

The
Electoral
Commission

Annual Report and Accounts 2020/21



HC 517
ELC/2021/01

Annual Report and Accounts 2020/21

Presented to Parliament pursuant to Schedule 1, Paragraphs 20(1) and 18(2)(b) of the Political Parties, Elections and Referendums Act 2000

Ordered by the House of Commons to be printed 14 July 2021

Presented to the Scottish Parliament pursuant to Schedule 1, Paragraph 20A(1) of the Political Parties, Elections and Referendums Act 2000

Presented to the Welsh Parliament pursuant to Schedule 1, Paragraph 20A(1) of the Political Parties, Elections and Referendums Act 2000

HC 517

ELC/2021/01



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Email: info@electoralcommission.org.uk

ISBN: 978-1-5286-2806-8

CCS: CCS0721895560 07/21

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

Contents

Preface	7
Foreword	8
Performance Report	10
Overview.....	11
About us	12
Our 2020/21 year at a glance	13
Our year in numbers.....	15
Performance analysis	16
Goal one.....	16
Goal two	20
Goal three.....	24
Goal four.....	27
Looking ahead to 2021-22.....	31
Our commitment to equality, diversity and inclusion.....	34
Using our resources to support the delivery of our goals.....	36
Powers and sanctions report	44
Accountability report.....	47
Corporate governance report	48
Statement of Accounting Officer's responsibilities	50
Governance statement	52
Commission Board and leadership team.....	55
Risk management, internal control and assurance.....	62
Review of effectiveness.....	68

Remuneration and staff report	69
Chair and Commissioners remuneration	69
Chief Executive and Executive Team remuneration	72
Staff report.....	78
Parliamentary accountability and audit report.....	84
Notes to the Statement of Outturn against Parliamentary Supply 2020/21 (£000s) ...	88
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	94
The financial statements	99
Statement of Comprehensive Net Expenditure	100
Statement of financial position.....	101
Statement of Cash Flows	102
Statement of Changes in Taxpayers' Equity.....	103
Notes to the Resource Accounts	104
Accounts Direction.....	119
Contact us	120

Preface

I joined the Electoral Commission as Chair on 1 May, after the end of the year to which this report relates. The report contains a detailed review of the year. I applaud the work of Commissioners and staff in achieving so much in the immensely challenging environment of the COVID-19 pandemic. Their careful preparations for the elections that took place on 6 May are especially noteworthy.

I am looking forward to working with colleagues at the Electoral Commission, and people in Scotland, Wales and Northern Ireland and across the whole of the UK, to nurture our electoral system in the short term and help it rise to the longer-term challenges that lie ahead.

A handwritten signature in blue ink, consisting of the initials 'J.J.P.' followed by a stylized, flowing line that extends to the right.

John Pullinger
Chair

Foreword

As for many other organisations and public bodies, the Commission's 2020/21 year was dominated by mitigating the impact Covid-19 pandemic. Our over-arching priority was to ensure we responded effectively and efficiently to this challenge, continuing the delivery of the Commission's statutory functions and supporting the increased needs of our stakeholders.

The polls scheduled for May 2020 were postponed for a year, a decision the Commission supported, to allow local authorities to focus on front line public services and to mitigate risks to voters and campaigners. This meant, however, that the polls scheduled for May 2021, covering the whole of Great Britain, would be one of the most complex sets of polls in recent years.

The Commission quickly refocused its efforts and over the course of the year provided extensive guidance, support and leadership to the electoral community. We worked closely with electoral administrators, the UK's governments, public health authorities, parties and campaigners. We supporting detailed planning and preparations for a Covid-safe democratic process, including the development of new legislation, and undertook extensive communications activity with the public to ensure that all eligible voters who wished to participate in the elections had the information they needed to do so.

Our aim was to support well-run elections in which voters were able to participate in the polls safely and confidently, and campaigners and parties were able to put their case to the electorate. The polls took place outside this reporting period, and to the credit of everyone involved were delivered efficiently and effectively. We will be reporting on the undertaking of the polls in due course, so that important lessons can be captured and learnt, not least about delivering elections during a pandemic. Looking beyond preparations for these challenging elections, we also continued to press ahead on delivering against our corporate plan and to improve the core services for which we are responsible.

For the electoral administrator community, this year also saw the implementation of improved rules for the electoral registration canvass in Great Britain, on which we provided guidance, support and challenge, alongside preparations for a canvass of electors in Northern Ireland.

Alongside fulfilling our statutory regulatory responsibilities – including providing transparency through the publication of political financial data, maintaining the register of political parties, and enforcing the political finance rules – we continued to develop and extend the way we support parties and campaigners to comply. We also continued to respond to the impact of digital campaigning, working with campaigners and governments on intended changes to the regime, and with providers of digital advertising to encourage greater transparency.

During the year we worked closely and constructively with the Scottish Parliament and the Welsh Senedd (as well as the Speaker's Committee of the UK Parliament) to lay the foundations for new direct accountability to them from April 2021. Our focus is on building

strong, transparent and cooperative relationships to ensure that we deliver priorities for each legislature, continuing to share good practice.

We also as one of our core functions provided detailed, evidence-based advice to officials and parliamentarians on the development and passage of new legislation.

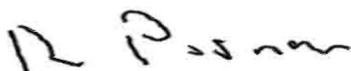
Our work to support voter confidence also continued. Alongside our ongoing voter registration campaign activity, we launched a new campaign to increase voter understanding of the rules already in place to regulate digital campaigning, and a first suite of education and learning materials to increase political literacy.

During 2020, the Commission adapted how it operated in the wider context of the pandemic and worked diligently to deliver its responsibilities and duties, with impartiality, integrity and independence. We invested in our staff, technology, the working environment and working practices and systems to ensure that we continue to deliver value for money for the voter and evolve our services in line with changing expectations, putting quality centre stage and placing a renewed focus on equality, diversity and inclusion. At a time when public finances are under severe pressure, we delivered the work programme, and accommodated additional pressures such as supporting a remote workforce, within our approved annual budget.

Looking forward to the 2021/22 year, it will be a year of continued focus on providing support to our key stakeholders, as well as managing other developments and change. The Commission will continue to work constructively with all concerned – governments, parliaments, parties and campaigners, electoral administrators and other interested groups – to maintain confidence and trust in elections, including making preparations for the delivery of those scheduled for May 2022.

We welcome a new Chair and two Commissioners, providing refreshed strength in our strategic direction and governance. And our service to the UK electorate will continue to be underpinned by providing value for money; maintaining the organisation as well-run, with engaged, skilled staff and the technology required to support effective ways of working. We thank Sir John Holmes who has completed his four-year term of office as Chair, leading the Commission through an exceptionally busy period of electoral events.

The Commission's statutory responsibilities place it in a unique position in the sector. In some areas the Commission's role is to directly deliver functions. In other areas we provide oversight, guidance, support and – where required – enforcement. On some matters we have a role in convening or informing debate. Each aspect of our role makes a significant contribution to well-run elections and to achieving tangible improvements to the system for voters, campaigners and administrators.



Bob Posner
Chief Executive and Accounting Officer

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 government and political parties and directly accountable to the UK, Scottish and Welsh Parliaments.

We have prepared our 2020/21 Annual Report and Accounts in accordance with an accounts direction, set out on page 120, issued by HM Treasury under paragraph 17 (2) of Schedule 1 PERA.

We have prepared the powers and sanctions report on page 44 in accordance with paragraph 15 Schedule 19(b) and paragraph 27 Schedule 19(c) PERA.

About us

Our role

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

Our vision and goals

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

In 2020/21 we worked towards achieving four goals:

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

We will continue to focus on delivering these goals in 2021/22.

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 and devolved governments and, from April 2021, have new accountabilities to the Scottish Parliament and the Senedd.

Our 2020/21 year at a glance

April – June 2020

- We set up a Crisis Management Team to coordinate our response, and expanded our videoconferencing facilities to ensure we could all communicate with each other and with stakeholders.
- We launched a new online tool for the public to see and analyse candidate spending returns from the 2019 UK general election
- We responded to the Public Administration and Constitutional Affairs Committee (PACAC) enquiry on the Fixed Term Parliament Act
- The Lords Committee on Democracy and Digital Technologies published its report, advocating many of the Commission's long-standing policy proposals.
- Internally we launched the Commission's People Strategy.
- The Commission gave evidence to the Committee on Standards in Public Life, after it launched a new review into electoral regulation.

July – September 2020

- We carried out a survey to check on the wellbeing of our staff
- Our campaign targeted at newly enfranchised voters, with a series of adverts across social media, radio and print.
- We completed our first research into public attitudes to voting in the context of Covid 19, to inform preparations for the 2021 elections
- We became advisors to the Wales Elections Planning Group established by the First Minister to establish a consensus on legislation needed to ensure elections are well-run in the light of the Covid-19 pandemic
- We carried out an internal review to learn lessons from our response to the initial stages of the pandemic
- We published updated core guidance for electoral administrators and candidates and agents to support them with preparing for and delivering the May 2021 elections

October – December 2020

- We published our Welsh language standards annual monitoring report
- We submitted the first financial Estimate to the Llywydd's Committee and the Scottish Parliament, as part of establishing our new accountabilities to devolved parliaments
- We published the first part of supplementary guidance to support electoral administrators with managing the COVID-specific impacts on the polls
- We launched a new set of resources for young people in Scotland and Wales to educate young people in Wales about their vote and the democratic process.
- Worked with the UK, Scottish and Welsh governments and parliaments on their respective legislation to prepare for holding elections during the pandemic.
- We submitted written evidence to the Public Administration and Constitutional Affairs Select Committee of the House of Commons and gave oral evidence given to the new Llywydd Committee of the Senedd
- After a four-year term of office as Chair, Sir John Holmes left the Commission. John Pullinger CB began his term of office in May 2021

January – March 2021

- We organised pre-election seminar for Returning Officers and Electoral Registration Officers in Scotland with the Electoral Management Board for Scotland
- We launched a public consultation on a draft Disability Action Plan in line with statutory equality duties in Northern Ireland
- We formed our Race at Work Charter task force to extend our work to improve diversity and equality
- Work started to update our London offices to improve our ways of working
- We marked 'Welcome to your Vote' awareness week in Scotland and Wales by hosting virtual events and sharing resources for engage newly enfranchised voters
- We co-organised the annual Electoral Fraud Reduction and Prevention National Seminar in collaboration with the National Police Chiefs' Council
- We published a report on public attitudes towards the transparency of political party and campaigner finance in Northern Ireland.
- We agreed a Statement of Financial Principles across Scotland, Wales and Westminster setting out the new financial relationship between us and the three legislatures; Senedd Cymru, Scottish Parliament and UK Parliament.

Our year in numbers

Used

£20.4m

of resources, including
£1.3m capital spend

Invested

56%

of our resource expenditure
on staff costs (£10.7m)

Achieved

72%

employee engagement
score

Answered

4,463

public enquiries – a 569%
decrease on last year due to
no electoral events this year

Responded to

153

Freedom of Information
requests

Published

1,186

routine financial returns
from parties and
campaigners

Notified

58%

of the 134 party registration
applications of their
outcome within 30 days

Completed

54

investigations, 94% of them
within 180 days

Published

888

annual statement of
accounts for political parties
and accounting units

Published

100%

of our guidance products on
time with no substantial
errors

Responded to

2,130

requests for advice from
local authorities – 99.39%
within 3 days

Collected

£69k

of civil sanctions in our role
as a regulator

Performance analysis

Goal one

To enable the continued delivery of free and fair elections and referendums, focusing on the needs of electors and addressing the changing environment to ensure every vote remains secure and accessible.

This goal captures our role in overseeing the delivery of elections across all parts of the UK and focuses on three areas: delivering well-run electoral events, maximising and modernising electoral registration, and tackling electoral fraud.

Key achievements

To help deliver well-run electoral events we:

- published guidance and resources, and provided support to electoral administrators, candidates and agents for the scheduled elections in May 2021, including those postponed from May 2020; this included a range of supplementary guidance for administrators and candidates and agents to support the delivery of the polls in the context of the pandemic
- worked with stakeholders from across the electoral community to identify and publish a shared set of high-level objectives for delivering successful elections in the developing public health environment
- published a range of resources for local authorities to use to help share messages about the safe running of the polls and the voting options available
- worked with the National Police Chiefs Council, Crown Prosecution Service (CPS) and the College of Policing to provide new guidance for candidates and campaigners on recognising and reporting intimidation
- worked with organisations supporting people with a disability to raise awareness of how to take part in elections and what support they can expect to receive
- launched a new system for processing applications for accreditation for electoral observers

To help maximise and modernise electoral registration, we:

- supported Electoral Registration Officers (EROs) in Great Britain with delivery of the first annual canvass using the reformed process; including through the provision of guidance and advice, and the publication of supplementary guidance to support EROs with managing the canvass in the context of the pandemic

- published a response to our consultation on performance standards for EROs, and used the updated framework to inform our support and challenge work with EROs throughout the canvass
- worked closely with the Chief Electoral Officer for Northern Ireland on preparations for the electoral registration canvass, now expected to take place in 2021

To help tackle electoral fraud, we:

- worked with the police and local authorities to provide training and review integrity plans to help prevent electoral fraud
- published updated data on alleged cases of electoral fraud reported during 2019, and new data on a small number of cases reported during 2020
- worked with partners to prepare a campaign to raise awareness of electoral fraud, ahead of the May 2021 elections
- delivered, with the National Police Chiefs Council, our annual conference for police elections Single Points of Contact as an online event
- worked with the City of London Police Economic Crime Academy to host and contribute content to four training courses for police officers

Performance measures

Measure	Performance
We publish 100% of guidance products relating to electoral registration on time with no substantive errors	96.7% Achieved¹
We provide accurate advice to Returning Officers (ROs) and EROs within three working days of receipt of the request. (Target 100%)	99.4% Achieved²
Additions to electoral registers during our public awareness campaigns meet or exceed our targets (Target 0% - no campaign was held)	0% Achieved³

Our activities during the year

Delivering well-run electoral events

Owing to the pandemic and the consequent decisions taken by the UK's governments, there were no electoral events in 2020/21 apart from local government by-elections in Scotland. The Commission therefore quickly focused in 2020/21 on supporting the electoral community to prepare for the elections scheduled – and rescheduled – for May 2021.

To support administrators with preparing for and delivering polls in the context of Covid-19, we produced a suite of supplementary guidance and resources that reflected the specific requirements of managing the 2021 polls in a Covid-19 secure way. The supplementary guidance documents were designed to be read in conjunction with our suite of core guidance for Returning Officers and were developed in close consultation with the electoral community and public health bodies across Great Britain.

We developed an extensive range of new voter information materials, to support public understanding of how to participate with confidence in the forthcoming elections in the changed context. These included resources focused on informing people about the voting options available to them, and encouraging forward planning, and resources

¹ 326 of 337 guidance products were published on time; for those not published as planned, these reflected conscious decisions to re-prioritise work in order to be able to provide guidance on Covid-secure elections more quickly

² 2130 of 2143 requests for advice were responded to on time

³ 2020 elections were postponed due to the Covid-19 pandemic, so no campaign was held

communicating the safety measures that would be in place in polling stations. While used directly by the Commission, their primary purpose was to support local authorities and other stakeholders to provide accurate and timely information to their communities.

Maximising and modernising electoral registration

2020 saw the first annual canvass in Great Britain run under a new reformed process allowing EROs to use national and local-level data to identify addresses where there is likely to have been a change in the people who are eligible to register to vote. This allows EROs to focus their resources in areas of greatest need. We see these reforms as an important step towards improving our electoral registration system and we intend to report on the running of the canvass, using data collected from EROs, in summer 2021.

Our work to support the introduction of these reforms included providing extensive guidance and advice to help electoral administrators understand their new responsibilities, designing and delivering new voter registration forms, and ensuring our new performance standards for EROs are aligned with the new process. We also developed additional guidance to address the specific challenges of running a canvass in the context of the pandemic.

Our scrutiny of proposals from the Northern Ireland Office and our continual dialogue with the Chief Electoral Officer for Northern Ireland on a full canvass of electors – originally planned for 2020 but now scheduled to take place in 2021 – have helped to ensure that preparations for the canvass have progressed well. Alongside the work undertaken by the Chief Electoral Officer, we will be running a new multimedia public awareness campaign across Northern Ireland to encourage the electorate to register during the canvass period. We have also committed to reporting on the conduct of the canvass, and plan to publish this in advance of the May 2022 Northern Ireland Assembly election.

Tackling electoral fraud

We provided guidance and advice to support EROs, ROs and the police to deal with electoral fraud. For the fourth year in a row, we also worked with the City of London Police Economic Crime Academy to host and contribute content to four training courses for police officers. We jointly organised the 16th Annual National SPOC (single point of contact) seminar which took place virtually for the first time, working with our partners at the National Police Chiefs' Council. We also supported SPOC seminars in Scotland and Wales, and provided dedicated election briefings for new SPOCs.

Throughout the year, police forces across the UK sent us data about allegations of electoral fraud that they received and investigated. Every year we report on the number, type, and outcome of these allegations, to understand what has happened and how cases are resolved. We provided updates on outcomes from cases reported in 2019, including from the UKPGE, and also published data on the small number cases reported during 2020.

Goal two

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

This goal captures our regulatory role. We focus on two areas which are at the heart of a healthy democracy: ensuring transparency, and good regulation.

Key achievements

To ensure transparency, we:

- published financial reports from parties and campaigners
- worked with parties to deliver financial reports, and adapted our pattern of routine publications as a consequence of challenges parties faced with delivering reports as a result of the pandemic
- registered political parties and other campaigners and published details in online registers
- produced new guidance to help campaigners understand and comply with new legal requirements for transparency of digital campaign material introduced by the Scottish Parliament

To support good regulation we:

- found flexible and new ways to continue our focus on supporting parties and campaigners during the pandemic
- built up our regulatory intelligence work to drive proactive interactions with individual campaigners
- took action and imposed sanctions when the political finance law were broken
- continued to evolve our regulatory approach to deliver a greater package of support for parties and campaigners

Performance measures

Measures	Performance
We publish routine financial returns from parties and campaigners, including statements of accounts, within 30 working days of receiving them (target 100%)	37.99% Not achieved⁴
We check a minimum of 25% of all financial returns for accuracy and compliance each year	38.95% Achieved
We publish 100% of guidance products on time with no substantive errors	100% Achieved
We provide accurate advice within five to 20 days of receipt of the request, depending on the complexity of the advice (Target 90%)	94.44% Achieved
We notify applicants of the outcome of their registration applications within 30 days of a complete application 75% of the time (Target – 75%)	58.21% ⁵ Not achieved
We conduct timely and proportionate investigations of which 90% are completed within 180 days	94.44% Achieved
We issue 90% of final notices setting out our sanctions within 21 days of the deadline for representations.	94.29% Achieved
We make timely regulatory recommendations that reflect the principles guiding our approach to effective regulatory framework	100% Achieved

⁴ As a consequence of the Covid pandemic many parties were unable to complete and deliver their statements of account by the legal deadlines, which meant that we were unable to publish them within 30 days of that deadline.

⁵ As a result of the postponement of the 2020 polls, an unprecedented number of applications to register political parties or amend registered details were received in the months running up to the 2021 polls. In addition a small number of applications raised complex issues that required additional time to resolve.

Our activities during the year

Ensuring transparency

Throughout the year, we focussed on delivering the responsibilities we are accountable for to the UK's parliaments. We maintained the registers of political parties, ensuring only parties meeting the legal tests are on the register, and we continued reviewing descriptions to help voters identify the party for which candidates are standing.

We worked with parties and campaigners as soon as the likely impact of the pandemic became clear to recognise the challenges of delivering financial reports during the pandemic, and adapted our pattern of routine publications appropriately. We published donations and loans data, statements of accounts, and spending data for the 2019 UK Parliamentary General Election as quickly as possible given understandable delays in delivery, and in some cases without any delay at all.

We continued developing a new online portal for party registration and finance, which we will launch in 2021 and will improve how parties and campaigners register and deliver financial returns

We also developed a new online tool that enabled people to view candidate spending data following the 2019 UKPGE in an interactive and accessible way. Publishing the data in this format provides greater transparency about the money received and spent by candidates at elections.

Good regulation

We further developed our approach to regulatory intelligence to be more proactive and quickly identify and intervene where this could prevent or minimise non-compliance. This reduced the number of cases requiring enforcement action, and helped to prevent campaigners from breaking the rules. We will continue to focus on this. We are also developing a more systematic approach to gathering evidence of areas where targeted guidance and support can most benefit parties and campaigners.

We set up a new regulatory support team dedicated to developing and implementing new and innovative ways to provide proactive support for parties and campaigners to help them comply with the law. Our outreach work included training sessions, seminars or other engagement with the Greater London Authority, the Local Government Association, the National Council for Voluntary Organisations, and others. We also conducted a survey of campaigners on how they expected the pandemic to impact on their activities at the May 2021 polls to help us understand their challenges and concerns better. Increased stakeholder engagement and outreach work meant we were able to provide clarity to parties, candidates and campaigners on our work and preparations for the May 2021 polls.

We produced new guidance for the digital imprint regime introduced by the Scottish Parliament, and produced our usual bespoke guidance for parties candidates and agents and campaigners in good time for the May 2021 polls despite the unusually high number of different elections taking place and the need to take account of the pandemic restrictions.

The pandemic led to other new guidance, such as Frequently Asked Questions on the voiding of candidacy rules for the postponed 2020 elections, and guidance on sponsorship and valuing digital conference stands for party conferences. Finally, we continued to update our guidance where appropriate, including changes arising from the UK's departure from the European Union.

We continued to use our investigation and sanctioning powers to identify and respond to non-compliance and deter future non-compliance where appropriate. We imposed financial penalties totalling £34k throughout 2020/21 and accepted the voluntary forfeiture of impermissible funds totalling £9k, removing these from the political finance system. We did not however take enforcement action where reports were delivered late due to the impact of the pandemic.

Goal three

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

This area of work focuses on innovation and strengthening our evidence base. Our expertise in policy, research and communications are core to enabling this work.

Key achievements

To contribute to innovation and strengthening our evidence base, we:

- reported on the 2019 UK Parliamentary general election and made recommendations to help improve future electoral events
- commissioned qualitative research with the public across the UK to explore attitudes to current voting processes and access to information about elections
- provided the Scottish and Welsh governments and parliaments with independent expert advice on legislative and policy changes arising from their respective electoral reform agendas
- supported the UK, Scottish and Welsh governments to develop and put in place legislation to help meet the challenges of delivering well-run elections in the context of public health restrictions
- published a set of modular citizen education resources for 14-18 year olds in Scotland and for the first time in Wales, ahead of Scottish Parliament and Welsh Senedd elections
- submitted a detailed response to the UK Government's technical consultation to inform the development of new transparency requirements ('imprints') for digital campaign material
- launched a public awareness campaign and supporting online information hub to increase digital literacy in relation to online campaigning – developing content in partnership with the Information Commissioner's Office, Ofcom, the UK Statistics Authority, and the Advertising Standards Authority
- monitored the delivery of electoral events around the world that were held in the context of Covid restrictions, to inform the development of practices in the UK
- published a series of research reports about attitudes towards voting ahead of the May 2021 polls
- published the findings of qualitative research into public attitudes to the transparency of political finance in Northern Ireland
- gave evidence to parliamentary committees to ensure our expert analysis about elections and regulation would inform their work.

Performance measures

Measure	Performance
We publish 100% of our reports to planned deadlines	100% Achieved
We comment on 100% of relevant legislation and policy proposals	100% Achieved
Work in support of the electoral law reform recommendations from the England and Wales, Scotland and the Northern Ireland Law Commissions	Ongoing

Our activities during the year

Innovation and strengthening our evidence base

We published our statutory report on the delivery of the December 2019 UK Parliamentary general election. We found that the election was generally well-run, but our analysis highlighted new evidence showing challenges for the future. Our report described how the UK's electoral administration structures are operating under significant strain, and highlighted that people have growing concerns about some aspects of election campaigning. The UK Government's response welcomed our report, noting that it helps "to ensure that our democracy remains world-leading by identifying current challenges and opportunities".

We provided expert advice and support to the UK, Scottish and Welsh governments and parliaments, to help develop policy and legislation to support the delivery of elections in the context of developing public health restrictions. This included advice on 24 separate proposals for draft legislation during this year; our input helped to ensure these would be workable in practice.

We provided expert advice to the UK and Scottish governments as they developed proposals for improving the transparency of digital campaign material. Our extensive experience of regulating the current requirement for campaigners to include an 'imprint', showing who is responsible for printing and promoting printed campaign material, helped the Scottish Government to put in place a new requirement for digital election campaign material for the first time in the UK. We also provided a comprehensive response to the UK Government's technical consultation to inform its own plans for legislation which is expected to be introduced later this year.

We gave evidence to parliamentary committees to ensure our expert analysis about elections and regulation would inform their work. In the UK Parliament, this included the Public Administration and Constitutional Affairs Committee, in response to its inquiry into the work of the Electoral Commission, as well as a joint session with the Local Government Association and the Association of Electoral Administrators focussing on preparations for the May 2021 polls. We also worked with the Committee on Standards in Public Life in response to its review of electoral regulation.

In the Senedd, we gave evidence to the Equality, Local Government and Communities Committee on the Local Government and Elections (Wales) Bill, and to the Assembly Electoral Reform Committee's inquiry into electoral systems and boundaries, and the Constitutional and Legislative Affairs Committee on the Senedd and Elections (Wales) Bill.

In the Scottish Parliament, we gave evidence to the Standards, Procedures and Public Appointments Committee on the Scottish Elections (Franchise and Representation) Bill and the Scottish Elections (Reform) Bill. We also gave evidence to the Finance and Constitution Committee on the Referendums (Scotland) Bill.

Acting on analytics and feedback from user testing, we continued to develop our website, both functionality and content. We continued to ensure compliance with website content accessibility guidelines (WCAG 2.1), converting content from PDF to HTML.

Goal four

To provide value for money, making best use of our resources and expertise to deliver services that are attuned to what matters most to voters.

This goal provides a focus to activities that support the organisation and ensure we have the appropriate skilled people, resources, technology, systems and governance. The aim is to deliver services that are efficient, effective and economical.

Key achievements

To support our organisation, we:

- implemented our new accountability arrangements with the Scottish Parliament and Senedd which come into effect 1 April 2021.
- reviewed and refreshed how we deliver legal services
- supported staff with the challenges of home working through the pandemic, while continuing to support our stakeholders and deliver on the organisation's priorities
- implemented our new People Strategy to support the best use of our resources
- commenced an internal consultation on our new Equality Diversity and Inclusion (EDI) strategy and approach
- set up a Race at Work Taskforce
- commissioned an external report on bullying and harassment in response to staff survey feedback and appointed a champion to lead our response
- implemented new IT systems including, a new e-procurement system, new unified communication systems (including telephone, upgraded video conferencing, instant messaging and a new planning performance system)
- renovated our working environment to support our new flexible ways of working
- set up a Quality Assurance initiative to help us continuously improve our processes

Performance measures

Measure	Performance
Learn practical lessons from current home and remote working practices and design future accommodation accordingly	Ongoing⁶
Deliver our Ways of Working project to deliver digitally enabled business change to reflect the expectations on a modern employer and ensure the core ICT offering can support those changes.	Completed
Stakeholder and staff satisfaction with IT tools	Ongoing⁷
Work with the Scottish Parliament and Welsh Senedd to implement our new accountability arrangements, including a new funding formula and business plans for Scotland and Wales	Completed
Implement our new People Strategy	Ongoing
Maintain high staff engagement scores in the annual staff survey and ensure indicators such as staff turnover are at appropriate levels	Staff engagement score: 72% (Civil Service average: 62%) Staff turnover: 9.23%
Identify options, costs and benefits of e-procurement and implement a new system accordingly	Completed
Monitor significant variances on all budgets and, where appropriate, reduce these variances over the five years of our Corporate Plan	Completed
Deliver a project to examine how well we manage customer enquiries across the whole range of the Commission's work	Ongoing

Supporting the organisation

In common with all organisations, the Covid-19 pandemic has transformed the way we work and presented major challenges, including almost total home-working through the

⁶ The impact of covid-19 has meant that there has been an unexpectedly and significant change to our working practices over the past year. We have undertaken extensive consultation with staff during this period and are trialing new approaches to working time and location in the coming year

⁷ We have continued to roll out upgrades across infrastructure, devices and applications in this year, however implementation was delayed due to the impact of Covid-19. We shall evaluate in the coming year

reporting year. Our aim throughout has been to support staff wellbeing while remaining focused on our important role to deliver for voters and to support our electoral stakeholders. We carried out an internal review of our initial response over the summer, followed by an internal audit at the end of the year. Both found that we had handled the situation well and had learnt lessons, in particular about formalising our structures for decision making in a crisis.

We have invested significant effort in supporting and developing our people. Our People Strategy includes actions to facilitate a culture where employees are able to perform their roles more effectively. We started this work by reviewing our performance management and development processes.

We invested more in learning and development and ensured staff were aware of the range of options for development that are possible. We also continue with the roll out of our leadership and management development programme for all managers.

We continued supporting staff groups that we set up to address particular areas, such as the staff engagement group, to ensure our employees have input into corporate policies and programmes.

We also have groups dedicated to supporting staff with bullying and harassment, to supporting those with mental health issues and to promoting dignity and respect at work. We maintain strong links with our trade union, the Public and Commercial Services Union.

We have made significant progress on equality, diversity and inclusion. We have set up a Race at Work Taskforce to ensure that the voices of our black, Asian and minority ethnic staff are heard and provide a force for change. We have prepared and will be consulting on a new Equality, Diversity and Inclusion strategy. We are reviewing and enhancing our Equality Impact Assessment process.

We have continued to transform the way we work through significant investments in our digital infrastructure, to improve its resilience and support flexible working practices. The roll-out of new laptops to all staff will enable more efficient working practices and is nearly complete. We have also introduced a new unified communications system.

This year has seen significant investment in our offices to ensure that we are ready for new and more flexible working practices post-pandemic. This has been completed on schedule despite the constraints of the pandemic.

We have also made significant improvements to our business delivery systems. We have implemented a new project management framework and set up a Quality Assurance initiative to help us ensure continuous improvement. We have also set up a new performance management and tracking system to enhance our reporting mechanisms.

We have also continued working with the National Cyber Security Centre to improve how we monitor our networks and platforms.

We report to the Scottish Parliament and the Senedd for our policy work on devolved issues, from 1 April 2021 we will be formally accountable to them in the same way as we are to the UK Parliament and have agreed a Statement of Funding Principles. In addition

to revised accountabilities, this will change the way funding is received £17.2m of budget will be from Consolidated Fund Administered by HM Treasury, £2.6m from Scottish Parliament Corporate Body and £1.8m from Welsh Consolidated Fund for 2021/22

Impact of Covid-19

The postponement of the elections saw our activity adapted on how it operated, this created opportunities to review working practices.

We carried out a review of our response to the pandemic. This found that we had balanced the needs of supporting staff with continuing to deliver the organisation's priorities, and that the Commission had acted swiftly and effectively.

A further audit was carried out by our internal auditors in early 2021 which confirmed these findings. We have made a number of changes to enhance further our response, notably in setting up a formal Gold/Silver command structure to support decision-making.

The additional costs to the Commission to support staff whilst working at home totalled £85k. This could be broken down in to three areas:

- home working allowance to all staff members (£67k)
- courier services (£8k) – enable essential equipment from the offices to home addresses
- the purchase of additional equipment to enable people to work at home successfully (£10k).

The additional costs have been absorbed due to underspends caused by the pandemic within the event budget across the Commission.

Impact of EU exit

There are no further European Parliamentary Elections due to be held in the UK, with the related elections legislation repealed.

As a result of the European Union (Withdrawal) Act 2018, changes were introduced to the rules for parties, candidates, non-party campaigners and regulated donees accepting donations and loans, and to the registration of non-party campaigners. These changes came into force on 31 December and required the guidance team to update all of its guidance and resources in GB and NI. This amounted to approximately 70 guidance resources.

There were no additional financial costs to complete this work.

Looking ahead to 2021-22

2021-22 will be a busy year for the Commission. We are responsible for overseeing the delivery of a large and complex set of polls, and for ensuring that they are delivered safely and in a way that commands public confidence against the continuing backdrop of the pandemic. The arrival of a new Chair, the outcome of the enquiries by the Public Administration and Constitutional Affairs Committee of the UK Parliament and the Committee on Standards in Public Life, and the progress through Parliament of a significant Elections Bill will all impact on the work of the Commission as we start to emerge into a post-Covid environment. We will produce a Corporate Plan for the next five years. And we will for the first time be directly accountable to the Scottish Parliament and the Senedd Cymru in the same way as we are accountable to the UK Parliament through the Speaker's Committee.

Our first priority is the delivery of the May 2021 polls, which will be the most complex for some considerable time. As highlighted above we have done substantial work with stakeholders and voters to prepare, but we do not underestimate the magnitude of the task.

We welcomed a new Chair in the spring as well as two new Commissioners. This will provide refreshed strength in our strategic direction and governance as the Commission continues to deliver against a background of continuing change. Spring sees the expected introduction of the Electoral Integrity Bill; we will work closely with the UK Parliament to ensure parliamentarians have timely and evidence-based advice. Both the Committee for Standards in Public Life and the Public Administration and Constitutional Affairs Committee of the UK Parliament will publish reports relating to the Commission and electoral law. We welcome this scrutiny and look forward to seeing the recommendations.

We welcome too our new accountabilities and relationship with the Senedd Cymru and the Scottish Parliament. We will work closely with both over the coming year to build our new relationship and support the implementation of any emerging plans for electoral reform. We will equally continue to work with stakeholders in Northern Ireland, particularly in supporting the 2021 canvass and preparing for the next Northern Ireland Assembly elections

Core to our role is to continue to work constructively with all concerned – governments, parliaments, parties and campaigners, electoral administrators and other interested groups – to maintain confidence and trust in elections, including making preparations for the delivery of the May 2022 scheduled elections. We recognise the challenges. Strain and pressure on electoral administrators as a result of outdated and increasingly complex electoral law and continued pressure on resources and capacity continues to pose a risk to the successful delivery of registration and elections. We will continue work to develop and implement a strategy to support the increased resilience of local electoral services. And the nature of political campaigning continues to develop. Parties are spending a higher portion of their budgets on digital advertising and voters need to have confidence that they can critically examine and test political messages they see online. There is a risk that public confidence in digital campaigning will continue to fall, which poses a challenge for us, other regulators, governments and campaigners

A different kind of challenge comes from adapting to the emerging post-Covid landscape. The Covid-19 pandemic has brought change and challenge for us as it has for every organisation. As it recedes we will put in place new post-Covid-19 working practices reflecting the fundamental changes likely to be brought about for us and for our stakeholders.

All of this will feed into the new five-year Corporate Plan and Financial Strategy which we will develop over the course of the year and which will set out how we propose to meet these and other challenges.

We will continue to deliver on our four goals

Goal one

- support the **May 2021 polls**, working closely with the electoral community to ensure that they are delivered effectively
- continue to **provide expert advice and guidance to electoral administrators, candidates and agents**, including providing guidance, support and challenge in relation to preparations for the May 2022 elections
- continue to work with partners on improving the **accessibility** of elections so that everyone has equal access to election information and processes
- **undertake a voter registration campaign** ahead of polls, focusing particularly on groups which are harder to reach.
- support **Electoral Registration Officers (EROs) in Great Britain**, and lay new performance standards for them before the UK, Scottish and Welsh Parliaments.
- **support the 2021 canvass in Northern Ireland and preparations for the May 2022 Assembly election**, including through electoral registration public awareness activity
- continue work to **develop and implement a strategy to support increased resilience in the delivery of electoral services at a local level**.
- support the implementation of the Scottish and Welsh governments' **changes to the franchise** and raise public awareness through our targeted Welcome to Your Vote campaign and working with a wide range of partner groups.
- continue to combat **electoral fraud** through close engagement with the police and with local authorities, supported by our Your Vote is Yours Alone campaign and by research and data analysis.

Goal two

- **Maintain the registers of political parties and campaigners**, ensuring voters have clarity about registered parties and campaigners on the ballot paper
- **Publish financial data from parties, candidates and campaigners**, including that related to elections, ensuring transparency for voters
- **Continue to evolve our effective enforcement of the political finance rules**, ensuring voters, parties and campaigners have confidence that the rules are enforced proportionately and with impact, within our current powers. We will continue to publish the outcome of each investigation for transparency, including in full reports where that is warranted, so voters, parties and campaigners can see the way we act to enforce the rules. We will also continue to publish the outcomes of all investigations.
- Deliver a new **Political Finance Online system** to support parties and campaigners to deliver their financial returns efficiently
- Provide **timely advice and guidance** to parties and campaigners to support them in meeting their legal requirements, including for the major and complex polls scheduled for 2021
- Consult on and then develop our new strategic framework to ensure **effective and impactful proactive support** which will have the greatest effect on compliance with the law
- continue to enhance **the quality of our regulatory work** by rolling reviews of regulatory procedures and completing a project on enhancing our enforcement processes.
- respond to the changing environment and impacts of **digital campaigning**. We will work with government, social media companies and other providers of digital advertising to ensure their services and policies support transparency for election and referendum campaign activity; we will continue to scrutinise their proposals and bring forward proposals of our own as appropriate.
- Administer the **policy development grants** scheme and ensure it operates effectively by making timely recommendations to the UK Government for any necessary changes

Goal three

- continue to **provide expert advice and support** to political parties, campaigners, governments and the public to inform policy change, educate and inform the public and promote partnership working
- Support the UK Parliament to scrutinise the expected **Elections Bill**
- **report on the administration of elections** in line with our statutory duties to ensure we utilise learning to improve the delivery of future events
- continue to promote and build support for improvements to our democratic processes

- take forward work on a project to explore **voters' attitudes to the voting process** and options for change that would ensure their needs and expectations can continue to be met into the future
- continue to **develop our evidence base** to enable greater understanding of the electoral environment, including horizon scanning for emerging issues, risks and opportunities to the electoral system
- undertake **public awareness activity** to increase voter understanding of the rules already in place to regulate the digital campaigning techniques increasingly used to reach voters
- continue to expand our suite of **education and learning materials** designed to support understanding of the democratic process, for students and teachers across the whole of the UK.
- continue to develop our **corporate website, using** open data and digital tools to improve accessibility

Goal four

- Design new working practices and shape a culture which helps us maximise performance and meet changed staff expectations as we start to emerge from the pandemic
- Publish a **new Corporate Plan** for 2022-27, led by the new Chair of the Commission. We will also develop a new five-year financial strategy
- Develop new working arrangements with the **Senedd and the Scottish Parliament** as well as the UK Parliament to reflect our new accountabilities
- Delivered and developed our **People Strategy**
- Continue our focus on equality, diversity and inclusion through our new Race at Work Taskforce and the publication of a new **Equality, Diversity and Inclusion Strategy**
- Continue our focus on learning and development, including our **Leadership and Management Development Programme**
- Continue to develop our **quality management** approach, building on our initial progress in 2020/21
- Continue to upgrade our **internal financial systems** and **performance tracking systems** to improve efficiency and our ability to forecast

Our commitment to equality, diversity and inclusion

The Commission is committed to the principle of equality of opportunity and the value of diversity. We are subject to a range of legislation including the Public Sector Equality Duty as set out in the Equalities Act 2010, 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. Our commitment goes beyond compliance. We serve a diverse society, and diversity is at the heart of a democracy that works for every voter.

We have three key objectives:

- that everyone who is eligible is able to participate in the democratic process, by identifying barriers, making recommendations and working with others to remove them
- that we embed equality and diversity in all our work, treat all customers fairly and with respect, and are transparent in the decisions we make
- equality of opportunity for everyone and that all staff are treated fairly and with respect

These objectives are central to the Commission's work:

We know which groups of voters are least likely to be registered, and have focussed communications and engagement activities to assist them. For example we have designed campaigns aimed at younger voters and in particular those from black and minority ethnic backgrounds whom we know from research are less likely to be registered, and have worked with a large range of groups such as those representing refugees, gypsies and travellers and voters with a disability.

We completed equality impact assessments on relevant policies and procedures throughout 2020/21. The equality impact assessments support a commitment to evidence-based policy making. In addition to arrangements for consultation and monitoring, the assessment process helps to develop effective policies that meet the needs of people in respect to any protected characteristics. We have reviewed and enhanced our process and will fully implement this during 2021-22.

We want to improve the diversity of our staff at all levels in the organisation, and consider it important that we reflect the diversity of the people we serve. We have taken a range of initiatives. Our People Strategy has equality, diversity and inclusion at its heart. Our work on diversity is supported by a number of staff groups. Our Equality, Diversity and Inclusion group meets regularly. Our Chief Executive chairs a Race at Work Taskforce and we have appointed a champion to lead actions on this work. The Dignity, Respect and Empowerment group holds the organisation to account on challenging bullying and harassment, working with a Director level Anti-Bullying Champion. Our Wellbeing Group and our Mental Health First Aiders provide support to staff

We will be publishing a new Equality, Diversity and Inclusion Strategy during 2021-22 alongside a new Employer's Statement on Equal Opportunities.

Northern Ireland

Under Section 49A of the Disability Discrimination Act 1995 (DDA 1995) (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006), the Electoral Commission is required when carrying out its functions to have due regard to the need to:

- promote positive attitudes towards disabled people; and
- encourage participation by disabled people in public life ('the disability duties').

Under Section 49B of the DDA 1995, the Electoral Commission is also required to submit to the Equality Commission a disability action plan showing how it proposes to fulfill these duties in relation to its functions.

In January we published a draft Disability Action Plan and began a 12 week public consultation in Northern Ireland, as recommended by the Equality Commission for Northern Ireland. We intend to have the final action plan in place by June 2021 and will report annually on our progress on implementing the plan to the Equality Commission for Northern Ireland.

Wales

The Electoral Commission is committed to the principle that in its conduct of public business and provision of resources and services, the Welsh and English languages should be treated on a basis of equality. During 2020/21, important work was undertaken with regard to the Welsh language within the Commission. Our campaigns were created and run bilingually in Wales, such as Got 5/Oes 5 'da ti general voter registration campaign, and the Welcome to Your Vote/Croeso i Dy Bleidlais campaign, to encourage registration among those newly enfranchised voters in Wales. New educational resources were also created for use in schools in both Welsh and English.

A complaint was made to the Welsh Language Commissioner during 2020 relating to the Commission's statutory process to maintain the registers of political parties and to take registration decisions. In its response the Commission reinforced its commitment to providing an exceptional service to partners in Wales in the language of their choice and to ensuring that the Welsh Language Standards, set in July 2016, are not only met, but that the Commission is innovative and ambitious in the services that it provides. We commissioned an external agency to carry out a review of the Commission's adherence to the Standards and the final report from this work will inform the organisation's next steps regarding Welsh Language provision.

Scotland

We continue to work with a range of delivery partners to promote equal access to and understanding of democracy in Scotland.

Using our resources to support the delivery of our goals

Our people

Staff relations and engagement

The expertise, hard work and high level of commitment of our workforce enable successful performance and delivery of our Corporate Plan. We value the positive and constructive relationship we have with colleagues and work hard to maintain it. Our staff engagement group meets on a regular basis to seek input from colleagues on emerging issues and help to maintain good relations with staff. We also actively encourage staff involvement as part of the day-to-day process of line management, and we share information on current and prospective developments widely and regularly. To support this, we have a recognition agreement with the Public and Commercial Services Union.

We completed our latest staff survey in March 2020 and 86% of employees responded. Our employee engagement score was 72% (up from 65% in 2018-19). Our scores compared most positively to the Civil Service benchmark in areas such as our people agreeing that:

- we took action after the previous survey
- they feel a strong personal attachment to our organisation and its work
- they would recommend the Electoral Commission as a place to work

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

- there are opportunities for them to progress in their careers at the Electoral Commission
- they have the IT systems and equipment they need to do their jobs effectively
- we are committed to creating a diverse and inclusive workplace

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 2020/21 we carried out specific risk assessments to ensure our sites were Covid secure prior to re-opening; routine assessments will restart once travel across the UK is permitted and our sites are back in use.

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.

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
- upgraded to more energy efficient information communication technology equipment

Summary (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.

Coronavirus has meant that the office has not been open during 2020/21 for all staff therefore our performance has not been measurable this year.

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.

Using our financial resources efficiently

In 2020/21, the resource initially made available to us by the UK Parliament was £23.3m for voted activity. We received non-voted funding of £200k to pay Commissioners' fees.

In January 2021, we had our Supplementary Estimate Approved, which decreased our resource budget to £20.3m and increased our capital budget to £1.5m. We also reduced our AME budget to £0.3m.

The budget changes were due to the postponement of the polls scheduled for May 2020 and the increased costs for our political finance online system.

Our final budget breakdown:

		Voted £m	Non-Voted £m	Total £m
Departmental Expenditure Limit	Resource	20.3	0.2	20.5
	Capital	1.5		1.5
Annually Managed Expenditure	Resource	0.3		0.3
Total Net Budget	Resource	20.6	0.2	20.8
	Capital	1.5		1.5
Net cash requirement		21.5		21.5

In achieving our objectives, we have used £19.1m worth of resources for the whole year. This was out of the available sum of £20.5m approved by the UK Parliament in our Supplementary Estimate (HC 64) for the net resource voted requirement. The graphic below summarises our financial performance on the 'voted' element of our budget.

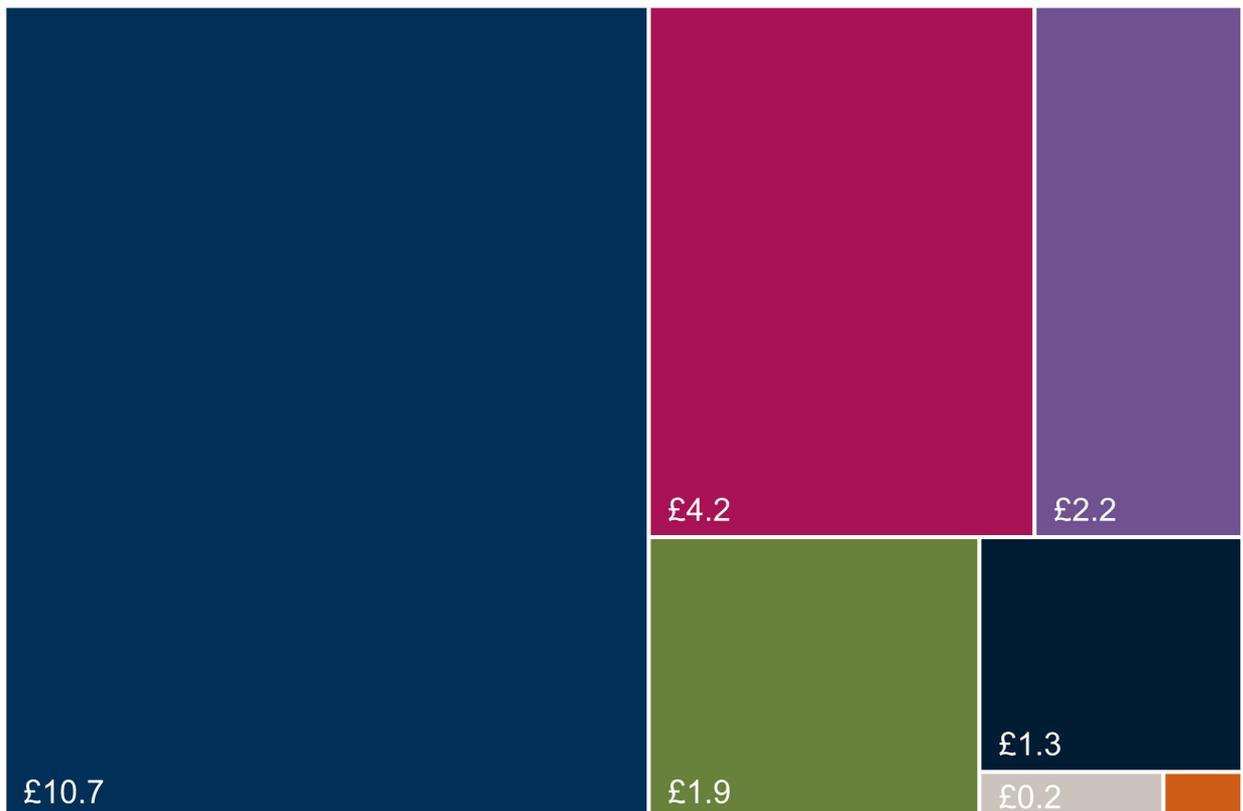
Financial performance 2020/21

Our financial performance follows our strategic performance, being dominated by a shifting electoral timetable. For the year 2020/21:

- our staff costs represented 55% of our resource expenditure, which is an increase of 8% from 2019/20.
- our capital expenditure increased by £0.4m due to the refurbishment works within the London office.

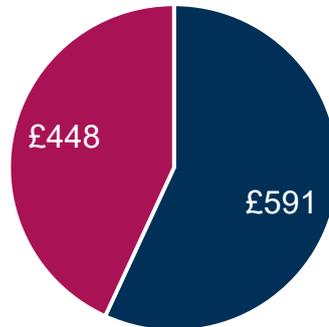
Expenditure 2020-21 (£m)

- Staff costs
- Operating costs
- Public Awareness
- Policy Development Grant
- Local Government Scotland
- Senedd
- Capital expenditure



We report our underspend to reflect in-year operational decisions; R-DEL excluding depreciation and PDGs. In 2020/21 this was £1.0m against the voted budget of £17.9m (5.6%). This was predominantly due to unused contingency and other savings in campaigning for the May 2021 elections.

Operating Underspend - £000s



■ Event Activity ■ Core staffing & operating costs

The operating underspend is comprised of:

- £591k reduced spend within our campaigning budget for the May 2021 campaigns. (including contingency for Covid related campaigns that was not required)
- £103k as a combination of under and over spends within staff costs
- £253k due to reduced Welsh translation and travel costs
- £92k as a combination of individually small underspends across the Commission

Other underspend

- £112k in unclaimed policy development grant
- £39k in depreciation
- £147k in provisions due to lower than expected costs
- £279k in capital projects

The £80k underspend against non-voted funding is due to lower than expected costs for Commissioners due to vacancies.

Our income in our accounts relates to charges for registering political parties and work completed for the Senedd and Scottish Parliament. 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. The penalties due was £41k in 2020/21 received by 31 March 2021 and surrendered to the Consolidated Fund.

In addition to monitoring performance against budgets, we also managed within our cash limits set by the UK Parliament. We required cash amounting to £20.3m in 2020/21 to finance our voted activities, which was £1.2m less than the sum of £21.5m approved by the UK Parliament in our Supplementary Estimate. The reconciliation of net resources outturn to net cash requirement 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 2021 was £26k.

The Statement of Financial Position as at 31 March 2021 shows positive taxpayers' equity of £0.9m.

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 2020/21, we paid 85% of invoices (81.6% in 2019/20) within 30 days. The pandemic created a backlog in paying invoices during the first part of the year due to the closure of the offices; e-processes were set up and within the last six months of 2020/21 100% of invoices were paid within 30 days.

Freedom of Information, complaints and parliamentary questions

We are committed to the principles of openness and transparency in public life and acknowledge the duty to provide information to the public. In 2020/21, we received 153 Freedom of Information (FOI) requests. We responded to 136 (91.9%) of these within the 20 working days statutory timeframe (target: 90%); a proportion of large and complex requests continues to be high. There were nine FOI internal review requests, one of these requests led to additional information being sent to the requestor.

The global pandemic had an impact on the number of FOI requests submitted to the Electoral Commission and the pattern of submission was not the same as in previous years. The complexity and impact of the requests did have an impact on the organisation, but this was mitigated by improvements in process and communication across teams. This led to the improvement in the number of requests responded to within the statutory response periods.

We received five subject access requests. We responded to all of these promptly. We received one complaint and this is pending closure from the ICO related to a response issued in 2019. We also received two requests for erasure under the General Data Protection Regulation/Data Protection Act 2018.

We handled 29 complaints, compared to 51 in 2019/20. Of the 29 complaints handled; 17 have been completed and 12 are still active. Of the 17 that were completed; 11 were not upheld, two were partially upheld, one was upheld, three were closed due to no clarification being received from the complainant. The learnings gleaned from the investigations of these complaints were fed back to the relevant teams to support our commitment to continuous improvement. These complaints spanned a range of topics. Eight complaints focussed on alleged delays in assessing applications to change a party's name. None of these complaints were upheld. 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.

In addition, we received correspondence from 181 members of the public that did not constitute complaints under our policy. Where possible the complaints team responded

directly to the individual or alternatively forwarded the correspondence to the appropriate team to provide a response if technical expertise was required.

Via our dedicated public information service, we responded to 4,463 public enquiries, received by phone and email. Through this service, we have answered questions about how to register and vote in the May 2021 elections taking place across Great Britain. We have explained the public safety measures in place at polling stations, and how people can use absent voting methods to have their say without attending a polling station.

We responded to 27 parliamentary questions during 2020/21, including questions about digital campaigning, electoral fraud, the accuracy and completeness of the electoral registers and the effectiveness of electoral law. Chris Matheson MP, a member of the Speaker's Committee, was our spokesperson in the UK Parliament and answered questions on our behalf.

Supply estimate for 2021-22

Our supply estimate for 2021-22 (HC1371) provides for a net resource requirement of £17.4m. The Speaker's Committee approved this on 23 March 2021 and was laid before House of Commons on 22 April 2021. 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.

We plan to use these resources to continue delivering our four goals around the delivery of elections, the regulation of political finance, the use of our expertise to improve democratic processes and the best use of our resources.

Powers and sanctions report

Use of our powers and sanctions between 1 April 2020 and 31 March 2021

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

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:

- fines ranging from £200 to £20,000
- compliance and restoration notices, by which we can require people to take particular actions to achieve compliance or rectify non-compliance
- stop notices, by which we can require people to take a particular action or stop an intended action

These sanctions apply to most, but not all, PPERA 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:

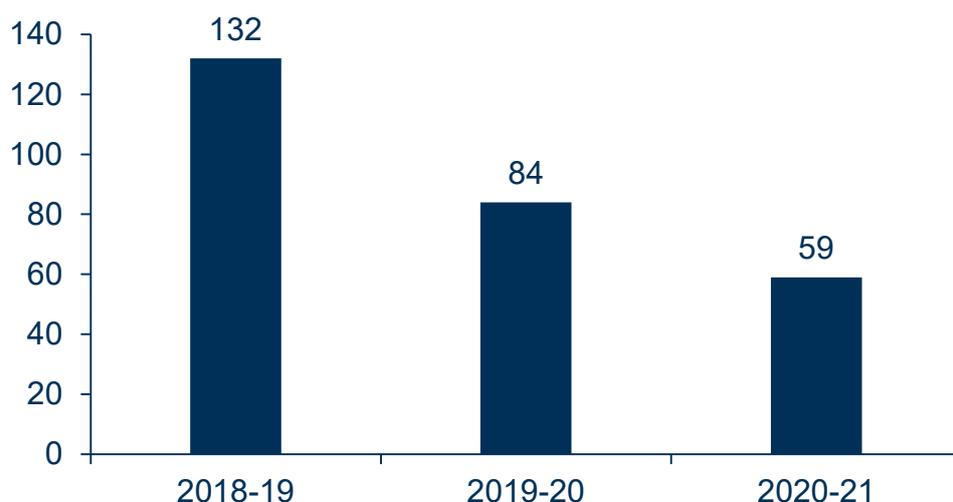
- we issued a disclosure or investigation notice
- premises were entered using an inspection warrant issued by a Justice of the Peace
- we applied to a court for an order for disclosure

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 notices or investigation notices during 2020/21.

We did not use our powers to apply for an inspection warrant to enter premises, or apply for any court orders for disclosure during 2020/21.

Number of concluded investigations



We concluded fifty-nine investigations during 2020/21 compared with 84 investigations concluded the previous year. We continued to regulate and take enforcement action where it was reasonable and in the public interest to do so. The minimal number of elections during 2020/21 was a factor in the reduced number of cases, and we took a proportionate approach to late delivery of returns in the light of the impact of COVID-19, leading to less enforcement activity, which was also a factor.

Use of civil sanctions

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

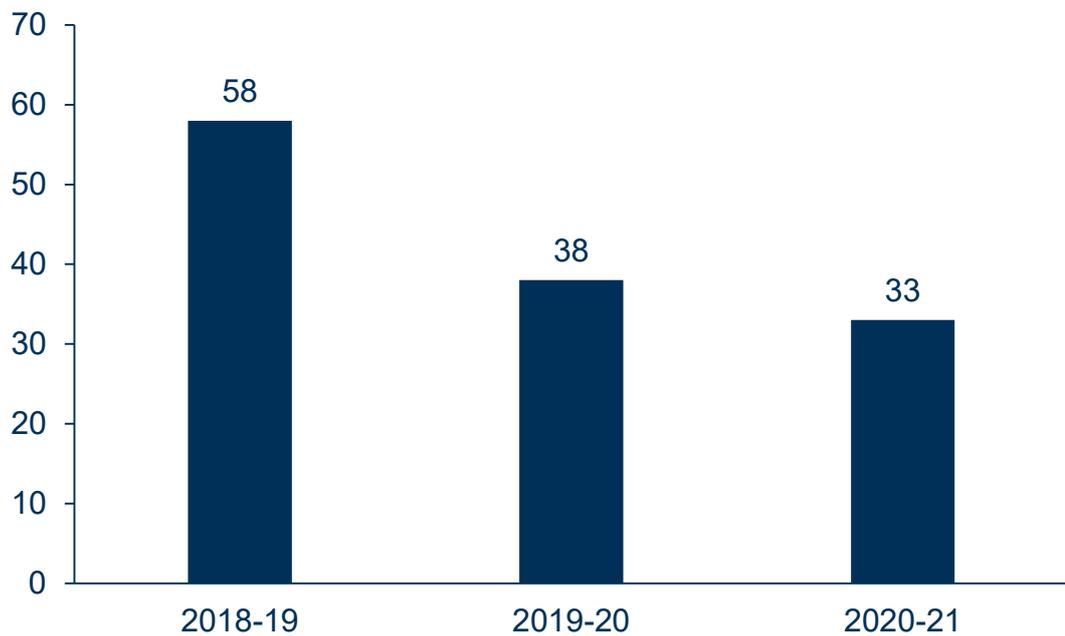
- a fixed monetary penalty or discretionary requirement was imposed or a stop notice served (other than cases in which the penalty, requirement or notice was overturned on appeal)
- liability for a fixed monetary penalty was paid before a notice imposing it was issued
- an enforcement undertaking was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

The number of penalties imposed, 33, is less than in 2019/20, and includes cases arising from the 2019 UK Parliamentary General Election.

The 2020/21 period includes three cases where parties paid fixed penalties early so we did not have to issue notices to impose payments.

The information below does not take account of 23 cases where we found an offence but decided not to impose a sanction.

Number of penalties imposed



Details of all penalties imposed during 2020/21 are available on our website here: <https://www.electoralcommission.org.uk/who-we-are-and-what-we-do/our-enforcement-work/investigations>

No enforcement undertakings were offered to us during 2020/21. We did not serve any stop notices up to and including 31 March 2021. No appeals were made against decisions to impose civil sanctions.

Bob Posner
Chief Executive and Accounting Officer
28 June 2021

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 2021/22 and our Corporate Plan until 2024/25. 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, both executive and non-executive, 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.

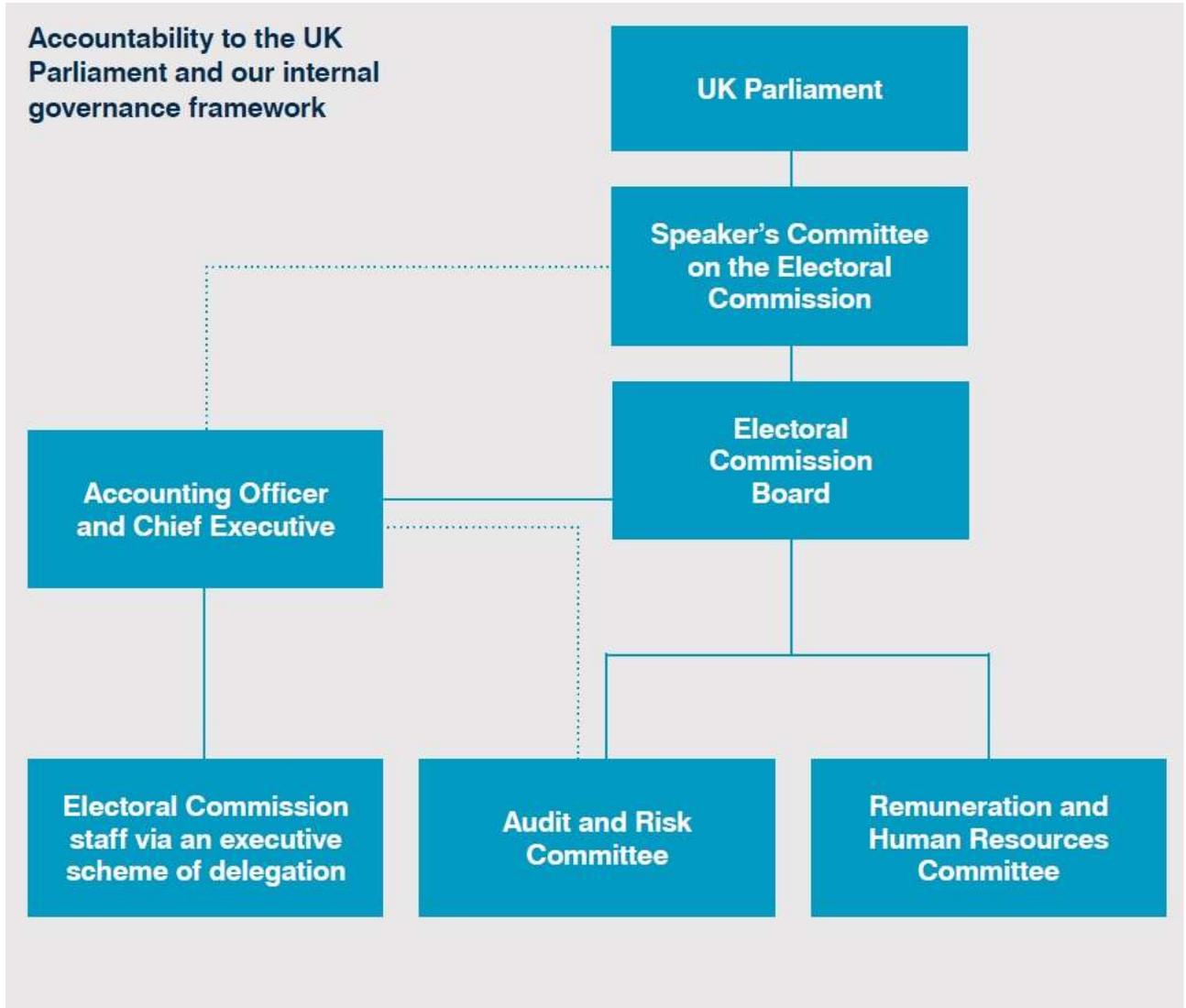
Accountability to UK Parliament and the devolved parliaments

While the Electoral Commission has regularly reported to both the Scottish and Welsh Parliaments in relation to our role at devolved elections, formal accountability (through legislation) has previously only been to the UK Parliament, specifically to the Speaker's Committee of the House of Commons. From 1 April 2021 we will also be formally accountable to both the Scottish and Welsh Parliaments, reporting to the Scottish Parliament Corporate Body (SPCB) and the Llywydd's Committee respectively. Work has been underway throughout 2020/21 to develop the processes to enable this accountability to happen.

During 2020/21 we have been working with the Scottish, Welsh and UK parliaments to develop a funding formula which would enable us to charge all direct costs for relevant elections to the legislatures and to calculate all other costs using the Office for National Statistics population data, valid for the life of our Corporate Plan. We have also been working to develop a "Statement of Funding Principles" which all Parliaments could agree to and this work was completed in March 2021 with the principles coming into effect in April 2021.

In the autumn we submitted our first set of estimates to both the Scottish and Welsh Parliaments enabling the UK Treasury to transfer the agreed level of funding to the Welsh Consolidated Fund and the Scottish Parliament. These processes will ensure all parliaments can be confident in scrutinising our work plans and accounts in the coming years.

Accountability to the UK Parliament and our internal governance framework



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 it has carried out its functions

Members of the Speaker's Committee from 1 April 2020 – 31 March 2021 were:

- Right Honourable Sir Lindsay Hoyle MP, Speaker of the House of Commons (Chair)
- William Wragg MP, Chair of the Public Administration and Constitutional Affairs Committee
- Right Honourable Michael Gove MP, Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster
- Luke Hall MP, Minister of State for Regional Growth and Local Government
- Owen Thompson MP (Scottish National Party)
- Karl McCartney MP (Conservative)
- Craig Mackinlay MP (Conservative)
- Cat Smith MP (Labour)
- Christian Matheson MP (Labour) (Committee spokesperson)

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 Secretary of the Speaker's Committee is Kevin Maddison.

The Speaker's Committee agreed our Supply Estimate for the 2021-22 financial year and our Business Plan in March 2020. The Supply Estimate (HC303) was laid before the UK Parliament on 29 April 2020.

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.

Her Majesty the Queen appoints our Chair and Commissioners on the recommendation of the House of Commons. By custom, Her Majesty normally appoints Commissioners for a period not exceeding four years in the first instance, with the possibility of re-appointments. Our new Chair started in the spring as well as two new Commissioners.

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 Her 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.

The Chair works for two days each week. The other Commissioners spend an average of two 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 2020/21

Name	From	To
Sir John Holmes	1 January 2017	31 December 2020
Anna Carragher	1 January 2012	31 December 2020
Alasdair Morgan	12 October 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 2022
Alastair Ross ⁸	1 November 2018	18 February 2020

⁸ Alastair Ross requested permission to resign and Her Majesty approved this on 18 February 2020.

Name	From	To
Joan Walley	1 November 2018	31 October 2022
Lord Gilbert ⁹	1 November 2018	31 October 2022

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 Board established an Audit and Risk Committee to 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

⁹ Baron Gilbert of Panteg (Lord (Stephen) Gilbert)

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 2020/21, 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 2020/21 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
- Alasdair Morgan
- Professor Elan Closs Stephens DBE

Reviews of audit reports

The Audit and Risk Committee approved and monitored a programme of audit and reviews for 2020/21. 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 three meetings in 2020/21. The internal and external auditors routinely attend all meetings, along with staff including the Chief Executive and the Director of Finance and Corporate Services.

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee comprises three Commissioners and meets at least twice 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 2020/21 were:

- Rob Vincent CBE, Chair
- Joan Walley
- Sarah Chambers

The Committee met four times and discussed our people strategy, pay, equality and diversity strategy, organisational response to the pandemic (particularly our approach to employee wellbeing), and recruitment and exit analyses.

Review of Board and Committee performance during 2020/21

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 2019 elections
- preparation at short notice for the European Parliamentary elections in May and an unscheduled UK Parliamentary general election in December 2019
- reviewing the voter ID pilots at the May 2019 elections
- discussing our accuracy and completeness survey and winter tracker research findings
- discussing our modernising electoral registration project
- The Board considered the following topics at informal Commissioner days:
- managing regulatory risk
- our approach to public awareness campaigns

The Audit and Risk Committee, as well as the Remuneration and Human Resources Committee, reviewed their effectiveness during the year. Responses were positive, and the Committees will act on the conclusions during 2020/21.

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 2020/21 (the maximum possible attendance is in brackets).

Board and Committee attendance 2020/21

Name	Commission Board	Audit and Risk Committee	Remuneration and Human Resources Committee
Sir John Holmes (Chair)	10 (10)	-	-
Dame Susan Bruce	10 (10)	5 (5)	-
Anna Carragher	10 (10)	-	-
Sarah Chambers	10 (10)	-	5 (5)
Professor Elan Closs Stephens DBE	10 (10)	5 (5)	-
Lord Gilbert	10 (10)	-	-
Alasdair Morgan	10 (10)	5 (5)	-
Alastair Ross	8 (8)	-	-
Rob Vincent CBE	9 (10)	-	5 (5)
Joan Walley	10 (10)	-	5 (5)

Chief Executive

The Chief Executive is responsible for our organisation overall, including management and staffing and for financial, conduct and discipline matters.

Executive Team

Our Executive Team, which comprises the Chief Executive and Directors, 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 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.

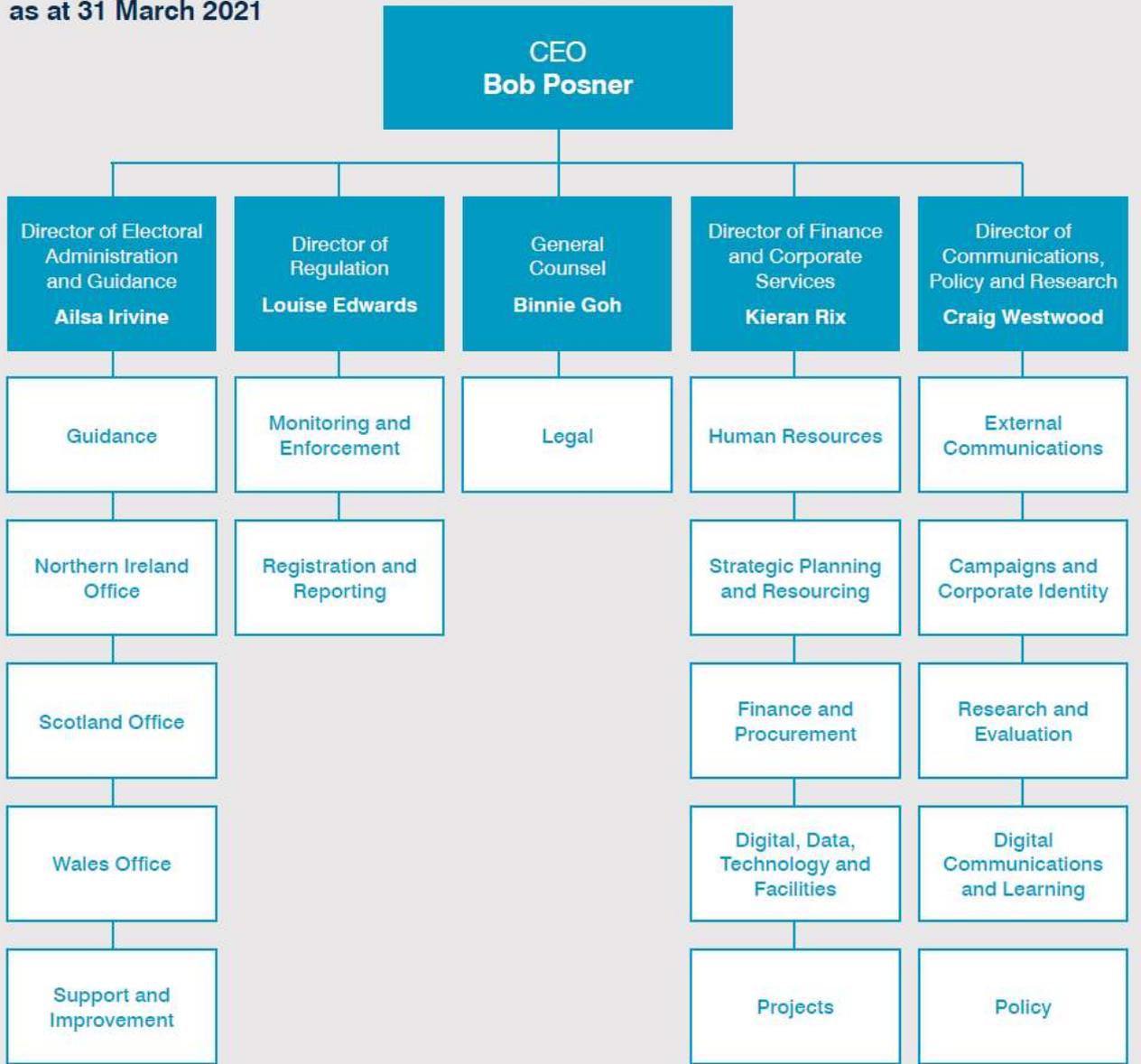
The Executive Team receives monthly reports on performance, finance and risk management across the organisation and on progress with key projects and initiatives. As well as frequent informal discussions, the Chief Executive meets each member of the Executive Team at least once a month to review and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

Members of the Executive Team during 2020/21 were:

- Chief Executive and Accounting Officer: Bob Posner
- 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 provides advice to the Executive Team and the Board. Binnie Goh succeeded Amanda Kelly as General Counsel in January 2021.

**Organisational structure
as at 31 March 2021**



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 Strategic Planning and Resourcing 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 risks are identified, assessed, managed and regularly reviewed
- assign specific responsibility for managing risks in their areas of responsibility to individual Executive Team members (including managing risks to significant projects)
- 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 & Risk Committee.

The strategic risks we monitored and managed in 2020/21 were:

Commission is ineffective in delivering all or part of its corporate plan

There are several potential causes of this risk including a pandemic impacting on the ability of the Commission to deliver its functions, however, this did not crystallise in 2020/21. 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 Speaker's Committee; financial or otherwise

The key mitigating activities undertaken were:

- Use of a planning and performance system to monitor and report progress against our corporate goals and objectives with plan within teams and by ET and Board
- Active and on-going engagement with governments and stakeholders on policy priorities
- Cyber Essential accreditation
- Detailed budgets linked to teams plans
- Active governance processes are in place supported by robust project management processes and reporting
- Information management and security policies in place and regularly reviewed

Part or all of an election poll is not well run

There are several potential causes of this risk including a pandemic impacting on the Commission's functions that support well run polls, however, this did not crystallise in 2020/21. The potential impacts of this risk occurring could be but are not limited to:

- Guidance produced by the Commission is misinterpreted
- Guidance is not delivered as quickly as stakeholders would like as a result of short notice electoral events
- Confidence in the Commission amongst electoral community is negatively affected
- Lack of trust 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

The key mitigating activities undertaken were:

- Events Delivery Steering Group met regularly to review and monitor risks and issues related to May polls
- Worked closely with government officials to achieve clear timescales
- Robust approval arrangements in place for approving party registration applications
- Effective approach to supporting and challenging local authorities to deliver successful polls
- Undertook wide but targeted consultation on its core guidance
- Scenario planning to identify the impact on spending rules of different poll timings and combinations
- Robust back up and disaster recovery plans

Ineffective regulation of political finance rules

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

The key mitigating activities undertaken were:

- Covid-19 messaging published to stakeholders
- Regulation and Legal teams are adequately resourced
- Regulatory Issues Group has oversight of key issues, trends and themes in campaigning
- Full reports in high impact cases explaining the investigation process and outcomes
- All procedures are documented in the Quality Management System
- Publication of individual case decisions

Commission fails to respond adequately to increased devolution

There are several potential causes of this risk including that the approaches taken by different legislatures and governments increasingly diverge. The potential impacts of this risk occurring could be but are not limited to:

- Commission accountable to Scottish Parliament and National Assembly for Wales directly for activity relating to their elections, but internal processes, structures and decision making do not fully and consistently reflect this
- Commission criticised for being 'out of touch', 'London-centric' or in some other way out of touch with devolution

- External confusion about where the Commission is accountable for

The key mitigating activities undertaken were:

- Project Board in place to oversee changes to accountability
- Briefings to UK Parliament, Scottish Parliament and Senedd on the changes
- Engagement with officials in respective parliaments and governments
- Executive Scheme of Delegation reflects role of Head of Electoral Commission in Northern Ireland, Scotland, and Wales

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.

We have identified and campaigned for improvements to election and political finance law. However, it remains the case that in some areas the law is complex and unclear. As a result, and because our findings are often challenged by the parties concerned, our decisions are sometimes subject to legal challenge. When subject to legal challenge, we review cases and defend them where appropriate, engaging external legal advice, including counsel, as required. We review all cases as appropriate, after conclusion on legal challenges, to see what lessons we can learn.

The Covid-19 pandemic's primary impact on the Electoral Commission is that the Coronavirus Act 2020 postponed the scheduled May elections in England and Wales to May 2021. The impact on planned activity was significant in 2020/21, as the postponed polls will now happen alongside scheduled ones and in the context of continuing public health restrictions.

The management processes, risk reviews and mitigations put in place for 2020/21 have assured the Accounting Officer that we have maintained an appropriate risk management regime.

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 2020/21.

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 2020/21 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 one internal audit report, the Risk Maturity Review. The remaining four reports will continue into 2021-22, Budget Management and Monitoring (Inc. financial forecasting), Covid-19 Lessons Learned (incident response and disaster recovery), Quality Assurance and Regulation (financial investigation).

For the completed audit, 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. They did not classify any of the recommendations as 'high risk'. The Audit and Risk 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.

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 £1.888m 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) and the ISO27001 Standard for Information Security.

The Audit and Risk Committee oversees our approach to managing information risk. Executive responsibility lies with the Director of Finance and Corporate Services in his 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 2020/21, the report concluded that we manage information risk effectively. The report covered risk management, transparency, confidentiality of information, availability of information, integrity of information, incident management and procedures to ensure continuing awareness of responsibilities and risks.

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 2020/21, there were four personal data incidents, none of which were reportable to ICO. The majority of the incidents were due to human error such as including email addresses in the wrong fields. One incident relates to the management of records sent to offsite archive. This is an area of work that will be seeing significant focus over 2021/22 to improve controls and audit.

We have seen an increase in subject access requests for personal data and requests for erasure, as individuals become more aware of their rights.

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 2020/21 the Board considered matters arising from an external review, this was overseen by two of the Commissioners; to consider and implement the agreed actions from the previous Board effectiveness review and internal audit on governance. The Board agreed that, as they were awaiting a new chair to defer a more complete review until after his arrival. The Audit and Risk Committee and The Remuneration Committee have both reviewed their effectiveness.

I am satisfied that no control weaknesses identified during the year were 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 2020/21 and I am satisfied sufficient controls are in place.

Remuneration and staff report

Chair and Commissioners remuneration

Commissioners are appointed by Royal Warrant to exercise their functions as described in PPERA. Following the departure of Sir John Holmes on 31 December 2020, Rob Vincent stepped in as to serve as interim Chair of Commissioners pending the appointment of a permanent successor.

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 accordance with this arrangement, fees increased by 1% from April 2020.

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 2020 to 31 March 2021 was £398 (2019/20: £390).

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 2020-21 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 2020/21 (Subject to audit)

Name	2020/21 £	2019/20 £
Sir John Holmes (Chair)	60,376	80,523
Dame Susan Bruce ¹⁰	1,674	12,975
Anna Carragher	6,069	12,319
Sarah Chambers	5,567	9,399
Professor Elan Closs Stephens DBE	11,675	17,337
Lord Horam of Grimsargh	0	32
David Howarth	0	20
Alasdair Morgan	7,154	10,016

¹⁰ Fees paid for Dame Susan Bruce for 2020/21 were paid in April 2021 and therefore not shown in the above table these will form part of the 2021-22 accounts

Name	2020/21 £	2019/20 £
Bridget Prentice	0	40
Alastair Ross	0	9,267
Joan Walley	13,124	8,880
Rob Vincent CBE	7,943	9,906
Lord (Stephen) Gilbert	4,553	7,923

All figures shown above are inclusive of Employers' National Insurance.

The remuneration for the independent advisor to the audit and risk committee, as set by the Remuneration and Human Resources Committee, is the same as the daily rate for Commissioners. Paul Redfern received £1,395 for his role in respect of 2020-21 (£690 for 2019-20). Reasonable travel and subsistence expenses actually incurred are paid in accordance with our travel and subsistence policy. No pension arrangements are in force for this role.

Business expenses: travel and accommodation (Subject to audit)

Name	2020/21 £	2019/20 £
Sir John Holmes (Chair)	0	384
Dame Susan Bruce	415	581
Anna Carragher	707	1,779
Sarah Chambers	0	25
Professor Elan Closs Stephens DBE	273	0
Lord Horam of Grimsargh	0	0
David Howarth	0	0
Alasdair Morgan	1,003	2,531
Bridget Prentice	0	0
Rob Vincent CBE	179	684
Joan Walley	350	1,424
Alastair Ross	154	1,540

Lord (Stephen) Gilbert

0

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 £'000		Pension benefits ¹¹ (to nearest £1000)		Total £000	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Bob Posner ¹² Chief Executive	160-165	135-140	45	147	205-210	285-290

¹¹ 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.

¹² From April 2020 the Chief Executive received a retention allowance of £21,109 included in his remuneration package. This was provided on the basis of pay grading and benchmarking undertaken by independent consultants and approved by the Remuneration and Human Resources Committee

Kieran Rix Director of Finance and Corporate Services	100-105	100-105	47	41	150-155	140-145
Ailsa Irvine Director of Electoral Administration and Guidance	100-105	100-105	46	41	150-155	140-145
Craig Westwood Director of Communication, Policy and Research	100-105	100-105	41	40	145-150	140-145
Louise Edwards Director of Regulation	100-105	100-105	42	53	145-150	155-160

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 2020/21 was £138 (2019/20 was £138). 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. In 2019-20 members of the executive team each received a bonus of £250.

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 will switch into alpha sometime between 1 June 2015 and 1 February 2022. 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 2020/21, employer's contributions of £1,952,616 were payable to the Schemes (2019/20; £1,641,743) at one of four rates in the range 26.6% to 30.3% (2019/20; 26.6% and 34.1%) 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 £28,785 (2019/20; £30,052) 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 £865.87 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 £161k at 31 March 2021 (£167k at 31 March 2020).

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

Directors	Accrued pension at age as at 31/3/21 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/21	CETV at 31/3/20	Real increase in CETV
Bob Posner Chief Executive	30-35	2.5 - 5	669	625	46
Kieran Rix Director of Finance and Corporate Services	30-35	2.5 - 5	472	425	27
Ailsa Irvine Director of Electoral Administration and Guidance	30-35	2.5 - 5	387	351	19
Craig Westwood Director of Communication, Policy and Research	10-15	0 – 2.5	119	90	18
Louise Edwards Director of Regulation	15-20	0 – 2.5	160	132	16

Notes

- There was no employer contribution to partnership pensions. 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

There was no payments made during 2020/21 for early retirement or for loss of office (2019/20 £0).

Payments to past directors

During 2020/21, no payments were made to any person who was not a director at the time the payment was made, but who had been a Director previously.

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 median remuneration of the organisation's workforce.

	2020/21	2019/20
Highest paid Director	160-165	135-140
Median remuneration (all other staff)	41	39
Ratio	4	3.5

The banded remuneration of the highest-paid director in The Electoral Commission in the financial year 2020/21 was £160k-165k (2019/20, £135k-140k). This was 4 times the median remuneration of the workforce, which was £41k (2019/20, £39k).

In 2020/21, 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 £24,400 to £104,600 (2019/20: £23,900 to £102,500).

Total remuneration includes salary, non-consolidated performance-related pay 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 increased by 2% with effect from 1 April 2020, which was consistent with all staff salary increases, the remuneration report shows highest paid director information.

Staff report

Staff composition

The number of directors employed during the period was five (three 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	5	10
Directors/Heads (permanent staff)	12	11	23
Directors/Heads (temporary/fixed term staff)	2	1	3
Other staff (permanent)	86	51	137
Other staff (temporary/fixed term)	7	6	13
Contract/Agency	12	12	24
Total	124	86	210

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

	Permanently employed staff	Others	2020/21 Total	2019/20 Total
Wages and salaries	7,567	313	7,880	7,067
Social security costs	861		861	718
Other pension costs	1,953		1,953	1,645
Sub total	10,381	313	10,694	9,430
Less recoveries in respect of outward secondments				0
Voluntary Exit Costs provision				0
Total net costs	10,381	313	10,694	9,430

Average number of persons employed (Subject to audit)

During 2020/21, the average number of full-time equivalent persons (FTE) employed was 147 (2019/20: 141). In addition, there was an average of 16 FTE (2019/20: 12) temporary staff covering established posts or staff working on projects outside the establishment.

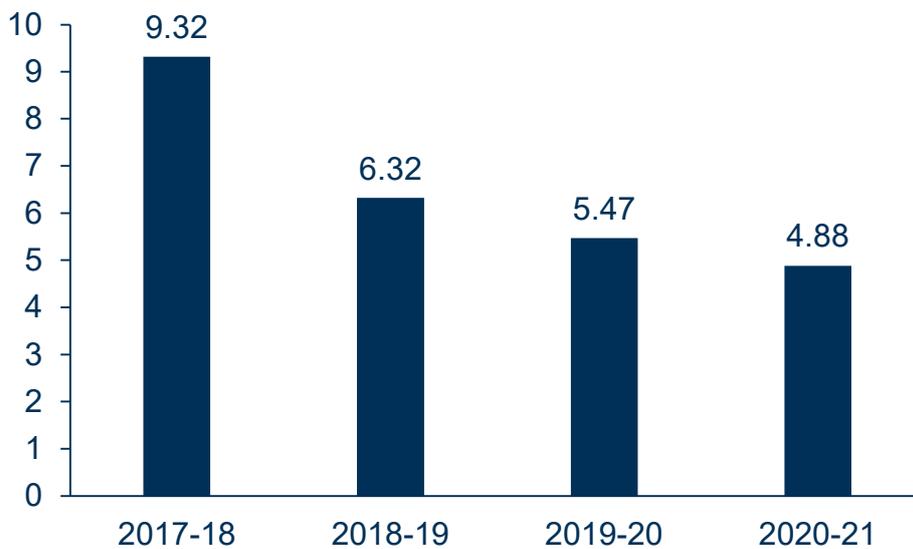
	2020/21	2019/20
Full time equivalent - Permanently employed staff	147	141
Temporary staff	16	12
Total	163	153

Sickness absence

In 2020/21, the average number of day's sickness absence was 4.88 per person compared to 5.35 per employee in the previous year. This shows a decrease 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 2021/22, 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. We are committed to the health and wellbeing of all staff and promote a balanced life style, including a corporate membership with Benenden Healthcare. There is a comprehensive sickness absence policy and guidance for managers on dealing with staff absence. During 2020/21 we have prioritised the wellbeing of our employees in order to support them through the pandemic.

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 £425k for 2020/21 (2019/20: £158k). The increase was due to the refurbishment works completed at our London office.

Off-payroll engagements

There were 3 off-payroll engagements during the financial year 2020/21 (2019/20: 0). 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 2021.

No. of existing engagements as of 31 March 2021	3
Of which...	
No. that have existed for less than one year at time of reporting.	3
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 2021.

No. of off-payroll workers engaged during the year ended 31 March 2021	3
--	---

Of which...

No. determined as in-scope of IR35	0
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No. determined as out-of-scope of IR35	3
--	---

No. of engagements reassessed for compliance or assurance purposes during the year	3
--	---

Of which...

No. of engagements that saw a change to IR35 status following review	0
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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
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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 HMRC's "Check Employment Status for Tax" before any contract is authorised.

Exit packages (Subject to audit)

There was one exit package agreed during the financial year 2020/21 of £66k (2019/20 £0). 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.

	2020/21			2019/20		
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band (total cost)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band (total cost)
<£10,000	0	0	0	0	0	0
£10,000 - £25,000	0	0	0	0	0	0
£25,000 - £50,000	0	0	0	0	0	0
£50,000 - £100,000	1	0	0	0	0	0
£300,000-£350,000	0	0	0	0	0	0
Total number of exit packages	1	0	1	0	0	0
Total resource cost - £000	66	0	66	0	0	0

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. The table above shows the total cost of exit packages agreed and accounted for in 2020/21 (2019/20 comparative figures are also given). £66,017 exit costs were paid in 2020/21, the year of departure (2019/20: nil). Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

There were no ill-health retirements in 2020/21 (2019/20 nil). 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 (FReM) 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 House of Commons. 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 key terms is provided 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 financial tables

Summary table 2020/21

All figures presented in £000s

Type of Spend	SoPS note	Outturn			Estimate			Outturn Vs Estimate, savings/ (excess)		Prior year outturn Total 2019-20
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit										
- Resource	1.1	19,081	120	19,201	20,289	200	20,489	1,208	1,288	19,273
- Capital	1.2	1,257	0	1,257	1,536	0	1,536	279	279	879
Total		20,338	120	20,458	21,825	200	22,025	1,487	1,567	20,152
Annually Managed Expenditure										
- Resource	1.1	89	0	89	250	0	250	161	161	(15)
Total		89	0	89	250	0	250	161	161	(15)
Total Budget										
- Resource	1.1	19,170	120	19,290	20,539	200	20,739	1,369	1,449	19,258
- Capital	1.2	1,257	0	1,257	1,536	0	1,536	279	279	879
Total Budget Expenditure		20,427	120	20,547	22,075	200	22,275	1,648	1,728	20,137

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 2020/21

All figures presented in £000s

Item	SoPS note	Outturn	Estimate	Outturn VS Estimate, saving/ (excess)	Prior Year Outturn total, 2019/20
Net Cash Requirement	3	20,323	21,519	1,196	20,191

Explanations of variances between estimate and outturn are in the performance report. The notes below form part of these accounts.

Notes to the Statement of Outturn against Parliamentary Supply 2020/21 (£000s)

SoPS 1. Outturn detail, by Estimate Line

SoPS1.1 Analysis of resource outturn by Estimate line

Type of Spend [Resource]	Resource Outturn Programme			Estimate	Outturn vs Estimate, saving/(excess)	Prior year outturn Total 2019/20
	Gross	Income	Net Total	Net Total		
Spending in Departmental Expenditure Limit [DEL]						
Voted expenditure:						
A. Core expenditure	19,279	(198)	19,081	20,289	1,208	19,094
Non-voted expenditure						
B. Commissioners fees	120	0	120	200	80	179
Total spending in DEL	19,399	(198)	19,201	20,489	1,288	19,273
Voted expenditure:						
C. Provisions created or utilised in the year	89	0	89	250	161	(15)
Total spending in AME	89	0	89	250	161	(15)
Total resource	19,488	(198)	19,290	20,739	1,449	19,258

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 2019/20
	Gross	Income	Net Total	Net Total		
Spending in Departmental Expenditure Limit [DEL] Voted:						
A. Core expenditure	1,257	0	1,257	1,536	279	879
Total spending in DEL	1,257	0	1,257	1,536	279	879
Total capital	1,257	0	1,257	1,536	279	879

SoPS 2. Reconciliation of outturn to net operating expenditure

Item	Reference	Outturn total	Prior year outturn Total, 2019/20
Total Resource outturn	SOPS 1.1	19,290	19,258
Less: Income payable to the Consolidated Fund	SOPS 4	(101)	(66)
Net Operating Expenditure in Comprehensive Net Expenditure	SOCNE	19,189	19,192

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	19,290	20,739	1,449
Total Capital outturn	SOPS 1.2	1,257	1,536	279
<i>Adjustments to remove non-cash items:</i>				
Depreciation/amortisation	3	(373)	(412)	(39)
Auditors' remuneration and expenses	3	(45)	(44)	1
New provisions and adjustments to previous periods	3	(98)	(250)	(152)
Other non-cash items	3	0	0	0
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables	10	341	0	(341)
(Increase)/decrease in payables	11	57	0	(57)
Use of provision	12	14	150	136
Total		20,443	21,719	1,276
Removal of non-voted budget items:				
Consolidated Fund Standing Services	SOPS 1.1	(120)	(200)	(80)
Total		(120)	(200)	(80)
Net cash requirement		20,323	21,519	1,196

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

SoPS 4.1 Analysis of income payable to the Consolidated Fund

In addition to the income retained by The Electoral Commission, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Outturn total		Prior year 2019/20	
	Accruals	<i>Cash basis</i>	Accruals	<i>Cash basis</i>
Income outside the ambit of the Estimate	0	<i>0</i>	0	<i>0</i>
Excess income surrendered to Consolidated Fund	101	<i>101</i>	66	<i>66</i>
Total amount payable to the Consolidated Fund	101	<i>101</i>	66	<i>66</i>

Excess income from 2019/20, £66k, was surrendered to the Consolidated Fund during 2020/21. The excess income, £101,707, collected during 2020/21 will be surrendered during 2021/22.

SoPS4.2 Consolidated Fund Income

Consolidated Fund income shown in SoPS4.1 does not include any amounts collected by the Commission where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from the SoPS4.2 statements) were:

Item	Outturn total	Prior year Outturn Total 2019/20
Taxes and licence fees	0	0
Fines and penalties	41	219
Other income	0	0
Less:		
Costs of collection – where deductible	0	0
Uncollectible debts	0	0
Amount payable to the Consolidated Fund	41	219
Balance held at the start of the year	28	33
Payments into the Consolidated Fund	(69)	(224)
Balance held on trust at the end of year	0	28

Notes

The fines and penalties due for 2020/21 was £69,460. All receipts for fines and penalties received by 31 March 2021 were surrendered to the Consolidated Fund, as required by law.

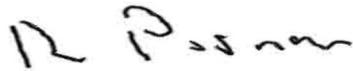
Parliamentary Accountability Disclosures

Losses and special payments (subject to audit)

There were no reportable losses or special payments which require disclosure for the Electoral Commission for 2020/21 (2019/20 £0).

Remote contingent liabilities (subject to audit)

There are no remote contingent liabilities to report for 2020/21.



Bob Posner
Chief Executive and Accounting Officer
28 June 2021

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

Opinion on financial statements

I certify that I have audited the financial statements of the Electoral Commission for the year ended 31 March 2021 under the Political Parties, Elections, and Referendums Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

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 2021 and of the Electoral Commission's net operating 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 Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2021 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 (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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 have also elected to apply the ethical standards relevant to listed entities. 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 Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the parts of the Accountability report described in that report as having been audited, the financial statements and my auditor's certificate thereon. 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. In connection with my audit of the financial statements, 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, based on the work undertaken in the course of the audit:

- the parts of the Accountability report to be audited 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.

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Report Manual are not made; or
- I have not received all of the information and explanations I require for my audit; 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:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; 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 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring 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 relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged 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 Political Parties, Elections and Referendums Act 2000, Scottish Elections (Reform) Act 2020, Senedd and Elections (Wales) Act 2020, Supply and Appropriation (Main Estimates) Act 2020, and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and bias in estimates; and
- obtaining an understanding of Electoral Commission's framework of authority as well as other legal and regulatory frameworks that the Electoral Commission operates in, focusing on those laws and regulations that had a direct effect on 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 Political Parties, Elections and Referendums Act 2000, Scottish Elections (Reform) Act 2020, Senedd and Elections (Wales) Act 2020, Supply and Appropriation (Main Estimates) Act 2020, Managing Public Money, Employment Law, and tax legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Commission Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks 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.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of 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 also 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 that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 01 July 2021

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 2021

Statement of Comprehensive Net Expenditure

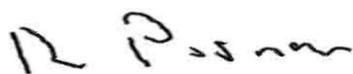
For the year ended 31 March 2021	Note	2020/21 £000	2019/20 £000
Other operating income	4	(299)	(177)
		<hr/>	<hr/>
Staff costs	3	10,694	9,430
Purchase of Goods and Services	3	6,042	6,697
Depreciation and amortisation charges	3	373	268
Provision Expense	3	98	(10)
Other operating expenditure	3.1	2,161	2,805
		<hr/>	<hr/>
Total operating expenditure		19,368	19,190
		<hr/>	<hr/>
Net operating expenditure		19,069	19,013
Commissioners' fees		120	179
		<hr/>	<hr/>
Net operating expenditure for the year		19,189	19,192
		<hr/>	<hr/>
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs:			
Actuarial gain/loss on pension scheme liabilities	11	5	9
		<hr/>	<hr/>
Comprehensive net expenditure for the year		19,194	19,201
		<hr/>	<hr/>

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

Statement of financial position

As at 31 March 2021

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Property, plant and equipment	5	791	302
Intangible assets	6	1,618	1,223
Total non-current assets		2,409	1,525
Current assets:			
Trade and other receivables	7	1,332	890
Cash and cash equivalents	8	26	197
Total current assets		1,358	1,087
Total assets		3,767	2,612
Current liabilities			
Trade and other payables	9	(1,895)	(2,126)
Provisions	11	(18)	(20)
Total current liabilities		(1,913)	(2,146)
Total assets less total current liabilities		1,854	466
Non-current liabilities			
Provisions	11	(913)	(822)
Other payables	9	(4)	0
Total non-current liabilities		(917)	(822)
Total Assets less liabilities		937	(356)
Taxpayers' equity			
General fund		937	(356)
Total taxpayers' equity		937	(356)



Bob Posner
Chief Executive and Accounting Officer
28 June 2021

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

Statement of Cash Flows

For the financial year ended 31 March 2021

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Net operating expenditure		(19,189)	(19,192)
Adjustments for non-cash transactions	3	516	306
Increase in trade and other receivables	7	(442)	(354)
Increase/(Decrease) in trade payables	9	(228)	0
<i>Less movements in receivables and payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		(6)	(191)
Use of provisions	11	(14)	(14)
Net cash outflow from operating activities		<u>(19,363)</u>	<u>(19,445)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(637)	(244)
Purchase of intangible assets	6	(620)	(635)
Movement in Capital Accruals		47	(149)
Net cash outflow from investing activities		<u>(1,210)</u>	<u>(1,028)</u>
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		20,151	20,278
From the Consolidated Fund (Supply) - prior year		197	110
From the Consolidated Fund (Non-Supply)		120	179
Advances from the Contingencies Fund		0	2,500
Repayments to the Contingencies Fund		0	(2,500)
Net financing		<u>20,468</u>	<u>20,567</u>
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(105)	94
Fines and penalties received on behalf of the Consolidated Fund		69	224
Payments of amounts to the Consolidated Fund		(135)	(231)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(171)	87
Cash and cash equivalents at the beginning of the period	8	197	110
Cash and cash equivalents at the end of the period		<u>26</u>	<u>197</u>

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

Statement of Changes in Taxpayers' Equity

Financial Year Ended 31 March 2021	Note	General Fund £000
Balance at 1 April 2019		(1,571)
Net Parliamentary Funding – drawn down		20,278
Net Parliamentary Funding – deemed		110
Consolidated Fund Standing Services (non-supply) Current Year		179
Supply Payable adjustment	9	(197)
Comprehensive net Expenditure for the Year	SoCNE	(19,201)
Non-Cash Adjustments:		
Non-cash charges – auditor's remuneration	3	47
Balance at 31 March 2020		<u>(356)</u>
Net Parliamentary Funding – drawn down		20,151
Net Parliamentary Funding – deemed	9	197
Consolidated Fund Standing Services (non-supply) Current Year		120
Supply Payable adjustment	9	(26)
Comprehensive net Expenditure for the Year	SoCNE	(19,194)
Non-Cash Adjustments:		
Non-cash charges – auditor's remuneration	3	45
Balance at 31 March 2021		<u>937</u>

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

Notes to the Resource Accounts

1. Statement of accounting policies

1.1. Basis of preparation

These financial statements have been 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.

The statements are prepared in accordance with the 2020/21 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) 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.

The SoPs and related notes have been audited.

1.2. Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention.

1.3. Property, plant and equipment

Property, plant and equipment are carried at fair value. Expenditure on property, plant and equipment over £1,000 is capitalised. On initial recognition assets are measured at cost including any costs such as installation directly attributable to bringing them into working condition. All property, plant and equipment are deemed to be short life or low value assets and we have therefore elected to value these assets on the basis of depreciated historical cost, as an approximation for fair value.

1.4. Depreciation and amortisation

Non-current assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Asset lives are:

Intangible assets	3 years
IT hardware	3 years
Fixtures and fittings, furniture and other equipment	5 years
leasehold improvements	5 years

It has been agreed from 2021-22 the asset lives of some assets will change, this will be applied from 1 April 2021 prospectively.

1.5. Intangible assets

Purchased computer software licences, the associated costs of implementation and website costs are capitalised as intangible assets where expenditure of £1,000 or more is incurred. Intangible assets are reviewed annually for impairment and are stated at Depreciated Historical Cost (DHC). Software licences are amortised over the shorter of the term of the licence and the useful economic life. Information Technology developments include any relevant staff costs which are also capitalised.

1.6. Operating income

Operating income relates directly to our operating activities. It comprises of income from rechargeable activity for Scottish Government and Senedd Cymru and from registration and re-registration of political parties. In accordance with IFRS15 revenue is recognised when performance obligations are met.

It does not include income collected for fines and penalties from political parties, as it is fully payable to the Consolidated Fund on receipt.

1.7. Operating leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

1.8. Grants payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs.

1.9. 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, a provision has been established to meet its obligations with respect to pension payments to certain former Commissioners of that entity.

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.

1.11. Programme expenditure

The requirements of the FReM have been adapted to enable us to produce 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.

1.12. 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.

1.13. Financial instruments

Financial assets

Trade and other receivables are recognised under IFRS 9 and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, we subsequently measure receivables at amortised cost. We make a provision for balances when there is evidence that we will not be able to recover these in full. We write off balances when we assess the probability of recovery as being remote.

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 7 & 9).

1.14. Contingent liabilities

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

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament noted separately. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.15. Going concern

These accounts have been prepared on a going concern basis. The Statement of Financial Position as at 31 March 2021 shows there is net assets of £937k.

The disruption caused by the pandemic within the Electoral Commission, has created liabilities of £100k (under 1% of our total budget); as detailed in the performance report.

Our Main Estimate was laid before Parliament on 22 April 2021 for the resources we require in 2021-22 and our Corporate Plan until 2024/25. As a 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.

1.16. Impending application of newly issued accounting statements not yet effective

IFRS 16 specifies how an organisation will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

IFRS16 will be adopted into the FReM on 1 April 2022. Management have made an initial assessment of the impact of the standard and how to apply it, when the standard is effective. In 2022-23 the impact will introduce a "Rights of use" asset and liability within the balance sheet, this will predominately be our building leases. The value will be £5m and £4.5m respectively and will replace note 10 in the accounts.

IFRS17 (effective 2022-23) 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.

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.

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.

As outlined in Note 12, we have not elected to make a financial provision for the legal cases being defended, where it is considered there to be insufficient certainty as to the amount payable and/or the likelihood of payment.

Management have considered the uncertainty around Covid-19 and have assessed the accounting estimates and judgements are not significantly affected.

1.18. 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.

2. Statement of Operating Costs by Operating Segments

	Elections and Local Referendums	Electoral Registration	European Union Referendum	Electoral Administration	Regulation	2020/21 Total
£000						
Gross Expenditure	3,375	208	7	6,766	9,132	19,488
Income	(18)	(139)	0	(118)	(24)	(299)
Net Expenditure	3,357	69	7	6,648	9,108	19,189
	Elections and Local Referendums	Electoral Registration	European Union Referendum	Electoral Administration	Regulation	2019/20 Total
£000						
Gross Expenditure	4,250	549	566	5,619	8,385	19,369
Income	(84)	(8)	0	0	(85)	(177)
Net Expenditure	4,166	541	566	5,619	8,300	19,192

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.

From 1 April 2021 we have devolved accountabilities and therefore we will report our Senedd Cymru and Scottish devolved spend separately.

3 Expenditure

	2020/21 £000	2019/20 £000
Staff costs		
Wages and salaries	7,880	7,067
Social security costs	861	718
Other pension costs	1,953	1,645
Less recoveries in respect of outward secondments	0	0
	10,694	9,430
Rentals under operating leases		
Property rent	682	514
Equipment	7	13
Purchase of goods and services		
Section 13 expenditure	2,249	2,958
Research	212	581
Consultancy	425	158
Recruitment	253	190
Staff training and development	132	122
Travel subsistence and hospitality	9	153
Travel and subsistence – Commissioners	(4)	13
Accommodation, maintenance	661	638
Publicity and publications	209	380
Conference/public meeting	4	13
Office supplies book and journals	138	128
Warehouse and Archiving	93	98

IT/Telephone	842	623
Bank and Payroll charges	44	43
Internal audit fees	41	25
	<u>5,997</u>	<u>6,650</u>

Non-cash items

Depreciation	148	68
Amortisation	225	200
National Audit Office Auditors' fees*	45	47
Provisions made in year	98	(6)
Provisions written back	0	(3)
	<u>516</u>	<u>306</u>
	<u>17,207</u>	<u>16,386</u>

* No non-audit services provided by the NAO

3.1 Other Operating Expenditure

	2020/21	2019/20
	£000	£000
Policy development grants	1,888	1,967
EU Referendum - Electoral Commission operational expenditure*	7	566
Local Government Scotland and Welsh Senedd	257	272
Other	9	0
	<u>2,161</u>	<u>2,805</u>

*All costs are external legal advice.

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 £1,888,860.

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 is limited by The Electoral Commission (Limit on Public Awareness Expenditure) Order date 2002 (SI 2002/505) 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.

Public awareness

	2020/21 £000	2019/20 £000
Section 13	2,249	2,958
Public awareness expenditure subject to Section 13 limit	2,249	2,958
Local government Scotland (S10)	77	0
Senedd (S10)	178	0
	255	0
Total Public awareness	2,504	2,958

4 Income

	2020/21 £000	2019/20 £000
	Total	Total
Operating Income		
New Registration of Political parties	14	9
Re-Registration of Political parties	7	8
Alteration to Registrations of Political parties	3	2
Charges/Transfer of costs to other bodies:		
Scottish Government and Senedd Cymru	275	158
Operating Income	299	177

Income received from political parties does not form part of our income, as it is fully payable to the Consolidated Fund on receipt.

2020/21 2019/20

	£000	£000
Fines and penalties collected	69	219

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 2020	887	6	867	57	1,817
Additions	212	15	259	151	637
Disposals	(886)	(6)	(465)	(54)	(1,411)
At 31 March 2021	213	15	661	154	1,043
Depreciation					
At 1 April 2020	886	6	566	57	1,515
Charged in year	0	0	147	1	148
Disposals in year	(886)	(6)	(465)	(54)	(1,411)
At 31 March 2021	0	0	248	4	252
Carrying amount at 31 March 2021	213	15	413	150	791
Carrying amount at 31 March 2020	1	0	301	0	302
Asset financing: Owned	213	15	413	150	791
Carrying amount at 31 March 2021	213	15	413	150	791

	Leasehold Improvements	Office equipment	Information Technology - hardware	Furniture and Fittings	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2019	891	6	959	61	1,917
Additions	0	0	244	0	244
Disposals	(4)	0	(336)	(4)	(344)
At 31 March 2020	887	6	867	57	1,817
Depreciation					
At 1 April 2019	890	5	836	60	1,791
Charged in year	0	1	66	1	68
Disposals in year	(4)	0	(336)	(4)	(344)
At 31 March 2020	886	6	566	57	1,515
Carrying amount at 31 March 2020	1	0	301	0	302
Carrying amount at 31 March 2019	1	1	123	1	126

Asset financing: Owned	1	0	301	0	302
At 31 March 2020	1	0	301	0	302

The disposals shown are the result of the Commission completing an exercise to review all PPE that held a nil net book value. The disposals made were primarily connected to the lease at Bunhill Row finishing in 2019/20 and old hardware that is no longer in use.

From 1 April 2021 asset life will be extended to match the needs of the business and applied prospectively.

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 2020	1,135	148	2,978	216	4,477
Additions	131	1	113	375	620
Disposals	(1,008)	(118)	(1,942)	0	(3,068)
Reclassifications			(707)	707	0
At 31 March 2021	258	31	442	1,298	2,029
Amortisation					
At 1 April 2020	1,076	137	2,041	0	3,254
Charged in year	80	6	139	0	225
Disposals	(1,008)	(118)	(1,942)	0	(3,068)
At 31 March 2021	148	25	238	0	411
Carrying amount at 31 March 2021	110	6	204	1,298	1,618
Cost or valuation					
At 1 April 2019	1,280	201	2,621	53	4,155
Additions	35	0	437	163	635
Disposals	(180)	(53)	(80)	0	(313)
At 31 March 2020	1,135	148	2,978	216	4,477
Amortisation					
At 1 April 2019	1,212	173	1,982	0	3,367
Charged in year	44	17	139	0	200
Disposals	(180)	(53)	(80)	0	(313)
At 31 March 2020	1,076	137	2,041	0	3,254
Carrying amount at 31 March 2020	59	11	937	216	1,223

Information technology - assets under construction (AUC) is primarily Political Finance online, this has been in development since 2018/19 and is due to be completed in 2021/22. This was previously in websites; this has been reclassified as AUC for 2020/21.

The disposals shown are the result of the Commission completing an exercise to review all intangibles that held a nil net book value. The disposals made were old IT equipment and previous websites that are no longer in use.

From 1 April 2021 asset life will be extended to match the needs of the business and applied prospectively.

7 Trade and other receivables

	2020/21 £000	2019/20 £000
Amounts falling due within one year:		
Other receivables	125	88
Consolidated Fund Extra Receipts due to Consolidated Fund	0	28
Deposits and advances	0	25
Prepayments and accrued income	1,207	749
	1,332	890

8 Cash and cash equivalents

	2020/21 £000	2019/20 £000
Balance at 1 April	197	110
Net change in cash and cash equivalent balances	(171)	87
Balance at 31 March	26	197
The following balances at 31 March 2021 were held at:		
Government Banking	26	197
Balance at 31 March	26	197

9 Trade and other payables

2020/21 £000	2019/20 £000
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Amounts falling due within one year

Other taxation and social security	509	439
Trade payables	0	0
Other payables	0	0
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund (receivable)	0	28
Excess income payable to Consolidated Fund	101	66
Accruals and deferred income	1,259	1,396
Amounts issued from the Consolidated Fund for supply but not spent at year end	26	197
	<u>1,895</u>	<u>2,126</u>

Amounts falling due after more than one year:

Other payables, accruals and deferred income	4	0
	<u>4</u>	<u>0</u>

10 Capital and other commitments

10.1 Commitments under leases

10.1.1 Operating leases

The table below shows total future minimum lease payments under operating leases for each of the following periods.

Obligations under operating leases for the following periods comprise:	2020/21 £000	2019/20 £000
Buildings		
Not later than one year	725	636
Later than one year and not later than five years	3,781	4,023
Later than five years	4,010	0
	<u>8,516</u>	<u>4,659</u>
Total Operating leases	<u>8,516</u>	<u>4,659</u>

There were no capital commitments during 2020/21. (2019/20: £0).

There were no subleases and no receipts are expected during the year.

We expensed a total of £682k in lease payments during the year. We did not make contingent rent and sublease payments during the year. Our commitment under leases is only for the rental of the premises and not the land.

11 Provisions for liabilities and charges

	Pension £000	Dilapidations £000	Total £000
Balance at 1 April 2020	167	675	842
Provided in the year	3	69	72
Provisions not required written back	0	0	0
Provisions utilised in the year	(14)	0	(14)
Unwinding of discounts	0	26	26
Actuarial (Gain)/Loss	5	0	5
Balance at 31 March 2021	161	770	931

Analysis of expected timing of discounted flows

	Pension £000	Dilapidations £000	Total £000
Not later than one year	18	0	18
Later than one year and not later than five years	72	86	158
Later than five years	71	684	755
Balance at 31 March 2021	161	770	931

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 2021. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain over the next year's accounts. 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:

	2020/21	2019/20
CPI inflation assumptions	2.22%	2.35%
The rate of increase in salaries	2.00%	2.00%
The rate of increase for pensions	2.22%	2.35%
The rate used to discount scheme liabilities	1.25%	1.80%

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 2021.

	2020/21	2019/20
	£000	£000
Provision at 1 April	167	167
Interest Cost	3	5
Actuarial Loss/(Gain)	5	9
Less benefits paid	(14)	(14)
Past service cost		
Present Value of scheme at end of year	161	167

Present value of scheme liabilities	Value at 31/03/2021 £'000	Value at 31/03/2020 £'000	Value at 31/03/2019 £'000	Value at 31/03/2018 £'000	Value at 31/03/2017 £'000
Liability in respect of					
Active members	0	0	0	0	0
Deferred Pensioners	0	0	0	0	0
Current Pensioners	161	167	167	187	208
Present value of scheme liabilities in respect of current pensioners	161	167	167	187	208

History of experience losses / (gains)	Value at 31/03/2021 £'000	Value at 31/03/2020 £'000	Value at 31/03/2019 £'000	Value at 31/03/2018 £'000	Value at 31/03/2017 £'000
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Experience loss / (gain) arising on the scheme liabilities					
Amount (£'000)	(6)	(6)	(7)	2	1
Percentage of scheme liabilities at the end of year	0.5%	0.5%	0.5%	(0.5%)	0.5%

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 liabilities

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, with reporting obligations to the Scottish Parliament and the Senedd. 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.

Although there has been disruption in our working practices caused by the Covid-19 pandemic within the Electoral Commission this has not created additional liabilities and the Accounting Officer does not expect this to change.

In the Accounting Officer's opinion, there are no events since 31 March 2021 that would affect the financial statements.

Accounts Direction

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 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 2021

ISBN: 978-1-5286-2806-8
CCS: CCS0721895560 07/21