
**Returning Officers' Expenses,
Northern Ireland**

**Statement of Accounts
2010-11**

Presented to the House of Commons pursuant to Section 7
of the Government Resources and Accounts Act 2000

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Ordered by the House of Commons to be printed 31 January 2012

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ISBN 9780102949179

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

PC3053

01/12

RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND

FOREWORD

Background Information

1. This Account covers the year 1 April 2010 to 31 March 2011 and is in a form directed by HM Treasury.
2. UK and European Parliamentary Elections are financed from the Consolidated Fund. Funding for the Northern Ireland Assembly Elections is provided to NIO by the Northern Ireland Executive through agreed funding mechanisms. It is treated as non voted from a budgeting perspective. Funding for all elections is held in separate bank accounts from the departmental commercial bank accounts. The account includes payments to Royal Mail for postal charges of absent votes and poll cards, payments for use of premises as polling places, printing of election stationery and transportation.
3. Responsibility for the setting and reimbursement of the fees and expenses of Returning Officers at UK and European Parliamentary Elections in Northern Ireland was transferred from HM Treasury to the Northern Ireland Office by the Transfer of Functions (Returning Officers' Charges) Order 1991 (S.I. 1991 No. 1728) on 22 August 1991.
4. Under section 29(4) of the Representation of the People Act 1983, as amended by paragraph 6(3) of Schedule 21 to the Political Parties, Elections and Referendums Act 2000, section 68 of the Electoral Administration Act 2006 and regulation 16 of the European Parliamentary Elections (Northern Ireland) Regulations 2004 as amended by the European Parliamentary Elections (Northern Ireland) (Amendment) Regulations 2009 a Returning Officer at a European Parliamentary election is entitled to recover his charges in respect of services or expenses. The European Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) Order 2009 (S.I. 2009 No. 1143), the Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) 2010 (S.I. 2010 No. 869) and the Northern Ireland Assembly Elections (Returning Officer's Charges) Order 2011 (S.I. 2011 No.473) which came into force on 1 May 2009, 16 March 2010 and 20 February 2011 set the overall maximum level for Returning Officer's fees and expenses. Under the Returning Officer's Accounts (Parliamentary Elections) (Northern Ireland) Regulations 1991 and as applied to Assembly Elections by article 3(1) of, and Schedule 1, to the Northern Ireland Assembly (Elections) Order 2001 and the Returning Officer's Accounts (European Parliamentary Elections) (Northern Ireland) Regulations 1992, a Returning Officer must submit his account to the Northern Ireland Office within twelve months of an election.

Review of Activities

5. During the period there were transactions in progress for the European Parliamentary Elections held on 4 June 2009, the UK Parliamentary Elections held on 6 May 2010 and the Northern

Ireland Assembly Elections scheduled for 5 May 2011. There were no Parliamentary by-elections during the year.

6. Receipts in the account are mainly advances from the Consolidated Fund.
7. Nugatory expenditure of £9,201 was incurred in contingency planning for a Parliamentary Election which was anticipated to take place in 2007.
8. Surrender was made from the Parliamentary Elections Candidates Deposit account to the Consolidated Fund during 2010-2011 of the deposit of £500 forfeited by twenty nine candidates in the Parliamentary Elections as the number of votes credited to each of them did not exceed one twentieth of the total valid votes polled. The account was closed on 31 August 2010.
9. Surplus advance of £11,558 was surrendered from the European Parliamentary Elections account to the Consolidated Fund during 2010-2011 resulting in a NIL balance. The account was closed on 5 August 2010.
10. The cost of candidates mailing expenses for the European and Parliamentary Elections in contrast to the other expenses associated with the Elections were paid to Royal Mail through the NIO Departmental Account rather than the election accounts due to the funding arrangements with HM Treasury. Costs are funded separately from Returning Officer's Charges.
11. The Northern Ireland Office is required to prepare a statement of accounts for each financial year in respect of Returning Officer's Expenses in the form and on the basis directed by HM Treasury. The accounts are prepared on a cash basis and must properly present the receipts and payments for the financial year and the balances held at year end.
12. HM Treasury has appointed the Northern Ireland Office's Accounting Officer as the Accounting Officer for Returning Officer's Expenses (Northern Ireland). The relevant responsibilities as Accounting Officer, including the responsibility for propriety and regularity of the public finances for which the post holder is answerable and for the keeping of proper records, are set out in HM Treasury's 'Managing Public Money' guidance.

**Statement of
Accounting
Officer's
Responsibilities**

**Hilary Jackson CB
Accounting Officer**

14 December 2011

Statement on Internal Control

1. Scope of responsibility

The Chief Electoral Officer for Northern Ireland (CEO) is an Independent Statutory Office Holder and is funded by the Northern Ireland Office (NIO). The funding covers the expenses incurred in performance of his statutory duties and the cost of the staff employed in the Electoral Office for Northern Ireland (EONI). The cost of running UK and European Parliamentary elections is funded by HM Treasury. Funding for the Northern Ireland Assembly Elections is provided to NIO by the Northern Ireland Executive. Funding for all elections is held in separate bank accounts from the departmental commercial bank accounts. The Secretary of State for Northern Ireland is accountable to Parliament for all expenditure by the CEO.

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NIO policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The NIO has agreed a Management Statement and Financial Memorandum with CEO which outlines the roles and responsibilities of each party, including the governance arrangements established in relation to the administrative and financial support provided by the NIO to the CEO. This is reviewed regularly, and will be updated in 2011-12 in line with Managing Public Money guidance.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the NIO for the year ended 31 March 2011, including the approval of the annual accounts, and accords with HM Treasury guidance.

3. Capacity to handle risk

Executive responsibility for risk management within EONI rests with me as Accounting Officer. In meeting this responsibility, I am supported by the NIO Management Board, which I chair. Risk Management is fully embedded across the department, and we manage our business in a manner which takes account of the risks we face.

The CEO signs stewardship statements biannually, providing assurance as to governance, risk management and operation of internal controls within EONI. In addition to relying on these assurances, during 2010-11, the department established quarterly governance meetings with EONI, and with its other Arms Length Bodies (ALBs), to monitor and manage risks and safeguard the effectiveness of corporate governance processes. Regular reports are also prepared for the NIO Management Board and Audit Committee on key risks and governance matters within EONI.

4. The risk and control framework

The system of internal control is based on a framework of regular management information, financial regulations, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it included procedures to review and agree funding from HM Treasury.

The CEO exercised control over the election expenses through detailed review of monthly accounts.

As Accounting Officer, I rely on the CEO to ensure that risk management was considered as an integral part of EONI's business processes. I received assurance first hand through discussions with staff in the relevant sponsor team and corporate governance unit and through sight of submissions and other documentation setting out advice and guidance to ministers and senior officials. I also receive assurance through written stewardship statements provided by the sponsoring deputy director and the CEO. The risk and control framework continued to be supported within EONI by a Fraud Policy and Response Plan, Guidance to Staff on Fraud/Fraud Awareness Leaflet, Whistle blowing Policy, Gifts and Hospitality Policy, Risk Management Policy and Strategic Risk Register.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of internal auditors, the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

An Internal Audit Unit operating to the Government Internal Audit (GIA) Standards covers the NIO Core Department. Internal Audit services were procured by the EONI under contract during the year from a private sector firm operating to GIA Separate Standards. The Head of Internal Audit (HIA) for EONI is required to submit regular reports to the CEO and the HIA of the NIO Core Department and significant internal control problems will be reported to the Departmental Audit Committee.

During the course of the year, the department conducted a review of the systems in place for managing its relationship with its ALBs, including with EONI. The review concluded that on the whole, the department effectively managed its relationship with its ALBs, but that steps could be taken to introduce greater strategic oversight. To this end, a new team was established to support sponsoring deputy directors in fulfilling their corporate management responsibilities towards the department's main satellite bodies.

6. Significant Internal Control Problems

There are no significant internal control problems.

Hilary Jackson CB
Accounting Officer

14 December 2011

Returning Officer's Expenses, Northern Ireland 2010-11

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the Returning Officer's Expenses, Northern Ireland financial statements for the year ended 31st March 2011 under the Government Resources and Accounts Act 2000. These comprise the Receipts and Payments Account and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Accounting Officer and auditor

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 Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances relevant to the Returning Officer's Expenses, Northern Ireland account and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer in preparing that account; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Foreword and Statement on Internal Control to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the receipts and payments have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements properly present the receipts and payments of the Northern Ireland Returning Officer for the year ending 31st March 2011; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued there under.

Opinion on other matters

In my opinion:

- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters for which I report by exception

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
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

21 December 2011

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

**RETURNING OFFICER'S EXPENSES – NORTHERN IRELAND
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2010/11		2009/10	
		£	£	£	£
Receipts					
Advances from the Consolidated Fund		2,982,949		2,559,806	
Candidates Deposits		69,200		35,000	
Other Receipts		<u>40,234</u>		<u>33,592</u>	
	2		3,092,383		2,628,398
Payments					
Constituency Claims	3	2,151,361		1,642,469	
Other Payments - includes Candidates Mailing	4	<u>738,811</u>		<u>963,382</u>	
	5		<u>2,890,172</u>		<u>2,605,851</u>
Excess of (payments over receipts)/ receipts over payments before amounts to be surrendered to the Consolidated Fund			202,211		22,547
Less: amounts surrendered to the Consolidated Fund in respect of:					
Forfeited Deposits	6	14,500		10,000	
Miscellaneous Receipts		-		-	
Refund of Surplus Advances	6	<u>11,558</u>		<u>-</u>	
			<u>(26,058)</u>		<u>(10,000)</u>
Excess of (payments over receipts)/ receipts over payments			<u>176,153</u>		<u>12,547</u>
Balance at 1 April 2010			12,547		-
Less: Excess of (payments over receipts)/ receipts over payments			<u>176,153</u>		<u>12,547</u>
Balance at 31 March 2011	7		<u>188,700</u>		<u>12,547</u>

The notes on pages 8-12 form part of these accounts

NOTES TO THE ACCOUNT

	2010/11 £	2009/10 £
1 This account is drawn up in a form directed by HM Treasury		
2 Receipts		
Advances from the Consolidated Fund (EONI)	2,075,000	1,795,000
Advances from the Consolidated Fund (EONI) for Northern Ireland Assembly Election 2011	200,000	-
Advances from the Consolidated Fund paid via NIO No 1 Account	707,949	764,806
Deposits Income - European Election 2009	-	35,000
Deposits Income – Parliamentary Election 2010	54,500	-
Deposits Income – Northern Ireland Assembly Election 2011	14,700	-
Recharges from Northern Ireland Assembly Election 2011 Account	15,619	-
Miscellaneous Receipts	24,615	33,592
	<u>3,092,383</u>	<u>2,628,398</u>
3 Constituency claims: Payments to the Returning Officer		
Advances	-	1,642,469
Final Payments	2,151,361	-
	<u>2,151,361</u>	<u>1,642,469</u>
4 Other Payments		
Royal Mail includes Candidates Mailing European Election 2009	-	962,862
Royal Mail Candidates Mailing European Election 2009	25,000	-
Candidates Mailing Parliamentary Election 2010	682,949	-
Miscellaneous	30,862	520
	<u>738,811</u>	<u>963,382</u>
5 Expenditure Analysed by Election		
European Parliamentary Election 2009	26,437	2,605,851
Parliamentary Election 2010 (see note 9)	2,792,590	-
Parliamentary Election 2010 Account – expenses incurred on behalf of Northern Ireland Assembly Election	15,619	-
Anticipated Parliamentary Election 2007 nugatory expenses	9,201	-
Northern Ireland Assembly Election 2011 (see note 10)	46,325	-
	<u>2,890,172</u>	<u>2,605,851</u>
6 Surrender of Advances		
Forfeited Deposits - European Election 2009	-	10,000
Forfeited Deposits – Parliamentary Election 2010	14,500	-
European Election 2009	11,558	-
	<u>26,058</u>	<u>10,000</u>

	2010/11	2009/10
	£	£
7 Statement of Balances		
Cash at Bank - European Election Account	-	12,547
Cash at Bank - Parliamentary Election Account	20,325	-
Cash at Bank - Northern Ireland Assembly Account	153,675	-
Cash at Bank - Northern Ireland Assembly Deposit Account	14,700	-
Cash held at PGO	-	-
	<u>188,700</u>	<u>12,547</u>
8 Consolidated Fund Extra Receipts		
Restitution monies received	<u>-</u>	<u>-</u>

9 Parliamentary Election 2010 Expenditure by Constituency

Constituency	Maximum	Actual
	£	£
Belfast East	122,500	93,510
Belfast North	138,000	116,351
Belfast South	118,500	111,866
Belfast West	130,000	111,080
East Antrim	130,000	109,045
East Londonderry	141,000	110,148
Fermanagh and South Tyrone	160,000	140,656
Foyle	143,000	110,364
Lagan Valley	136,500	95,450
Mid Ulster	148,500	113,384
Newry and Armagh	160,000	102,801
North Antrim	161,500	126,741
North Down	116,500	88,745
South Antrim	129,500	110,731
South Down	148,500	99,601
Strangford	118,500	89,118
Upper Bann	152,500	97,912
West Tyrone	<u>145,000</u>	<u>127,242</u>
	<u>2,500,000</u>	1,954,745

This note discloses the total payments made during 2010-11 relating to the Parliamentary Election 2010 in Northern Ireland. Whilst the majority of payments were made this year, further payments will be made during the 2011-12 year. In addition to the amounts disclosed above, the following payments related to these Elections have been made. Because of their nature these payments have not been categorised against a particular constituency. In the case of the expenditure relating to the Fermanagh and South Tyrone election petition, this is recorded below since dispensation has been obtained from HM Treasury to treat this as recoverable in addition to the maximum disclosed above.

Fermanagh and South Tyrone Election Petition	90,729
Candidates Mailing	682,949
Parliamentary 2010 Deposit Account	40,351
Other	<u>23,816</u>
Total Parliamentary Election 2010 Payments (see note 5)	<u>2,792,590</u>

10 Northern Ireland Assembly Election Expenditure by Constituency

Constituency	Maximum £	Actual £
Belfast East	162,000	1,690
Belfast North	182,000	3,262
Belfast South	156,500	3,057
Belfast West	171,500	3,057
East Antrim	171,500	3,262
East Londonderry	186,000	2,485
Fermanagh and South Tyrone	211,000	3,020
Foyle	189,000	2,485
Lagan Valley	180,000	1,635
Mid Ulster	196,000	4,032
Newry and Armagh	211,000	1,509
North Antrim	213,000	4,032
North Down	154,000	1,690
South Antrim	171,000	3,262
South Down	196,000	1,635
Strangford	156,500	1,690
Upper Bann	201,500	1,471
West Tyrone	<u>191,500</u>	<u>3,051</u>
	<u>3,300,000</u>	<u>46,325</u>

The actual figures above reflect payments made for this Election during the year (see note 5). Further expenditure will follow in the 2011-12 financial year in respect of these Elections.

Hilary Jackson CB
Accounting Officer

14 December 2011

11. RELATED PARTY TRANSACTIONS

The Chief Electoral Officer for Northern Ireland (CEO) is an Independent Statutory Office Holder appointed under section 8 of the Northern Ireland (Miscellaneous Provisions) Act 2006. He is supported in the performance of his duties by staff appointed under provision of the Electoral Law Act (Northern Ireland) 1962. These staff are referred to collectively as 'The Electoral Office for Northern Ireland' (EONI).

During the year, transactions were conducted with the Consolidated Fund as described in the accounts, as provided for by the funding arrangements for election expenses.

In addition, neither the CEO nor EONI had any material transactions with other entities which, for reporting purposes, are regarded as related parties.

None of the key managerial staff or other related parties had undertaken any material transactions with the CEO or EONI during the year.



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ISBN 978-0-10-294917-9

