are paid in accordance with our travel and subsistence policy. No pension arrangements are in force for these roles.

Business expenses: travel and accommodation (subject to audit)

| Name | 2022/23 £ | 2021/22 £ |
|---|--------------|--------------|
| John Pullinger CB (Chair) | 3,033 | 260 |
| Dame Susan Bruce | 1,225 | 0 |
| Alex Attwood | 4,338 | 1,420 |
| Sarah Chambers | 588 | 0 |
| Professor Elan Closs Stephens DBE | 990 | 0 |
| Dr Katy Radford MBE | 3,741 | 1,070 |
| Alasdair Morgan (until 30 September 2022) | 1,511 | 665 |
| Rob Vincent CBE | 1,362 | 346 |
| Joan Walley (until 31 October 2022) | 1,219 | 0 |
| Lord (Stephen) Gilbert | 776 | 0 |
| Roseanna Cunningham (from 1 October 2022) | 1,703 | 0 |
| Chris Ruane (from 1 November 2022) | 1,032 | 0 |

Reimbursed business expenses are non-taxable and do not form part of any benefits in kind payment.

Chief Executive and Executive Team remuneration

The Remuneration and Human Resources Committee is responsible for advising the Board on the remuneration of the Chief Executive and agreeing the annual negotiating remit for staff pay awards (including the Executive Team). Details of the Committee's responsibilities and membership are in the governance report.

We are not part of the Civil Service and therefore not bound by the Civil Service pay guidance. However, Schedule 1 of PPERA requires that we shall have regard to the desirability of keeping staff terms and conditions of employment broadly in line with those of the Civil Service. The Remuneration and Human Resources Committee also takes account of wider economic considerations and the affordability of their recommendations.

Chief Executive and director remuneration is funded through the Supply Estimate and accounted for in the resource accounts.

The people covered by this report hold appointments which are open-ended (except for the Chief Executive), although staff have the option to retire and draw pension from the age of 60 or 65 dependent on their particular pension scheme rules. Early termination with qualifying service, other than for misconduct, would normally result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Remuneration (including salary, benefits in kind and pensions)

Single total figure or remuneration (Subject to audit)

| Directors | Salary £000s | | Benefits in kind (to nearest £100) | | Pension benefits ⁴ (to nearest £1000) | | Total £000 | |
|---|-----------------|---------|--|---------|---|---------|---------------|---------|
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| Shaun McNally* Chief Executive (started 01/04/2022) | 165-170 | 0 | 100 | 0 | 25 | 0 | 190-195 | 0 |
| Bob Posner Chief Executive (to 31/3/2022) | 0 | 160-165 | 0 | 300 | 0 | 16 | 0 | 175-180 |
| Kieran Rix⁵ Director of Finance and Corporate Services | 100-105 | 100-105 | 100 | 300 | 16 | 27 | 115-120 | 130-135 |

⁴ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

⁵ Kieran Rix left the Electoral Commission on 30 April 2023 and received a compensation payment. This payment was agreed and paid in 2023/24 and is therefore not reflected in the 2022/23 remuneration. Further details under Compensation on early retirement or for loss of office, page 109

| | | | | | | | | |
|---|---------|---------|-----|-----|----|----|---------|---------|
| Ailsa Irvine | 100-105 | 100-105 | 100 | 300 | 18 | 28 | 120-125 | 130-135 |
| Director of Electoral Administration and Guidance | | | | | | | | |
| Craig Westwood | 100-105 | 100-105 | 100 | 300 | 23 | 31 | 130-135 | 135-140 |
| Director of Communication, Policy and Research | | | | | | | | |
| Louise Edwards | 100-105 | 100-105 | 100 | 300 | 38 | 39 | 140-145 | 140-145 |
| Director of Regulation | | | | | | | | |

*Shaun McNally is not part of the Civil Service pension scheme therefore the data above is the Commission's contributions paid into the partnership pension.

Salary

Salary includes gross salary, overtime, London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Electoral Commission and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Commission and treated by HM Revenue and Customs as a taxable emolument. Executive Team members' benefits in kind include Benenden Healthcare membership, for which we also make a payment to HMRC. The value of these benefits for each Executive Team member for 2022/23 was £142 (2021/22 was £273). All staff receive these benefits.

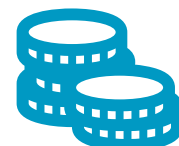
Instant thank you rewards

The Electoral Commission no longer pays bonuses based on a performance appraisal process. Instead, since 2020-21 employees below Executive Team level are eligible to be nominated for an 'instant thank you' reward of between £25 and £500.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos, and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 were switched into alpha sometime between 1 June 2015 and 1 February 2022. From 1 April 2022 all members were moved to the alpha scheme regardless of how near they were to their normal pension age. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).



Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos, and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may

opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider - Legal and General. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement £21,486).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including

the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

For 2022/23, employer's contributions of £2,166,278 were payable to the Schemes (2021/22; £2,001,505) at one of four rates in the range 26.6% to 30.3% (2020/21; 26.6% and 30.3%) of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they accrue, not the costs as they are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £25,576 (2021/22; £730) were paid to an appointed stakeholder pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,633 being 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the Statement of Financial Position date was nil. Contributions prepaid at that date were nil.

We did not pay any pension contributions to Commissioners during the period. However, we are required to pay pensions to certain former Commissioners of the Local Government Commission for England (LGCE). The total provision for these costs have reduced to £126k at 31 March 2023 (£160k at 31 March 2022).

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Pension information for directors (£000) (Subject to audit)

| Directors | Accrued pension at pension age as at 31/3/23 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/3/23 | CETV at 31/3/22 | Real increase in CETV |
|--|---|--|-----------------|-----------------|-----------------------|
| Shaun McNally Chief Executive | N/A | N/A | N/A | N/A | N/A |
| Bob Posner Chief Executive | 0 | 0 | 0 | 698 | 0 |
| Kieran Rix Director of Finance and Corporate Services | 35-40 | 0-2.5 | 576 | 512 | 0 |
| Ailsa Irvine Director of Electoral Administration and Guidance | 35-40 | 0-2.5 | 468 | 419 | -1 ⁶ |
| Craig Westwood Director of Communication, Policy and Research | 30-35 | 0-2.5 | 444 | 393 | 5 |
| Louise Edwards Director of Regulation | 20-25 | 0-2.5 | 223 | 187 | 14 |

Notes

- Shaun McNally is not part of the Civil Service pension scheme, therefore no data is available. The Commission pays a contribution into a partnership pension, this is noted in the Remuneration table of page 103.
- CETV is the Cash Equivalent Transfer Value.
- The accrued pension quoted in the table above is the pension the member is entitled to receive when he or she reaches 60 for 'Classic', 'Classic Plus' and 'Premium'

pension schemes, 65 for the 'Nuvos' pension scheme, and at state pension age (or 65 if later) for the 'Alpha' pension scheme

Compensation on early retirement or for loss of office (Subject to audit)

There were no payments made during 2022/23 for early retirement or for loss of office (2021/22 £0).

On 30 April 2023, Kieran Rix left under severance terms which were agreed in the 2023/24 financial year. This includes a compensation payment of £47k and payment in lieu of notice of £33k.

Fair pay disclosure (to nearest £1000) (Subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

| | 2022/23 | 2021/22 | Changes % |
|---|---------|---------|-----------|
| Highest paid Director | 165-170 | 160-165 | 4.0% |
| Average percentage change from the previous financial year of salary and allowances (all other staff) | | | 4.6% |
| Upper quartile remuneration (all other staff) | 53 | 52 | 2.1% |
| Median remuneration (all other staff) | 43 | 41 | 5.4% |
| Lower quartile remuneration (all other staff) | 34 | 32 | 6.2% |
| Ratio (upper quartile)* | 3.2 | 3.1 | |
| Ratio (median) | 3.9 | 4.0 | |
| Ratio (lower quartile)* | 4.9 | 5 | |

*Upper and Lower quartile were presented in the wrong order in 2021/22 and have been restated to 1 decimal place.

⁶ Taking account of inflation, the CETV funded by the employer has decreased in real terms.

The banded remuneration of the highest-paid director in The Electoral Commission in the financial year 2022/23 was £165k-170k (2021/22, £160k-165k). This was 4 times the median remuneration of the workforce, which was £43k (2021/22, £41k).

Our staff turnover for 2022/23 was 21% (unaudited). This is based on our average headcount and leavers for that period, and remains unchanged from 2021/22.

In 2022/23 and 2021/22, no employee received remuneration in excess of that of the highest-paid director. Remuneration rates for staff other than the highest paid director (based on full-time equivalent rates) ranged from £25-30k to £105-110k (2021/22: £20-25k to £100-105k).

Total remuneration includes salary and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The remuneration of the highest paid Director was increased by 4% during 2022/23, which was consistent with all other staff apart from those on the lowest salary. All staff are now paid £15.00 per hour as a minimum, this was applied to the lowest paid staff. The remuneration report shows highest paid director information.

Staff report

Staff composition

The number of directors employed during the period was six, of which one was a fixed term appointment (four of whom were male and two female).

The number of Commissioners and staff in post and appointed during the year was as follows:

| | Female | Male | Totals |
|--|------------|-----------|------------|
| Chair and Board* | 5 | 6 | 11 |
| Directors/Heads (permanent staff) | 14 | 11 | 25 |
| Directors/Heads (temporary/fixed term staff) | 0 | 1 | 1 |
| Other staff (permanent) | 86 | 61 | 147 |
| Other staff (temporary/fixed term) | 7 | 5 | 12 |
| Contract/Agency | 9 | 8 | 17 |
| Total | 121 | 92 | 213 |

*includes an independent adviser for equality, diversity and inclusion

Staff costs (to nearest £000) (Subject to audit)

| | Permanently employed staff | Others | 2022/23 Total | 2021/22 Total |
|-------------------------|----------------------------------|------------|------------------|------------------|
| Wages and salaries | 8,547 | 261 | 8,808 | 7,890 |
| Social security costs | 1,037 | | 1,037 | 870 |
| Other pension costs | 2,192 | | 2,192 | 2,002 |
| Total net costs* | 11,776 | 261 | 12,037 | 10,762 |

*In 2022/23 there was an additional £166k of staff costs capitalised for the build of the Political Finance Online system (2021/22 £376k)

Average number of persons employed (Subject to audit)

During 2022/23, the average number of full-time equivalent persons (FTE) employed was 169 (2021/22: 155). In addition, there was an average of 11 FTE (2021/22: 14 temporary staff covering established posts or staff working on projects outside the establishment.

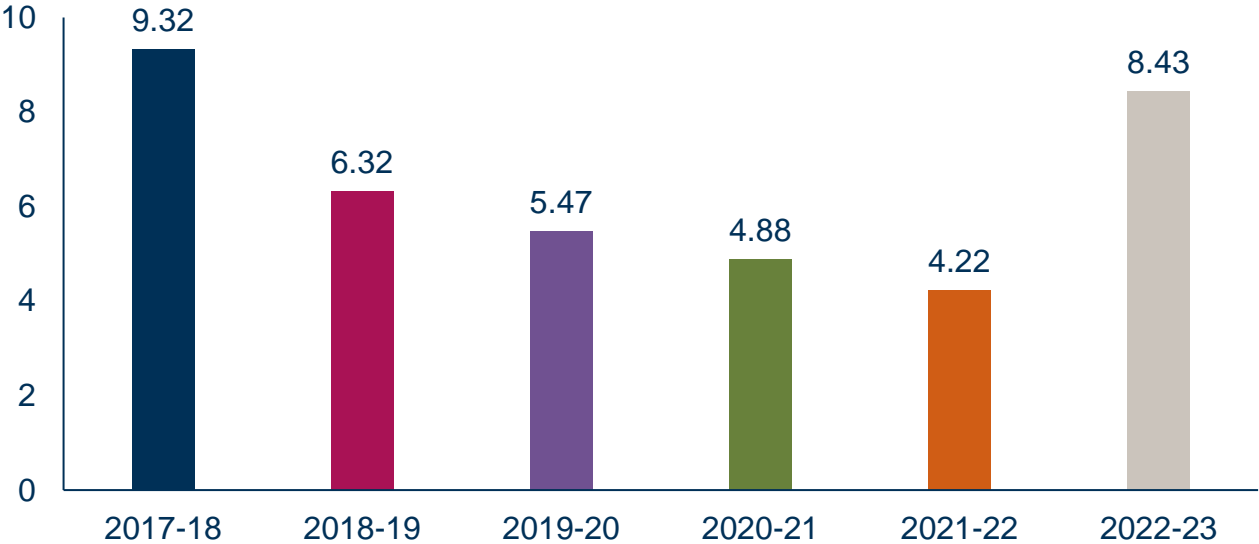
| | 2022/23 | 2021/22 |
|---|------------|------------|
| Full time equivalent - Permanently employed staff | 169 | 155 |
| Temporary staff | 11 | 14 |
| Total | 180 | 169 |

Sickness absence

In 2022/23, the average number of day's sickness absence was 8.43 per person compared to 4.22 per employee in the previous year. This shows an increase in absences compared to previous years.

The human resources function will continue to focus on supporting managers in the management of both short and long-term absence in 2022/23, including ensuring all staff have an effective return to work discussion with their line manager upon return, and effective monitoring and support during long-term absence. In addition, managers are being provided with regular reports on absence levels within their teams to enable them to intervene at the earliest opportunity to support employee health and wellbeing. We are committed to the health and wellbeing of all staff and promote a balanced lifestyle, including a corporate membership with Benenden Healthcare. There is a comprehensive sickness absence policy and guidance for managers on dealing with staff absence.

Average sickness absence rate per employee



Staff policies

We applied staff policies consistently during the year when we considered applications for employment and recruiting staff. We ask all applicants to provide equality monitoring data, which is withheld from the panel, and we therefore shortlist candidates based on their skills and experience relevant to the role.

Staff who declare a disability or become disabled in line with the definition of the Equality Act 2010, are given the opportunity to request reasonable adjustments should they be required. Occupational Health may be consulted to make recommendations and health and safety risk assessments are carried out. Flexible working will also be considered as part of reasonable adjustments. Training is provided, as required, to all staff in the required format.

Expenditure on consultancy

Expenditure on consultancy is £361k for 2022/23 (2021/22: £245k).

Off-payroll engagements

There were 1 off-payroll engagements during the financial year 2022/23 (2021/22: 4). These were for short-term specialist roles within the Commission. All roles were paid over £245 per day.

Temporary off-payroll worker engagements as at 31 March 2023

| | |
|--|---|
| No. of existing engagements as of 31 March 2023 | 1 |
| Of which... | |
| No. that have existed for less than one year at time of reporting. | 1 |
| No. that have existed for between one and two years at time of reporting. | 0 |
| No. that have existed for between two and three years at time of reporting. | 0 |
| No. that have existed for between three and four years at time of reporting. | 0 |
| No. that have existed for four or more years at time of reporting. | 0 |

All temporary off-payroll workers engaged at any point during the year ended 31 March 2023.

| | |
|--|---|
| No. of off-payroll workers engaged during the year ended 31 March 2023 | 1 |
| Of which... | |
| No. determined as in-scope of IR35 | 0 |
| No. determined as out-of-scope of IR35 | 1 |
| No. of engagements reassessed for compliance or assurance purposes during the year | 1 |
| Of which: no. of engagements that saw a change to IR35 status following review | 0 |

| | |
|--|---|
| No. of engagements where the status was disputed under provisions in the off-payroll legislation | 0 |
|--|---|

| | |
|---|---|
| Of which: no. of engagements that saw a change to IR35 status following review. | 0 |
|---|---|

In line with the current Declaration of Interests policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Accounting Officer has considered these returns and there are no relevant interests to be published.

All off-payroll workers are assessed using HMRC's "Check Employment Status for Tax" before any contract is authorised.

Exit packages (Subject to audit)

No exit packages were agreed during 2022/23 (2021/22 £0k). Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972, or by negotiation of settlement agreements.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. There were no exit packages agreed and accounted for in 2022/23 (2021/22: £0k).

There were no ill-health retirements in 2022/23 (2021/22 0). Ill health retirement costs are met by the pension scheme.

Parliamentary accountability and audit report

Statement of Outturn against Parliamentary Supply (SOPS)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the Electoral Commission to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament. The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of the key terms is provided on page 46 in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

Summary table 2022/23

All figures presented in £000s

| Type of Spend | SoPS note | Outturn | | | Estimate | | | Outturn Vs Estimate, savings/ (excess) | | Prior year outturn Total 2021/22 |
|---------------------------------------|-----------|---------------|------------|---------------|---------------|------------|---------------|--|--------------|----------------------------------|
| | | Voted | Non-Voted | Total | Voted | Non-Voted | Total | Voted | Total | |
| Departmental Expenditure Limit | | | | | | | | | | |
| - Resource | 1.1 | 25,134 | 178 | 25,312 | 25,222 | 225 | 25,447 | 88 | 135 | 16,671 |
| - Capital | 1.2 | 812 | 0 | 812 | 1,424 | 0 | 1,424 | 612 | 612 | 679 |
| Total | | 25,946 | 178 | 26,124 | 26,646 | 225 | 26,871 | 700 | 747 | 17,350 |
| Annually Managed Expenditure | | | | | | | | | | |
| - Resource | 1.1 | (161) | 0 | (161) | 50 | 0 | 50 | 211 | 211 | (14) |
| - Capital | 1.2 | 0 | 0 | 0 | 100 | 0 | 100 | 100 | 100 | 0 |
| Total | | (161) | 0 | (161) | 150 | 0 | 150 | 311 | 311 | (14) |
| Total Budget | | | | | | | | | | |
| - Resource | 1.1 | 24,973 | 178 | 25,151 | 25,272 | 225 | 25,497 | 299 | 346 | 16,657 |
| - Capital | 1.2 | 812 | 0 | 812 | 1,524 | 0 | 1,524 | 712 | 712 | 679 |
| Total Budget Expenditure | | 25,785 | 178 | 26,963 | 26,796 | 225 | 27,021 | 1,011 | 1,058 | 17,336 |

All operating income and expenditure in budgets are classified as programme

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual available on gov.uk, for the details on the control limits voted by Parliament.

Our estimate values are driven by the election activity throughout the year and therefore vary year-on-year. Note 2 of the accounts shows an analysis of costs for our key deliverables.

Net Cash Requirement 2022/23

All figures presented in £000s

| Item | SoPS note | Outturn | Estimate | Outturn VS Estimate, saving/ (excess) | Prior Year Outturn total, 2021/22 |
|-----------------------------|-----------|---------|----------|---------------------------------------|-----------------------------------|
| Net Cash Requirement | 3 | 22,489 | 26,123 | 3,634 | 16,254 |

Explanations of variances between estimate and outturn are in the performance report.

Notes to the Statement of Outturn against Parliamentary Supply 2022/23 (£000s)

SoPS 1. Outturn detail, by Estimate Line

SoPS1.1 Analysis of resource outturn by Estimate line

| Type of Spend [Resource] | Resource Outturn Programme | | | Estimates | | | Outturn vs Estimate, saving/(excess) | Prior year outturn Total 2021/22 |
|---|----------------------------|----------------|---------------|---------------|-----------|----------------------|--------------------------------------|----------------------------------|
| | Gross | Income | Net Total | Total | Virements | Total Inc. virements | | |
| Spending in Departmental Expenditure Limit [DEL] | | | | | | | | |
| Voted expenditure: | | | | | | | | |
| A. Electoral Commission | 21,342 | (3,580) | 17,762 | 18,174 | (333) | 17,841 | 79 | 16,498 |
| B. The Elections Bill | 5,381 | 0 | 5,381 | 5,048 | 333 | 5,381 | 0 | |
| C. Policy Development Grants | 1,991 | 0 | 1,991 | 2,000 | 0 | 2,000 | 9 | |
| Non-voted expenditure | | | | | | | | |
| D. Commissioners fees | 178 | 0 | 178 | 225 | 0 | 225 | 47 | 173 |
| Total spending in DEL | 28,892 | (3,580) | 25,312 | 25,447 | 0 | 25,447 | 135 | 16,671 |

| | | | | | | | | |
|------------------------------|---------------|----------------|---------------|---------------|----------|---------------|------------|---------------|
| Voted expenditure: | | | | | | | | |
| E. AME expenditure | (161) | 0 | (161) | 50 | 0 | 50 | 211 | (14) |
| Total spending in AME | (161) | 0 | (161) | 50 | 0 | 50 | 211 | (14) |
| | | | | | | | | |
| Total resource | 28,731 | (3,580) | 25,151 | 25,497 | 0 | 25,497 | 346 | 16,657 |

SoPS 1.2 Analysis of net capital outturn by Estimate Line

| Type of Spend [Capital] | Outturn | | | Estimate | Outturn vs Estimate, saving/(excess) | Prior year outturn Total 2021/22 |
|---|------------|----------|------------|--------------|--------------------------------------|----------------------------------|
| | Gross | Income | Net Total | Net Total | | |
| Spending in Departmental Expenditure Limit [DEL] | | | | | | |
| Voted: | | | | | | |
| A. Electoral Commission | 812 | 0 | 812 | 1,424 | 612 | 679 |
| Total spending in DEL | 812 | 0 | 812 | 1,424 | 612 | 679 |
| Spending in Annually Managed Expenditure [AME] | | | | | | |
| Voted expenditure: | | | | | | |
| C. Provisions created or utilised in the year | 0 | 0 | 0 | 100 | 100 | 0 |
| Total spending in AME | 0 | 0 | 0 | 100 | 100 | 679 |
| Total capital | 812 | 0 | 812 | 1,524 | 712 | 679 |

SoPS 2. Reconciliation of outturn to net operating expenditure

| Item | Reference | Outturn total | Prior year outturn Total, 2021/22 |
|---|-----------------|---------------|-----------------------------------|
| Total Resource outturn | SOPS 1.1 | 25,151 | 16,657 |
| Less: Income payable to the Consolidated Fund | SOPS 4 | 0 | 0 |
| Net Expenditure in the Statement Comprehensive Net Expenditure | SOCNE | 25,151 | 16,657 |

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

SoPS 3. Reconciliation of net resource outturn to net cash requirement

| Item | Reference | Outturn total | Estimate | Outturn vs Estimate, savings/ (excess) |
|--|-----------------|---------------|---------------|--|
| Total Resource outturn | SOPS 1.1 | 25,151 | 25,497 | 346 |
| Total Capital outturn | SOPS 1.2 | 812 | 1,524 | 712 |
| <i>Adjustments to remove non-cash items:</i> | | | | |
| Depreciation/amortisation | 3 | (1,105) | (1,332) | (227) |
| Auditors' remuneration and expenses | 3 | (104) | (50) | 54 |
| New provisions and adjustments to previous periods | 3 | (36) | (150) | (114) |
| Other non-cash items | 3 | 161 | | (161) |
| Impairment of Assets | 3 | (1,779) | | 1,779 |
| <i>Adjustments to reflect movements in working balances:</i> | | | | |
| Increase/(decrease) in receivables | 8 | 84 | | (84) |
| (Increase)/decrease in payables | 10 | (1,098) | 859 | 1,957 |
| Use of provision | 11 | 14 | 0 | (14) |
| Repayment of capital on Leases | 7 | 567 | 0 | (567) |
| Total | | 22,667 | 26,348 | 3,681 |
| Removal of non-voted budget items: | | | | |
| Consolidated Fund Standing Services | SOPS 1.1 | (178) | (225) | (47) |
| Total | | (178) | (225) | (47) |
| Net cash requirement | | 22,489 | 26,123 | 3,634 |

We compile outturn and the Estimates against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

SoPS 4. Amounts of income to the Consolidated Fund

The amounts shown in the table below are amounts collected by the Commission where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected are for fines and penalties from political campaigners. Full details can be seen in the Powers and Sanctions report on page 51 of the Performance Report.

| Item | Outturn total | Prior year Outturn Total 2021/22 |
|---|---------------|--|
| Fines and penalties | 16 | 58 |
| <hr/> Amount payable to the Consolidated Fund <hr/> | 16 | 58 |
| Balance held at the start of the year | 0 | 0 |
| Payments into the Consolidated Fund | (11) | (58) |
| Balance held on trust at the end of year | 5 | 0 |

Notes

All receipts for fines and penalties received by 31 March 2023 were surrendered to the Consolidated Fund, as required by law.

Parliamentary Accountability Disclosures

Losses and special payments (subject to audit)

There were no special payments which require disclosure for the Electoral Commission for 2022/23 (2021/22 £0).

There were 26 losses with a total value of £1.8m

| Losses Statement (£'000) | 2022-23 | 2021-22 |
|-----------------------------------|---------|---------|
| Total number of losses | 26 | NIL |
| Total value of losses (£000) | 1,823 | NIL |
| Cash losses | 44 | NIL |
| Fruitless payments PFO project | 1,779 | NIL |

Fruitless payments

Our loss over £300,000 is due to of unsuccessful delivery of the current Political Finance Online project. The continuation of the project would not be value for money, even if the project succeeded the future operation of a system based on Mendix has significant risks. Therefore, in line with our obligations under Managing Public Money, the best value for money and most feasible option for delivery is to cease work on the existing project and consider different technological and project approaches to delivery using our existing user stories.

Remote Contingent Liabilities (subject to audit)

The Commission discloses for Parliamentary reporting and accountability purposes where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

There were no remote contingent liabilities to report for Parliamentary reporting and accountability purposes in 2022/23 (2021/22 £0).

A handwritten signature in black ink, appearing to read 'Shaun McNally', with a stylized flourish at the end.

Shaun McNally
Chief Executive and Accounting Officer
6 September 2023

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament, Scottish Parliament and Senedd

Opinion on financial statements

I certify that I have audited the financial statements of the Electoral Commission for the year ended 31 March 2023 under the Political Parties, Elections and Referendums Act 2000.

The financial statements comprise the Electoral Commission's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Electoral Commission's affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Political Parties, Elections and Referendums Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2023 and shows that those totals have not been exceeded; and

- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Electoral Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Electoral Commission's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Electoral Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Electoral Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Political Parties, Elections and Referendums Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Political Parties, Elections and Referendums Act 2000; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Electoral Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Electoral Commission or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Electoral Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Political Parties, Elections and Referendums Act 2000;

- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Political Parties, Elections and Referendums Act 2000; and
- assessing the Electoral Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Electoral Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Political Parties, Elections and Referendums Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Electoral Commission's accounting policies, key performance indicators and performance incentives.

- inquired of management, the Electoral Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Electoral Commission's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Electoral Commission's controls relating to the Electoral Commission's compliance with the Political Parties, Elections and Referendums Act 2000, and Managing Public Money;
- inquired of management, the Electoral Commission's head of internal audit, in-house legal counsel and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Electoral Commission for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Electoral Commission's framework of authority and other legal and regulatory frameworks in which the Electoral Commission operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Electoral Commission. The key laws and regulations I considered in this context included the Political Parties, Elections and Referendums Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2022, employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I have reviewed whether the cyber-attack had any effect on the integrity of financial reporting systems and confirmed that the financial statements were not impacted

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date: 7 September 2023

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

The financial statements



Statement of Comprehensive Net Expenditure


| For the year ended 31 March 2023 | Note | 2022/23 | 2021/22 |
|--|-------------|----------------|----------------|
| | | £000 | £000 |
| Operating income – Scottish Government | 4 | (2,047) | (2,593) |
| Operating income - Senedd | 4 | (1,512) | (1,654) |
| Other operating income | 4 | (21) | (34) |
| Total operating income | | (3,580) | (4,281) |
| Staff costs | 3 | 12,037 | 10,762 |
| Purchase of Goods and Services | 3 | 11,559 | 7,569 |
| Depreciation and amortisation charges | 3 | 1,1,105 | 455 |
| Impairment of assets | 3 | 1,779 | 0 |
| Provision Expense | 3 | 36 | 22 |
| Other operating expenditure | 3.1 | 1,991 | 1,957 |
| Total operating expenditure | | 28,507 | 20,765 |
| Net operating expenditure | | 24,927 | 16,484 |
| Commissioners' fees | | 178 | 173 |
| Finance Costs for leases | | 46 | 0 |
| Net expenditure for the year | | 25,151 | 16,657 |
| Other comprehensive net expenditure | | | |
| Items which will not be reclassified to net operating costs: | | | |
| Actuarial gain/loss on pension scheme liabilities | 11 | (22) | 11 |
| Comprehensive net expenditure for the year | | 25,129 | 16,668 |

The 'Notes to the Resource Accounts' pages form part of these accounts.

Statement of financial position

As at 31 March 2023

| | Note | 31 March 2023 £000 | 31 March 2022 £000 |
|--|------|-----------------------|-----------------------|
| Non-current assets | | | |
| Property, plant and equipment | 5 | 558 | 734 |
| Intangible assets | 6 | 601 | 1,900 |
| Right of Use Assets | 7 | 4,384 | 0 |
| Total non-current assets | | 5,543 | 2,634 |
| Current assets: | | | |
| Trade and other receivables | 8 | 803 | 875 |
| Cash and cash equivalents | 9 | 9 | 619 |
| Total current assets | | 812 | 1,494 |
| Total assets | | 6,355 | 4,128 |
| Current liabilities | | | |
| Trade and other payables | 10 | (2,953) | (2,452) |
| Provisions | 11 | (64) | (56) |
| Lease Liabilities | 7 | (430) | 0 |
| Total current liabilities | | (3,447) | (2,508) |
| Total assets less total current liabilities | | 2,908 | 1,620 |
| Non-current liabilities | | | |
| Lease Liabilities | 7 | (3,817) | 0 |
| Provisions | 11 | (692) | (861) |
| Other payables | 10 | (1) | (4) |
| Total non-current liabilities | | (4,510) | (865) |
| Total Assets less liabilities | | (1,602) | 755 |
| Taxpayers' equity | | | |
| General fund | | (1,602) | 755 |
| Total taxpayers' equity | | (1,602) | 755 |



Shaun McNally
Chief Executive and Accounting Officer

6 September 2023

The 'Notes to the Resource Accounts' pages form part of these accounts.

Statement of Cash Flows

As at 31 March 2023

| | 2022/23 £000 | Reclassified 2021/22 £000 |
|--|-----------------|---------------------------------|
| Cash flows from operating activities | | |
| Net operating expenditure* | (24,927) | (16,484) |
| Adjustments for non-cash transactions | 3 2,863 | 518 |
| Commissioners' Fees* | (178) | (173) |
| Decrease in trade and other receivables | 8 72 | 457 |
| Increase in trade payables | 10 498 | 348 |
| Less items reclassified as financing activities | (3,480) | (4,369) |
| <i>Less movements in receivables and payables relating to items not passing through the Statement of Comprehensive Net Expenditure*</i> | 602 | (494) |
| Use of provisions | 11 (14) | (14) |
| Net cash outflow from operating activities | <u>(24,564)</u> | <u>(20,211)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | 5 (114) | (202) |
| Purchase of intangible assets | 6 (698) | (491) |
| Movement in Capital Accruals | (159) | 209 |
| Net cash outflow from investing activities | <u>(971)</u> | <u>(484)</u> |
| Cash flows from financing activities | | |
| From the Consolidated Fund (Supply) - current year | 21,880 | 16,846 |
| Repayment of principal on leases | (567) | 0 |
| Interest payable on finance leases | (46) | 0 |
| From the Consolidated Fund (Non-Supply) | 178 | 173 |
| From Devolved Administrations | 3,480 | 4,369 |
| Net cash inflow from financing activities | <u>24,925</u> | <u>21,388</u> |
| Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund | (610) | 693 |
| Fines and penalties received on behalf of the Consolidated Fund | 11 | 58 |
| Payments of amounts to the Consolidated Fund | (11) | (158) |
| Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund | (610) | 593 |
| Cash and cash equivalents at the beginning of the period | 9 619 | 26 |

Cash and cash equivalents at the end of the period

9

619

*Operating cash flows have been reclassified within the 2021-22 comparatives. There is no impact on either the net cash outflow from operating activities or the total net increase in cash.

The 'Notes to the Resource Accounts' pages form part of these accounts.

Statement of Changes in Taxpayers' Equity

Financial year ended 31 March 2023

| | Note | General Fund £000 |
|---|--------|-------------------------|
| Balance at 1 April 2021 | | 937 |
| Net Parliamentary Funding – drawn down | | 16,846 |
| Net Parliamentary Funding – deemed | | 26 |
| Consolidated Fund Standing Services (non-supply) Current Year | | 173 |
| Supply Payable adjustment | 10 | (619) |
| Comprehensive net Expenditure for the Year | SoCNE | (16,668) |
| Non-Cash Adjustments: | | |
| Non-cash charges – auditor's remuneration | 3 | 60 |
| Balance at 31 March 2022 | | <u>755</u> |
| Net Parliamentary Funding – drawn down | | 21,880 |
| Net Parliamentary Funding – deemed | 9 | 619 |
| Consolidated Fund Standing Services (non-supply) Current Year | SoCNE* | 178 |
| Supply Payable adjustment | 9 | (9) |
| Comprehensive net Expenditure for the Year | SoCNE | (25,129) |
| Non-Cash Adjustments: | | |
| Non-cash charges – auditor's remuneration | 3 | 104 |
| Balance at 31 March 2023 | | <u>(1,602)</u> |

The 'Notes to the Resource Accounts' pages form part of these accounts.

* Commissioners' fees

Notes to the Resource Accounts

1. Accounting policies, key accounting estimates and judgements

1.1. Statement of accounting policies

The statements are prepared in accordance with the 2022/23 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Accounting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Electoral Commission for the purpose of giving a true and fair view has been selected.

The particular policies adopted by the Electoral Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts, with the exception of the introduction of IFRS16 where comparatives with IAS17 remain unchanged as set out in note 1.15.

1.2 Basis of preparation

These financial statements have been prepared under the historical cost convention, except as otherwise set out in the accounting policies. Figures are presented in pounds sterling and are rounded to the nearest £1,000.

They are prepared in accordance with an Accounts Direction given by HM Treasury in accordance with Paragraph 17(2) of Schedule 1 to the Political Parties, Elections and Referendum Act 2000.

1.3. Issued accounting statements not yet effective

There is one reporting standards issued but not yet effective:

- IFRS17 (Insurance Contracts)

IFRS17 (effective in the FReM 2025-26) identifies insurance contracts those contracts under which the entity accepts significant insurance risk from another party, the Commission does not hold any such contracts and will not be affected by this standard.

Accounting policies for expenditure

1.4 Programme expenditure

We have produced these Accounts with sufficient detail to provide a true and fair view of our operations.

For budgeting purposes, we distinguish between our core operating costs and event related activities. In these accounts, we have reported the core running costs as expenditure (note 3) and we have reported event related activities as other operating costs (note 3.1).

The Statement of Comprehensive Net Expenditure includes both costs incurred and any associated operating income.

1.5 Staff costs

Staff costs include wages and salaries, social security costs and pension costs. All short-term staff costs payable at the year-end, which will be paid within one year from the date of reporting, are recognised in the Statement of Comprehensive Net Expenditure. These include any accrued leave entitlements.

1.6 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme(PCSPS). PCSPS is a multi-employer defined benefit scheme and it is not possible to identify the Commission's share of the assets and liabilities, it is therefore accounted for as a defined contribution scheme with payments recognised in the period they fall due.

Refer to note 11.1 for the accounting treatment of the pension for ex-employees of the Local Government Commission for England due to the transfer of its functions to the Electoral Commission on 1 April 2002 and the incorporation of its assets and liabilities as at that date.

1.8 Research and development

Expenditure on research is charged to the Statement of Comprehensive Net Expenditure in the year in which it is incurred. Development expenditure is also recognised in the Statement of Comprehensive Net Expenditure when incurred unless it meets the specific criteria for capitalisation as per IFRS standards.

1.9 Grants payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. The only grant we currently pay is the Policy Development Grant which is set out in note 3.1.

1.10 Value Added Tax (VAT)

The work carried out by the Electoral Commission is performed under statute and outside the scope of output VAT. Input VAT is charged to the relevant expenditure category, or if appropriate capitalised with additions to non-current assets. Income and expenditure are reported inclusive of VAT.

Accounting policies for income

1.11 Income

The Scottish and Welsh Governments provide funding to the Commission for costs incurred in relation to devolved elections and referendums in Scotland and Wales. This funding is considered to be analogous to a government grant under IAS 20 as the Commission has an entitlement to income where it has incurred costs in the delivery of those objectives. Cash is drawn down against a budget representing forecast expenditure throughout the year.

The Commission recognises the funding received as income in the Statement of Comprehensive Net Expenditure to the extent that it has financed the Commission's direct expenditure and apportioned indirect expenditure as agreed within the Statement of Funding Principles. Where the amount of cash drawn down exceeds the expenditure this difference is recognised in the Statement of Financial Position as deferred income.

Operating income does not include income collected for fines and penalties from political parties, as these are fully payable to the Consolidated Fund on receipt.

Accounting policies for assets and liabilities

1.12 Property, plant and equipment and intangible assets

Expenditure of £1,000 or more on property, plant and equipment or intangible assets is capitalised where it is expected to bring benefit over future years. On initial recognition, assets are measured at cost and include all costs directly attributable to bringing them into working condition.

All non-current assets are reviewed annually for impairment and are carried at depreciated historic cost. Property, plant and equipment is depreciated, and intangible

assets amortised, on a straight-line basis over their useful lives to ensure that they are reported at their estimated residual value at the end of their lives.

Assets under construction are deemed bought when they can be available for use and will generate future economic benefits.

1.13 Depreciation and amortisation

Buildings, plant and machinery are stated at their cost value. All non-property operational assets are valued based on depreciated historic cost as a proxy for fair value. This is because these are relatively short-life or low-value assets whose values do not fluctuate significantly over the period they are in use.

An intangible asset is an asset that is not physical in nature. In The Electoral Commission, intangible assets consist of licences for the rights to use software or the costs of developing our own software. Intangible assets are amortised on a straight-line basis over their useful economic life.

Asset lives are:

| | |
|--|----|
| Leasehold Property/Improvement | 10 |
| Office Equipment | 5 |
| IT Hardware | 3 |
| Fixtures and fittings | 10 |
| Intangibles (information technology, software licenses & websites) | 3 |
| In-house intangibles | 10 |

Software licenses

When we purchase perpetual software licenses that we own outright, the licenses are recognised as an intangible asset at the point the licenses are delivered and we can obtain benefit from them.

Internally developed software

When we develop our own software, an intangible asset is recognised in line with IAS 38 (Intangible Assets) when we can demonstrate:

- It is technically feasible to complete the software and it available for use

- it will be available for use and will generate future economic benefits; and
- the costs of the development can be measured reliably

Research costs associated with development projects are expensed as incurred; this includes any market engagement and analysis activities and any related procurement or project management costs associated with the research phase.

Cloud computing services

When we make payments in respect of the use of cloud computing services purchased from a third-party service, then these are not capitalised as we have no legal title to, or rights to control of, the underlying assets associated with these services. This includes associated implementation costs, such as customisation, configuration or training services, which enable us to benefit from the cloud computing service.

1.14 Leases

The Electoral Commission has adopted IFRS 16 (Leases), effective from 1 April 2022 in accordance with the requirements of the Government Financial Reporting Manual (FReM). IFRS16 sets out the principles of the recognition, measurement, presentation and disclosure of leases and replaces the previous standard IAS17 (Leases).

IFRS 16 requires an entity to recognise an asset in the Statement of Financial Position relating to contracts which are, or contain, a lease of an identified asset, such as property, vehicles or equipment. A corresponding lease liability is recognised at the same time, measured using the present value of the lease payments not yet paid.

The transitional provisions of IFRS 16, as adapted by the FReM, require the Electoral Commission to use practical expedient to recognise the cumulative effect of initially applying IFRS 16 at the date of initial application as an adjustment to the opening balance of the General Fund.

Prior year comparatives have not been restated and remain presented under the previous leasing standard, IAS 17. As the adjustments to recognise lease liabilities and right of use assets all occurred within the Statement of Financial Position, there is no adjustment to the General Fund and Statement of Changes in Taxpayers' Equity at 1 April 2022. The transition adjustments are detailed in note 7.3.

Where a lease has been identified, the Electoral Commission recognises a right-of-use asset and corresponding lease liability, based on the present value of future cash flows for each lease over the applicable lease term. Adjustment is made to the right of use asset for prepayments, but no adjustment is made of dilapidations which continue to be provided for separately. The lease payments for short term leases, those leases under 1 year and leases for which the underlying asset is of low value are expensed. The Electoral Commission has applied a threshold of £5,000 for low-value assets.

Where the interest rate in a lease cannot be readily determined, the Electoral Commission calculates the liability using the HM Treasury discount rates promulgated in the PES papers as the incremental borrowing rate. For leases that commence or are remeasured in 2022-23 this rate is 0.95%. The Electoral Commission does not apply IFRS 16 to leases of Intangible assets and recognises these in accordance with IAS 38 where appropriate.

Where a lease has been identified, the Electoral Commission recognises a right-of-use asset.

As permitted by the FReM, right-of-use assets are subsequently measured using the cost model as a proxy for the measurement of the cost value in use. This is because lease terms require lease payments to be updated for market conditions, for example, rent reviews for leased properties.

We currently have our four property leases, that are valued at cost, 3 Bunhill Row London, Companies House Cardiff, City Chambers Edinburgh and 4 Cromac Place Belfast. Our property leases are for 10 years within break agreements and the mid-way point. We assume that our lease will continue for the full term of the lease. The lease liabilities unwind over the lease term as payments are made and finance costs released. See note 7.

The Electoral Commission does not apply IFRS 16 to leases of intangible assets and recognises these in accordance with IAS 38 where appropriate.

1.15 Cash and cash equivalents

Cash and cash equivalents comprise current balances held at the Government Banking Service.

1.16 Financial instruments

Financial assets

Trade and other receivables Trade receivables are recognised under IFRS 9. They generally have 30 day terms, recognised and carried at original invoice amount less an allowance for any uncollectible amounts based upon an assessment of expected credit loss over the lifetime of the debt. At 31 March 2023, no provision for credit losses is required.

Financial liabilities

We initially recognise trade and other payables at cost, where the time value of money is material, we subsequently measure payables at amortised cost.

As our cash requirements are met through the estimates process financial instruments are of less importance and less risk than in a non-public sector body of a similar size.

We do not have powers to borrow or invest surplus funds. The majority of financial instruments relate to contracts for non-financial items in line with our expected purchase and usage requirements; therefore we are exposed to minimal credit, liquidity or market risk.

We do not hold any complex financial instruments. The only financial instruments other than cash included in these accounts are receivables and payables (see notes 8 and 10)

Accounting estimates and judgements

1.17 Accounting estimates and judgements

We have discussed and agreed the development, selection and disclosure of significant accounting estimates and judgements and the application of these judgements with the Audit and Risk Committee.

Note 1.15 discloses the key judgements for the recognition and measurement of right of use assets and lease liabilities.

As outlined in Note 11, we recognise a liability to make dilapidation payments to the property owners of our office premises on expiry of individual leases. Such payments reflect the expected cost of full reinstatement of tenant alterations and decorations at the times of departure. Management has assessed the level of provision based on a professional assessment of future costs by a chartered surveyor.

1.18 Contingent assets and liabilities

Contingent assets and liabilities are disclosed in accordance in International Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets).

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts.

A contingent asset is disclosed when a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

1.19 Provisions for liabilities and charges

We provide for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Such provisions are discounted to present values where the time value of money is material.

Following the transfer of the functions of the Local Government Commission for England to the Electoral Commission on 1 April 2002 and the incorporation of its assets and

liabilities as at that date using IAS19, a provision has been established to meet its obligations with respect to pension payments to certain former Commissioners of that entity, relevant disclosures are shown in note 11.1

1.20 Going concern

These accounts have been prepared on a going concern basis. The Statement of Financial Position as at 31 March 2023 shows there is net liability position. These liabilities will be met through future provision of supply funding.

Our Main Estimate was laid before Parliament on 18 May 2023 for the resources we require in 2023/24 and our Corporate Plan until 2025/26. As a body established by legislation and following the principles of the FReM there is an assumption of continued provision of service, there is nothing to suggest services provided by the Commission will cease or future funding will not be provided.

2. Statement of Operating Costs by Operating Segments

We report expenditure between our core objectives. In addition, the analysis identifies the marginal costs of the following key deliverables that we manage through formalised segments and project management arrangements. These are set out below.

The elections and local referendums segment governs our work ensuring well-run elections and referendums, providing guidance and assistance to electoral administrators, candidates and agents, developing and monitoring performance standards for ROs and producing reports on the administration of elections and referendums. The electoral registration activity supports our research and design work on forms for voters.

We do not attribute staff costs and corporate overheads to programme or project activity, but for the purposes of this note, we have either directly allocated or apportioned these costs as appropriate, between party election finance and electoral administration activity. We only report the marginal costs of delivery by programme and project to the Commission Board and Executive Team.

| | Elections and Local Referendums | Electoral Registration | Elections Act | Electoral Administration | Regulation | 2022/3 Total |
|------------------------------|--|-----------------------------------|--------------------------|-------------------------------------|-------------------|-------------------------|
| £000 | | | | | | |
| Gross Expenditure | 3,564 | 556 | 5,381 | 8,272 | 10,958 | 28,731 |
| Income | (1,118) | (75) | 0 | (1,184) | (1,203) | (3,580) |
| Net Expenditure | 2,446 | 481 | 5,381 | 7,088 | 9,755 | 25,151 |

| | Elections and Local Referendums | Electoral Registration | Elections Act | Electoral Administration | Regulation | 2021/22 Total |
|------------------------------|--|-----------------------------------|--------------------------|-------------------------------------|-------------------|--------------------------|
| £000 | | | | | | |
| Gross Expenditure | 4,684 | 218 | 116 | 6,612 | 9,308 | 20,938 |
| Income | (1,855) | (13) | 0 | (1,169) | (1,244) | (4,281) |
| Net Expenditure | 2,829 | 205 | 116 | 5,443 | 8,064 | 16,657 |

As a further breakdown, the below table shows the expenditure and income breakdown between UK Parliament, Scottish Parliament and Senedd.

| | UK Parliament | Scottish Parliament | Senedd | 2022-23 Total |
|---------------------------------|----------------------|----------------------------|---------------|--------------------------|
| £000 | | | | |
| Direct Expenditure | 19,604 | 1,495 | 1,192 | 22,291 |
| Indirect Expenditure | 5,568 | 552 | 320 | 6,440 |
| Income | (3,580) | 0 | 0 | (3,580) |
| Net Expenditure | 21,592 | 2,047 | 1,512 | 25,151 |

| | UK Parliament | Scottish Parliament | Senedd | 2021-22 Total |
|---------------------------------|----------------------|----------------------------|---------------|--------------------------|
| £000 | | | | |
| Direct Expenditure | 10,609 | 2,025 | 1,326 | 13,960 |
| Indirect Expenditure | 6,082 | 568 | 328 | 6,978 |
| Income | (4,281) | 0 | 0 | (4,281) |
| Net Expenditure | 12,410 | 2,593 | 1,654 | 16,657 |

Indirect expenditure is indirect staffing costs and depreciation. Income is received from Scottish Parliament and the Senedd to the UK Government.

3. Expenditure

| | 2022/23 £000 | 2021/22 £000 |
|--|-----------------|-----------------|
| Staff costs** | | |
| Wages and salaries | 8,808 | 7,890 |
| Social security costs | 1,037 | 870 |
| Other pension costs | 2,192 | 2,002 |
| | 12,037 | 10,762 |
| Expenditure on leases | | |
| Property rent | 123 | 731 |
| Equipment | 23 | 6 |
| Interest on leases | 46 | 0 |
| Purchase of goods and services | | |
| Section 13 expenditure | 6,233 | 2,439 |
| Section 10 expenditure | 730 | 1,498 |
| Research | 922 | 151 |
| Consultancy | 361 | 245 |
| Recruitment | 187 | 148 |
| Staff training and development | 309 | 127 |
| Travel subsistence and hospitality | 119 | 29 |
| Travel and subsistence – Commissioners | 19 | 4 |
| Accommodation, maintenance | 752 | 704 |
| Publicity and publications | 215 | 216 |
| Conference/public meeting | 31 | 9 |
| Office supplies, books and journals | 125 | 106 |
| Warehouse and Archiving | 82 | 113 |
| IT/Telephone | 1,265 | 905 |
| Bank and Payroll charges | 68 | 54 |
| Internal audit fees | 52 | 43 |
| | 11,662 | 7,528 |
| Non-cash items | | |
| Depreciation | 881 | 248 |
| Amortisation | 224 | 207 |
| Impact of discounting | (161) | (33) |
| National Audit Office Auditors' fees* | 104 | 60 |
| Provisions made in year | 36 | 22 |
| Impairment of Assets | 1,779 | 14 |
| | 2,863 | 518 |
| | 26,562 | 18,808 |

* No non-audit services provided by the NAO

**In 2022/23 an additional £24k staff costs were capitalised (2021/22 £496k)

There were no payments made during 2022/23 for early retirement or for loss of office

3.1 Other Operating Expenditure

| | 2022/23 £000 | 2021/22 £000 |
|---------------------------|-----------------|-----------------|
| Policy development grants | 1,991 | 1,957 |
| | <hr/> | <hr/> |
| | 1,991 | 1,957 |

Section 12 of PPERA provides for the Electoral Commission to administer a scheme to make payments of policy development grants to registered political parties. The current scheme is contained in the Elections (Policy Developments Grants Scheme) Order 2006 as amended.

The scheme requires us to allocate £2,000,000 each year to registered political parties to assist with the costs of developing policies to be included in manifestos for local government, Northern Ireland Assembly, or Scottish, Welsh, Westminster or European Parliamentary elections. To be eligible for inclusion in the scheme, a registered political party must have at least two MPs sitting in the House of Commons on 7 March prior to the year in question, who have sworn the oath of allegiance provided by the Parliamentary Oaths Act 1866.

The annual allocation of £2,000,000 is divided between the eligible parties according to the allocation formula set out in the Scheme.

All parties submitted expenditure returns resulting in payments of £1,991,268.

3.2 Public awareness expenditure

Section 13 of PPERA requires us to promote public awareness of current electoral systems in the UK and any pending such systems, together with such matters connected with any such existing or pending systems as we may determine. The section enables us to carry out programmes of education or information to promote public awareness; or to make grants to other persons or bodies to enable them to carry out such programmes. Section 13 expenditure (other than for devolved Welsh elections and referendums, Senedd elections and Scottish local elections) is limited by The Electoral Commission (Limit on Public Awareness Expenditure) Order date 2002 (SI 2002/505) Electoral Commission (Limit on Public Awareness Expenditure) Order 2014, SI 2014/510 to £7,500,000 in a financial year. The Section 13 spending limit does not apply to public

awareness activity specifically provided for and undertaken under legislation other than PPERA.

Although not Section 13, any public awareness costs for Scotland (Section 10) are included in the table below.

| | 2022/23 | 2021/22 |
|--|---------------------|---------------------|
| | £000 | £000 |
| Core expenditure public awareness | 15 | |
| Section 13 | 6,218 | 2,439 |
| Public awareness expenditure subject to Section 13 limit | <u>6,233</u> | <u>2,439</u> |
| Local government Scotland (S10) | 495 | 1,048 |
| Senedd (S10) | 235 | 450 |
| | <u>730</u> | <u>1,498</u> |
| Total Public awareness | <u>6,963</u> | <u>3,937</u> |

4. Income

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | £000 | £000 |
| | Total | Total |
| Operating Income: | | |
| Scottish Government | 2,047 | 2,593 |
| Senedd | 1,512 | 1,654 |
| New Registration of Political parties | 11 | 11 |
| Re-Registration of Political parties | 8 | 8 |
| Alteration to Registrations of Political parties | 2 | 3 |
| Charges/Transfer of costs to other bodies | | |
| Research recharges | 0 | 12 |
| Total Operating Income | <u>3,580</u> | <u>4,281</u> |

Income received from political parties for fines and penalties does not form part of our income within our financial statements, as it is fully payable to the Consolidated Fund on receipt; see SoPs 4 for this breakdown, page 125.

5. Property, plant and equipment

| | Leasehold Improvements | Office equipment | Information Technology - hardware | Furniture and Fittings | Total |
|---|---------------------------|---------------------|---|------------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | |
| At 1 April 2022 | 325 | 6 | 594 | 160 | 1,085 |
| Additions | 97 | 0 | 17 | 0 | 114 |
| Reclassifications | 0 | (1) | 0 | 1 | 0 |
| At 31 March 2023 | 422 | 5 | 611 | 161 | 1,199 |
| Depreciation | | | | | |
| At 1 April 2022 | 32 | 2 | 301 | 16 | 351 |
| Charged in year | 67 | 0 | 191 | 32 | 290 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2023 | 99 | 2 | 492 | 48 | 629 |
| Carrying amount at 31 March 2023 | 323 | 3 | 119 | 113 | 570 |
| Carrying amount at 31 March 2022 | 293 | 4 | 293 | 144 | 734 |
| Asset financing: Owned | 323 | 3 | 119 | 113 | 570 |
| Carrying amount at 31 March 2023 | 323 | 3 | 119 | 113 | 570 |

| | Leasehold Improvements | Office equipment | Information Technology - hardware | Furniture and Fittings | Total |
|---|---------------------------|---------------------|---|------------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | |
| At 1 April 2021 | 213 | 15 | 661 | 154 | 1,043 |
| Additions | 112 | 0 | 81 | 9 | 202 |
| Disposals | 0 | (9) | (148) | (3) | (160) |
| At 31 March 2022 | 325 | 6 | 594 | 160 | 1,085 |
| Depreciation | | | | | |
| At 1 April 2021 | 0 | 0 | 248 | 4 | 252 |
| Charged in year | 32 | 2 | 199 | 15 | 248 |
| Disposals in year | 0 | 0 | (146) | (3) | (149) |
| At 31 March 2022 | 32 | 2 | 301 | 16 | 351 |
| Carrying amount at 31 March 2022 | 293 | 4 | 293 | 144 | 734 |
| Carrying amount at 31 March 2021 | 213 | 15 | 413 | 150 | 791 |
| Asset financing: Owned | 293 | 4 | 293 | 144 | 734 |

At 31 March 2022

293 4 293 144 734

6. Intangible assets

| | Information Technology | Software Licences | Websites | Information Technology - Assets under Construction | Total |
|---|---------------------------|----------------------|------------|--|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | |
| At 1 April 2022 | 270 | 67 | 483 | 1,585 | 2,405 |
| Additions | 0 | 1 | 337 | 360 | 698 |
| Impairments | 0 | 0 | (52) | (1,727) | (1,779) |
| At 31 March 2023 | 270 | 68 | 768 | 218 | 1,324 |
| Amortisation | | | | | |
| At 1 April 2022 | 162 | 31 | 312 | 0 | 505 |
| Charged in year | 71 | 16 | 137 | 0 | 224 |
| Impairments | 0 | 0 | (6) | 0 | (6) |
| At 31 March 2023 | 233 | 47 | 443 | 0 | 723 |
| Carrying amount at 31 March 2023 | 37 | 21 | 325 | 218 | 601 |
| Cost or valuation | | | | | |
| At 1 April 2021 | 258 | 31 | 442 | 1,298 | 2,029 |
| Additions | 45 | 48 | 124 | 274 | 491 |
| Disposals | (33) | (12) | (70) | 0 | (115) |
| Reclassifications | 0 | 0 | (13) | 13 | 0 |
| At 31 March 2022 | 270 | 67 | 483 | 1,585 | 2,405 |
| Amortisation | | | | | |
| At 1 April 2021 | 148 | 25 | 238 | 0 | 411 |
| Charged in year | 47 | 15 | 144 | 0 | 207 |
| Disposals | (33) | (9) | (70) | 0 | (112) |
| At 31 March 2022 | 162 | 31 | 312 | 0 | 505 |
| Carrying amount at 31 March 2022 | 108 | 36 | 171 | 1,585 | 1,900 |

Information technology - assets under construction (AUC) and Websites is primarily Political Finance online, development started in 2018/19 and was due to be completed in 2022/23. A decision was made in October 2022 by the Accounting Officer after discussions with the Board and the Audit & Risk Committee to impair the asset. Due to the prospects of successful delivery of the current project at a value for money cost were low and therefore, in line with obligations under Managing Public Money, the best value for money and most feasible option for delivery is to cease work on the existing project and consider different technological and project approaches to delivery. The impairment is shown above.

7. Leases

Right-of-use assets represent the right to direct the use of an underlying asset arising as a result of a lease. The Electoral Commission does not own the underlying asset, but recognises the value of the right of use in accordance with IFRS 16

7.1 Quantitative disclosure around right-of-use assets

| | Buildings | Other | Total |
|--|------------------|--------------|--------------|
| | £000 | £000 | £000 |
| Right-of-use asset value at 1 April 2022 | 4,975 | 0 | 4,975 |
| Depreciation charged in year | (591) | 0 | (591) |
| Right-of-use asset value at 31 March 2023 | 4,384 | 0 | 4,384 |

Our Wales and Northern Ireland leases are due to expire during 2023/24. New leases have not yet been acquired, therefore no Right-of-use asset or liability is shown in the tables after 2023/24.

7.2 Quantitative disclosure around lease liabilities

| | Buildings | Other | Total |
|--|------------------|--------------|--------------|
| | £000 | £000 | £000 |
| Lease Liability | | | |
| Not later than one year | 603 | 0 | 603 |
| Later than one year & not later than 5 years | 2,356 | 0 | 2,356 |
| Later than 5 years | 1,461 | 0 | 1,461 |

| | | | |
|--------------------------------------|--------------|----------|--------------|
| | 4,420 | 0 | 4,420 |
| Less interest element | 173 | 0 | 173 |
| Present Value of Obligations | 4,247 | 0 | 4,247 |
| Total cash outflow for leases | 613 | 0 | 613 |

7.3 Initial recognition of leases at April 2022

| | Buildings | Other | Total |
|---|--------------|-----------|--------------|
| | £000 | £000 | £000 |
| IAS17 operating lease commitments at 31 March 2022 | 5,861 | 35 | 5,896 |
| Adjustment to remove VAT | (977) | 0 | (977) |
| Adjustment for contract changes | 149 | 0 | 149 |
| Adjustment for discounting of future cash flows | (219) | 0 | (219) |
| Less leases treated as short term on initial adoption of IFRS16 | 0 | (35) | (35) |
| Lease liabilities at 1 April 2022 | 4,814 | 0 | 4,814 |
| Adjustments for prepayments | 161 | 0 | 161 |
| Right of Use Asset as at 1 April 2022 | 4,975 | 0 | 4,975 |

Operating lease commitments disclosed at 31 March 2022 previously included irrecoverable VAT. The VAT has been removed to follow the treatment per IFRS 21 on calculation of the lease liability at 1 April 2022. Discounting of cashflows using a discount rate of 0.95%, and reflecting adjustments within the contracts are the other adjustments on adoption of IFRS 16.

7.4 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

| | 2022/23 |
|---|---------|
| | £000 |
| Variable lease payments not included in lease liabilities | 0 |
| Discount in-year | 46 |
| Expense related to low-value asset leases (exc. short-term) | 19 |

8. Trade and other receivables

| | 2022/23 £000 | 2021/22 £000 |
|---|-----------------|-----------------|
| Amounts falling due within one year: | | |
| Other receivables | 8 | 14 |
| Consolidated Fund Extra Receipts due to Consolidated Fund | 5 | 0 |
| Prepayments and accrued income | 790 | 861 |
| | <hr/> 803 | <hr/> 875 |

9. Cash and cash equivalents

| | 2022/23 £000 | 2021/22 £000 |
|--|-----------------|-----------------|
| Balance at 1 April | 619 | 26 |
| Net change in cash and cash equivalent balances | (610) | 593 |
| Balance at 31 March | <hr/> 9 | <hr/> 619 |
| The following balances at 31 March were held at: | | |
| Government Banking | 9 | 619 |
| Balance at 31 March | <hr/> 9 | <hr/> 619 |

10. Trade and other payables

| | 2022/23 £000 | 2021/22 £000 |
|--|-----------------|-----------------|
| Amounts falling due within one year | | |

| | | |
|---|--------------|--------------|
| Other taxation and social security | 599 | 520 |
| Other payables | 206 | 1 |
| Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund (receivable) | 5 | 0 |
| Accruals and deferred income | 2,292 | 1,190 |
| Deferred Income – Scottish Parliament | 14 | 26 |
| Deferred Income - Senedd | 28 | 96 |
| Amounts issued from the Consolidated Fund for supply but not spent at year end | 9 | 619 |
| | <u>2,953</u> | <u>2,452</u> |

Amounts falling due after more than one year:

| | | |
|--|----------|----------|
| Other payables, accruals and deferred income | 1 | 4 |
| | <u>1</u> | <u>4</u> |

11. Provisions for liabilities and charges

| | Pension £000 | Dilapidations £000 | Total £000 |
|--------------------------------------|-------------------------|-------------------------------|-----------------------|
| Balance at 1 April 2022 | 160 | 757 | 917 |
| Provided in the year | 2 | 34 | 36 |
| Provisions not required written back | 0 | 0 | 0 |
| Provisions utilised in the year | (14) | 0 | (14) |
| Impact of discounting | 0 | (161) | (161) |
| Actuarial (Gain)/Loss | (22) | 0 | (22) |
| Balance at 31 March 2023 | 126 | 630 | 756 |

Analysis of expected timing of discounted flows

| | Pension £000 | Dilapidations £000 | Total £000 |
|---|-------------------------|-------------------------------|-----------------------|
| Not later than one year | 64 | 0 | 64 |
| | | | 113 |
| Later than one year and not later than five years | 62 | 51 | |
| Later than five years | 0 | 579 | 579 |

Balance at 31 March 2023

126

630

756

11.1 Pension Liability Statement

We provide for the pension liability for certain former Commissioners of the Local Government Commission for England, following the transfer of functions on 1 April 2002.

The pension provision is unfunded, with benefits being paid as they fall due and guaranteed by the employer. There is no fund, and therefore no surplus or deficit. Actuarial advice was sought to ensure that the provision is set at a realistic level. An actuarial valuation was carried out by the Government Actuary's Department (GAD) to provide a value of the pension liability as at 31 March 2023. Actuarial gains and losses are accounted for through the Statement of Comprehensive Net Expenditure.

Given the non-materiality of the pension liabilities, the full disclosure requirements of IAS 19 are not required.

The assumptions used by the actuary were:

| | 2022/23 | 2021/22 |
|--|---------|---------|
| CPI inflation assumptions | 2.40% | 2.90% |
| The rate of increase for pensions | 2.40% | 2.90% |
| The rate used to discount scheme liabilities | 4.15% | 1.55% |

Sensitivity of the defined benefit obligation (DBO) to changes in the significant actuarial assumptions:

| Change in assumption* | | Impact on DBO | |
|--|---------------|---------------|-------|
| | | % | £000s |
| Rate of discounting scheme liabilities | + 0.5% a year | (3) | (4) |
| Rate of increase in CPI | + 0.5% a year | 3 | 4 |
| Life expectancy: each member assumed 1 year younger than their age | | 4 | 5 |

* Opposite changes in the assumption will produce approximately equal and opposite changes in the DBO. Doubling the changes in the assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and, given the interdependencies between the assumptions, the impacts may offset to some extent.

From 2010–11 the basis for the indexation of retirement benefits was changed from the Retail Price Index to the Consumer Price Index.

The Government Actuary's Department prepared a valuation on 31 March 2023.

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | £000 | £000 |
| Provision at 1 April | 160 | 161 |
| Interest Cost | 2 | 2 |
| Actuarial Loss/(Gain) | (22) | 11 |
| Less benefits paid | (14) | (14) |
| Past service cost | | |
| Present Value of scheme at end of year | 126 | 160 |

| Present value of scheme liabilities | Value at 31/03/2023 £'000 | Value at 31/03/2022 £'000 | Value at 31/03/2021 £'000 | Value at 31/03/2020 £'000 | Value at 31/03/2019 £'000 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Liability in respect of | | | | | |
| Active members | 0 | 0 | 0 | 0 | 0 |
| Deferred Pensioners | 0 | 0 | 0 | 0 | 0 |
| Current Pensioners | 126 | 160 | 161 | 167 | 167 |
| Present value of scheme liabilities in respect of current pensioners | 126 | 160 | 161 | 167 | 167 |

11.2 Dilapidations

We recognise a liability to make dilapidation payments to the property owners of our office premises on expiry of individual leases. Such payments reflect the expected cost of full reinstatement of tenant alterations and decorations at the times of departure.

Dilapidations are measured at the best estimate, supplied by an external surveyor using the industry price guide, of the expenditure required to settle the present obligation, and reflects the present value of expenditure required to settle the obligation where the time value of money is material. The Commission uses the HM Treasury discount rates to calculate the present value.

12. Contingent assets & liabilities

As at the end of 2022/23, litigation was in contemplation to seek damages from a failed contract. Information usually required under IAS 37 Provisions, Contingency Liabilities and

Contingent Assets is not disclosed on the grounds that this would breach the undertaking of confidentiality agreed with the other party. A settlement has been proposed after the reporting date, with no admission of liability by both parties. The Electoral Commission is expected to receive £325,000 in instalments, however this was not considered 'virtually certain' at the end of the 2022/23 financial year.

Contingent liabilities cover all known claims where legal advice indicates that the criteria for recognition of a provision has not been met or where the possibility of economic transfer is remote.

There were no legal cases that were active at year-end or have since started where the Electoral Commission may need to raise a provision or contingent liability. Management have concluded that no probable present obligation to transfer economic benefits exists.

13. Related-party transactions

The Electoral Commission is a body independent of Government and political parties, directly accountable to the UK Parliament, Scottish Parliament and the Senedd. The Electoral Commission does not have any related party relationships as defined by IAS 24 Related party disclosures.

The Electoral Commission does have transactions with government departments and central government bodies. Other than remuneration as disclosed in the accounts, none of the Commissioners, Executive Team or other related parties connected with them has undertaken any material transactions with the Electoral Commission during the year.

14. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as at the date of Certificate of the Comptroller and Auditor General.

In the Accounting Officer's opinion, there are no events since 31 March 2023 that would affect the financial statements.

ELECTORAL COMMISSION

ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH PARAGRAPH 17(2) OF SCHEDULE 1 TO THE POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000.

1. The Electoral Commission shall prepare accounts for the financial year ended 31 March 2011 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual ('the FReM') issued by HM Treasury which is in force for the financial year for which the accounts are being prepared.
2. The accounts shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs of the Electoral Commission at 31 March 2011 and subsequent financial year ends, and of its net resource outturn, changes in taxpayers' equity and cash flows for the financial year then ended; and
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
3. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Treasury.
4. This direction replaces the direction dated 27 February 2006.

Chris Wobschall
Head, Assurance and Financial Reporting Policy, HM Treasury
15 April 2011

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The Electoral Commission

The Electoral Commission is the independent body which oversees elections and regulates political finance in the UK. We work to promote public confidence in the democratic process and ensure its integrity.

The Electoral Commission 2023

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