

Internal Audit Strategy - July 2016 to June 2020

Introduction

This strategy describes in broad terms the role of internal audit in addressing the assurance requirements of the ACT Electoral Commission.

The strategy also describes the management approaches that will be implemented over the period covered by the strategy, aimed at ensuring assurance of good governance may be obtained by the Commission from internal audit activities.

Internal environment

The ACT Electoral Commission is an independent statutory authority established under the *Electoral Act 1992* comprising a Chairperson, the Electoral Commissioner and a Member, with responsibility for the conduct of elections and referendums for the ACT Legislative Assembly and for the provision of electoral advice and services. Under the Electoral Act, the Commission is also responsible for undertaking internal reviews of a range of decisions that can be made in the first instance by the Commissioner or by his or her delegate.

The Electoral Commissioner is the chief executive of the Commission with head of service and director-general powers under the *Financial Management Act 1996* and *Public Sector Management Act 1994*; the latter in relation to staff employed to assist the Commissioner. The Commissioner and staff collectively operate under the title of Elections ACT.

The Commissioner is empowered to make a wide range of decisions under the Electoral Act, and generally approves all major projects undertaken by Elections ACT staff, including contracts, legislative instruments, publications and memorandums of understanding for fee-for-service elections. The Commission has also delegated a range of its functions to the Commissioner and the staff of Elections ACT, subject to the Commission's overall strategic direction.

Elections ACT's most important task is to conduct elections for the ACT Legislative Assembly. Elections are held on the third Saturday in the October four years after the previous election.

Other tasks carried out by Elections ACT include electoral education, maintaining the register of political parties and the election funding, expenditure and financial disclosure scheme, assisting with redistributions of electoral boundaries, working with other electoral authorities to improve the accuracy of the electoral roll and providing electoral services to other organisations on a fee-for-service basis.

A steering committee is established for every Legislative Assembly election to oversee the Elections ACT ICT projects, consisting of the Electoral Commissioner, the Deputy Electoral Commissioner, the Elections ACT ICT project managers and senior representatives from Shared Services ICT.

The Commission's corporate plan encompasses the following key elements:

Mission

To provide the ACT community with high quality electoral services that ensure fair and open elections and referendums.

Vision

Continuous improvement through innovation and leadership.

Values

The ACTPS values and behaviours of respect, integrity, collaboration and innovation.

Guiding principles

Transparency, accessibility, impartiality and independence.

External environment

The Commission and the Commissioner are responsible for the conduct of elections and referendums and for the provision of advice and services under the following legislation:

- *Electoral Act 1992*;
- *Electoral Regulation 1993*;
- *Australian Capital Territory (Legislative Assembly) Act 2014*;
- *Magistrates Court (Electoral Infringement Notices) Regulation 2012*;
- *Referendum (Machinery Provisions) Act 1994*;
- *Proportional Representation (Hare-Clark) Entrenchment Act 1994*;
- *Aboriginal and Torres Strait Islander Elected Body Act 2008*; and
- *Health Professionals Regulation 2004* [for the Veterinary Surgeons Board only].

Changes to these and other regulatory provisions, such as the *Public Sector Management Act 1994*, the *Financial Management Act 1996* and whole-of-[ACT]-government directives, may impact on the achievement of the Commission's objectives and therefore its strategic risks.

The Commission has a number of external stakeholders and clients with whom maintaining a professional working relationship, trust and confidence is vital. The risk of any compromise to the relationships is reflected in the Commission's Strategic Risk Register. The stakeholders and clients include:

- The Speaker of the ACT Legislative Assembly;
- Relevant committees of the ACT Legislative Assembly;

- The relevant Minister responsible for electoral matters (the Attorney General);
- Members of the Legislative Assembly;
- The Directorate responsible for electoral matters policy (Justice and Community Services);
- Various other directorates and agencies (such as Shared Services, the Government Solicitor and DPP);
- Registered political parties;
- Election candidates;
- The Australian Electoral Commission, and State/Territory electoral commissions; and
- The general public.

In addition, the Commission is especially reliant on its ICT systems for delivery of ongoing services and, in particular, Legislative Assembly election operations. These systems are supported by various commercial providers and Shared Services ICT.

Entity key business risks and assurance mapping

The Electoral Commission has endorsed a Strategic Risk Register for the Commission's operations, and reviews the register at each of its regular meetings.

The register includes risk assessment and mitigation strategies for the following classes of risks:

- Reputation and image;
- Products and services;
- Operational;
- Environment;
- Assets;
- People;
- Technology; and
- Fraud.

The Commission has also endorsed, and regularly reviews, a Workplace Health and Safety Risk Register for Elections ACT, aimed specifically at the risk category of people.

A copy of each of these registers is attached.

Principles of coverage

The Electoral Commission will determine the areas of audit activity to be undertaken over a four-year cycle, mirroring the cycle of Legislative Assembly elections.

In making its decisions, the Commission will take into account the following:

- The need to test mitigation strategies of high impact/consequence risks;
- Ensuring a balance between audits of compliance versus performance activities;
- The impact of emerging and developing issues, such as legislative change, on the Commission's strategic risks; and
- Value for money (eg, is the risk consequence sufficient to warrant the cost of the audit).

Internal audit resourcing

Taking into consideration the organisation's small size, it is not considered practical to establish an in-house internal audit function. Funding will instead be provided in the Elections ACT budget to enable the engagement of contract internal audit services to undertake the audits the Commission considers necessary.

Internal audit management strategies

The internal audit function will be undertaken by contracted professional internal audit service providers. Accordingly, the Commission must be satisfied that the chosen provider of these services is suitably qualified and will conduct the services in accordance with the professional standards promulgated by The Institute of Internal Auditors, Australia.