

**PRESENTED PURSUANT TO THE GOVERNMENT RESOURCES AND
ACCOUNTS ACT 2000 SECTION 7(2)**



**RETURNING OFFICERS' EXPENSES,
NORTHERN IRELAND**

**STATEMENT OF ACCOUNTS
2006-07**



**PRESENTED PURSUANT TO THE GOVERNMENT RESOURCES AND ACCOUNTS
ACT 2000 SECTION 7(2)**

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NORTHERN IRELAND**

**STATEMENT OF ACCOUNTS
2006-07
(FOR THE YEAR ENDED 31 MARCH 2007)**

Ordered by the House of Commons to be printed on 17 July 2008

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RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND

FOREWORD

Background Information

1. This Account covers the year 1 April 2006 to 31 March 2007 and is in a form directed by Treasury.
2. UK and European Parliamentary elections are financed from the Consolidated Fund. The account includes payments to Royal Mail for postal charges of absent votes, premises used as polling places, printing of registers, maintenance and storage of election equipment.
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 the 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, a returning officer at a parliamentary election is entitled to recover his charges in respect of his services or expenses. The European Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) Order 2004 (S.I. 2004 No 1405) and The Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) Order 2005 (S.I. 2005 No 1160) which came into force on 18 May 2004 and 11 April 2005, set maximum levels for returning officers' fees and expenses. Under the Returning Officer's Accounts (Parliamentary Elections) (Northern Ireland) Regulations 1991 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 a parliamentary election.

Review of Activities

5. During the accounting period there were transactions in progress for the combined UK Parliamentary and Local Government elections held on 5 May 2005 and the European Parliamentary election held on 10 June 2004. There were no parliamentary by-elections during the year.
6. Receipts in the Account are mainly recoveries from the District Councils for their proportion of election expenses.

7. Surplus advances of £517,301 were surrendered to the Consolidated Fund during 2006-2007. After all balances have been settled the accounts will be closed during 2007-2008.

**Statement of
Accounting
Officer's
Responsibilities**

8. 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 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.
9. The Treasury has appointed the Northern Ireland Office Accounting Officer as the Accounting Officer for Returning Officer's Expenses (Northern Ireland). His relevant responsibilities as Accounting Officer, including his responsibility for propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in Government Accounting.

**Jonathan Phillips
Accounting Officer**

1 February 2008

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 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. The cost of running United Kingdom and European Parliamentary elections is funded by HM Treasury. 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 Northern Ireland Office (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 Government Accounting.

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 Northern Ireland Office for the year ended 31 March 2007 and up to the date of approval of the annual accounts, and accords with Treasury guidance.

3. Capacity to handle risk

Executive responsibility for risk management within EONI rests with me as Accounting Officer. Corporate governance and risk management in the NIO continued to develop over the past year, led by the Accounting Officer and supported by the Board. Corporate governance responsibilities have been delegated to the appropriate level throughout the Department. Risk management is now embedded into the business planning process at both strategic and operational levels. The new Public Service Agreement negotiated as part of the 2004 Spending Review fully incorporated risk management into the delivery, planning and monitoring mechanisms. Departmental staff have been trained in business planning techniques which incorporate risk management as an integral part of the planning and monitoring process. The Departmental Plan incorporates a high-level risk register, endorsed at Board level, and each risk has a risk owner who is a Board Director. Risk is cascaded down from the Departmental register through Directorate and Divisional plans each of which has an associated risk register.

The Department continued to work closely with the Treasury's Risk Support Team to have a programme in place to implement the recommendations contained in the Treasury's Strategy Unit report on risk. The Department continues to maintain or improve upon its scoring rating against all of the seven capabilities in the Treasury Risk Management Assessment Framework. A risk management policy has been developed to complement the Department's risk management toolkit.

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 H M Treasury.

The Chief Electoral Officer exercised control over the election expenses through detailed review of monthly accounts.

I continue to give priority to the detection and investigation of fraud. Since the appointment of the new Chief Electoral Officer in 2006 the risk and control framework has been strengthened by the creation of an Electoral Office Management Board which has approved and implemented a Fraud Policy and Response Plan, a Guidance to Staff on Fraud/Fraud Awareness Leaflet, a Whistleblowing Policy, a Gifts and Hospitality Policy, a Strategic Risk Register, a Risk Management Policy and a Register of Interest (Management Board Members).

5. Review of effectiveness

As Accounting Officer, I also 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 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 private sector firms 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.

6. Significant Internal Control Problems

There are no significant internal control problems.

Jonathan Phillips
Accounting Officer

1 February 2008

RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND

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

I certify that I have audited the financial statements on pages 7 to 9.

Respective responsibilities of the Accounting Officer and Auditor

As described on pages 1 and 2, the Accounting Officer for the Northern Ireland Office is responsible for the preparation of the financial statements in the form and on the basis directed by Treasury and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the Foreword. In discharging my responsibilities, as independent auditor, I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements properly present the receipts and payments of the Returning Officer's Expenses, Northern Ireland and are properly prepared in accordance with the directions issued by Treasury, and whether in all material respects the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Northern Ireland Office has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 3 and 4 reflects the Northern Ireland Office's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Northern Ireland Office's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion

I conducted my audit in accordance with International Standards on Auditing (UK & Ireland). An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the judgements made by the Accounting Officer in the preparation of the financial statements.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements properly present the receipts and payments of the Returning Officer's Expenses, Northern Ireland for the year ended 31 March 2006 and the balances held at that date, and have been properly prepared in accordance with the directions made by Treasury; and
- in all material respects the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them.

**T J Burr
Comptroller and Auditor General**

20 March 2008

**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 2007**

	Note	2006/07		2005/06	
		£	£	£	£
Receipts					
Advances from the Consolidated Fund		-		2,300,000	
Other Receipts	2	<u>32,448</u>		<u>660,678</u>	
			32,448		2,960,678
Payments					
Constituency Claims	3	28,226		1,297,745	
Other Payments	4	<u>86,202</u>		<u>1,115,445</u>	
	5		114,428		2,413,190
Excess of (payments over receipts)/ receipts over payments before amounts to be surrendered to the Consolidated Fund			(81,980)		547,488
Less: amounts surrendered to the Consolidated Fund in respect of:					
Forfeited Deposits		-		16,500	
Miscellaneous Receipts		-		-	
Refund of Surplus Advances	6	<u>517,301</u>		<u>-</u>	
			(517,301)		(16,500)
Excess of (payments over receipts)/ receipts over payments			<u>(599,281)</u>		<u>530,988</u>
Statement of Balances as at 31 March 2007					
Balance at 1 April 2006			612,383		81,395
Less: Excess of (payments over receipts)/ receipts over payments			<u>(599,281)</u>		<u>530,988</u>
Balance at 31 March 2007	7		<u>13,102</u>		<u>612,383</u>

The notes on pages 8 & 9 form part of these accounts

NOTES TO THE ACCOUNT

	2006/07 £	2005/06 £
1 This account is drawn up in a form directed by Treasury		
2 Other receipts		
Forfeited Deposits	-	16,500
Miscellaneous Receipts	8	343
Monies recouped from District Councils re their share of Election costs in 2005	32,440	643,835
	<u>32,448</u>	<u>660,678</u>
3 Constituency claims: Payments to the Returning Officer		
Advances	-	-
Final payments	28,226	1,297,745
	<u>28,226</u>	<u>1,297,745</u>
4 Other Payments		
Royal Mail	13,500	753,844
Miscellaneous	46,229	348,935
Monies paid out of NIO No 1 Ac	-	12,666
Payments on behalf of District Councils to be recouped	26,473	-
	<u>86,202</u>	<u>1,115,445</u>
Expenditure Analysed by		
5 Election		
Parliamentary Election 2005	72,960	2,393,794
European Election 2004	14,995	19,396
District Council Election 2005	26,473	-
	<u>114,428</u>	<u>2,413,190</u>
6 Surrender of Advances		
Parliamentary Election 2005	473,000	-
European Election 2004	44,301	-
	<u>517,301</u>	<u>-</u>
7 Statement of balances		
Cash at bank - Elections Account	13,102	494,034
Cash at bank - Councils Recharge Account	-	118,349
Cash held at PGO	-	-
	<u>13,102</u>	<u>612,383</u>
8 Consolidated Fund Extra Receipts		
Restitution monies received	<u>-</u>	<u>-</u>

9. 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).

HM Treasury is regarded as a related party. During the year neither the CEO nor EONI had any material transactions with HM Treasury.

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.

Jonathan Phillips
Accounting Officer

1 February 2008

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office
PC2364 10/08

Printed on paper containing minimum 75% fibre content



Published by TSO (The Stationery Office) and available from:

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www.tsoshop.co.uk

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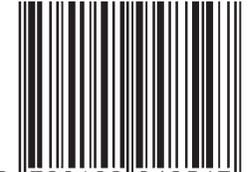
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ISBN 978-0-10-294854-7



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