

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

**RETURNING OFFICERS' EXPENSES,
NORTHERN IRELAND**

**STATEMENT OF ACCOUNTS
2003-04**

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

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NORTHERN IRELAND**

**STATEMENT OF ACCOUNTS
2003-04
(FOR THE YEAR ENDED 31 MARCH 2004)**

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RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND

FOREWORD

Background Information

1. This Account covers the year 1 April 2003 to 31 March 2004 and is in a form directed by Treasury.
2. Parliamentary elections are financed from the Consolidated Fund.
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 the Representation of the People Act 1991, 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 1999 (S.I. 1999 No 1342) and The Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) (Amendment) Order 2001 (S.I. 2001 No 1659) which came into force on 18 May 1999 and 15 May 2001, 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. There were no parliamentary by-elections during the year and there were no transactions.

Statement of Accounting Officer's Responsibilities

6. 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.

- 7 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.

**Sir Joseph Pilling
Accounting Officer**

22 September 2005

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Office 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.

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 has been in place in Northern Ireland Office for the year ended 31 March 2004 and up to the date of approval of the annual accounts, and accords with Treasury guidance.

Capacity to handle risk

Executive responsibility for risk management within the Office of the Chief Electoral Office for Northern Ireland rests with me as Accounting Officer. My staff and I have attended and will attend in the future corporate governance and risk management training and seminars to keep me up to date on developments within that sector of management. A risk management strategy has been established and has been communicated to all staff within the Office of the Chief Electoral Office for Northern Ireland who are trained to manage risks in a way appropriate to their responsibilities and duties.

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 Northern Ireland Office exercised control over the funding of election expenses, and checked monthly accounts.

Extensive audit of accounts was performed by senior members of staff and the Chief Electoral Officer.

In 2001 fraudulent activities were detected involving procurement procedures and misappropriated payments and receipts, the great majority of which had been perpetrated during elections in earlier years. This resulted in criminal proceedings and whilst the extent of the fraud could not be accurately computed, voluntary restitution of monies has been received. The weaknesses in internal control procedures which allowed these fraudulent activities to occur have been rectified and enhanced controls put in place.

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.

Sir Joseph Pilling
Accounting Officer

22 September 2005

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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 2004 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.

John Bourn
Comptroller and Auditor General
8 November 2005

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RETURNING OFFICER'S EXPENSES - NORTHERN IRELAND

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Note	2003/04		2002/03	
		£	£	£	£
Receipts					
Advances from the Consolidated Fund		-		-	
Other Receipts	2	-		<u>2,901</u>	2,901
			-		
Payments					
Constituency Claims	3	-		17,121	
Other Payments	4	-		<u>-</u>	
	5		-		17,121
Excess of (payments over receipts)/ receipts over payments before amounts to be surrendered to the Consolidated Fund			-		(14,220)
Less: amounts surrendered to the Consolidated Fund in respect of:					
Forfeited Deposits		-		-	
Miscellaneous Receipts		-		-	
Refund of Surplus Advances		-		<u>20</u>	(20)
Excess of (payments over receipts)/ receipts over payments			-		(14,240)
STATEMENT OF BALANCES AS AT 31 MARCH 2004					
Balance at 1 April 2003			13,733		27,973
Less: Excess of (payments over receipts)/ receipts over payments			-		(14,240)
Balance at 31 March 2004	6		13,733		13,733

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

RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND

NOTES TO THE ACCOUNT

	2003/04 £	2002/03 £
1. This account is drawn up in a form directed by the Treasury		
2. Other receipts		
Forfeited Deposits	-	-
Miscellaneous Receipts	-	2,901
Surrender of Advances	<u>-</u>	<u>-</u>
	<u>-</u>	<u>2,901</u>
3. Constituency claims: Payments to the Returning Officer		
Advances	-	-
Final payments	<u>-</u>	<u>17,121</u>
	<u>-</u>	<u>17,121</u>
4. Other Payments		
Royal Mail: Parliamentary Election Postal Costs	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
5. Expenditure analysed by Election		
Parliamentary Election 2001	<u>-</u>	<u>17,121</u>
	<u>-</u>	<u>17,121</u>
6. Statement of balances		
Cash at bank	13,733	13,733
Cash held at PGO	<u>-</u>	<u>-</u>
	<u>13,733</u>	<u>13,733</u>
Consolidated Fund Extra Receipts		
Restitution monies received	(9,455)	-
	<u>(9,455)</u>	-

Sir Joseph Pilling
Accounting Officer

22 September 2005

RELATED PARTY TRANSACTIONS

The Electoral Office for Northern Ireland is an independent statutory body, established by the Electoral Law Act (NI) 1962, and funded by HM Treasury through the Northern Ireland Office.

HM Treasury is regarded as a related party. During the year the Electoral Office had no material transactions with HM Treasury.

None of the key managerial staff or other related parties had undertaken any material transactions with the Electoral Office for Northern Ireland during the year.

In addition, the Electoral Office for Northern Ireland had no material transactions with other entities which, for reporting purposes, are regarded as related parties.

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