

Returning Officers' Expenses, England & Wales

Statement of Accounts 2003-04

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RETURNING OFFICERS EXPENSES, ENGLAND & WALES STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

FOREWORD

Background Information

1. This account covers the year 1 April 2003 to 31 March 2004 and is in a form directed by HM Treasury.
2. Parliamentary elections are financed from the Consolidated Fund. The account includes the expenses of Returning Officers and centrally authorised expenditure on items such as delivery of free election material under the Representation of the People legislation and purchases of equipment. The forfeited deposits of election candidates receiving less than five percent of votes cast are also shown on the account.

Statutory Basis

3. 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 Officers' Charges) Order 1994 (SI 1994 No.1044), the Parliamentary Elections (Returning Officers' Charges) Order 1997 (SI 1997 No.1034), the European Parliamentary Elections (Local Returning Officers' Charges) Order 1999 (SI 1999 No. 1377) and the Parliamentary Elections (Returning Officers' Charges) Order 2001 (SI 2001 No 1736) which came into force on 8 April 1994, 8 April 1997 and 18 May 1999 and 15 May 2001 respectively, together with the elections guidance issued by the Home Office set maximum levels for Returning Officers' fees and expenses in relation to elections reported in this account. Since May 2002 guidance has been issued by the Department for Constitutional Affairs (now Ministry of Justice since 9 May 2007).

Departmental Responsibility

4. Responsibility for the setting and reimbursement of the fees and expenses of Returning Officers at UK and European Parliamentary Elections in England and Wales was transferred from the Department for Transport, Local Government and the Regions to the Department for Constitutional Affairs (DCA) on the 29 May 2002. For operational reasons the newly created Office of the Deputy Prime Minister (now Department for Communities and Local Government) has continued the day-to-day operations on an agency basis for the DCA.

Review of Activities

5. Under the Returning Officers' Accounts (Parliamentary Elections – England and Wales) Regulations 1991 and Returning Officers' Accounts (European Parliamentary Elections – England and Wales) Regulations 1994, a Returning Officer must submit his accounts within twelve months of a Parliamentary Election. A significant number of Returning Officers failed to submit their accounts for the General Elections held on 7 June 2001 within the required twelve months. Details of the claims received and settled as at 31

March 2004 in respect of the 2001 General Election, 1999 European Parliamentary Election and 1997 General Election are set out in the table below along with comparative figures as at 31 March 2003.

Election	As at 31 March 2004		As at 31 March 2003	
	Received	Settled	Received	Settled
2001 General Election	79.5%	75.6%	62.1%	52.8%
1999 European Parliamentary Election	92.5%	89.5%	86.9%	79.5%
1997 General Election	91.2%	88.4%	87.4%	86.3%

6. In order to address this backlog of claims, checking procedures were streamlined in September 2000. Whilst maintaining adequate checks over the claim forms, the intention is that the new declaration to be completed by all Returning Officers whose claims have yet to be checked will result in a speedier turnaround of work.
7. In an effort to improve efficiency, the new Elections Claims Unit is insisting on seeing a detailed claim before any monies over 90% are advanced to Returning Officer. The claims are then settled in full less any amounts in query. This has meant less time spent on trying to reclaim monies advanced in the past and has been met with general approval by the Returning Officers.
8. A by-election was held in Brent East on 18 September 2003. An initial advance was made once the writ for the election had been issued.
9. Further advances totalling £24,963 were made during 2003-04 to enable Returning Officers to meet their General Election expenses. Election claims clearing some of the outstanding advances made in respect of constituencies for the 1997 General Election and 1999 European Election were settled during 2003-04 with either a final payment to the Returning Officer or a residue of money unspent returned to the account.

Alex Allan
Accounting Officer,
Department for Constitutional Affairs.

Date

STATEMENT OF ACCOUNTING OFFICERS'S RESPONSIBILITIES

The Department for Constitutional Affairs are required to prepare a statement of accounts for the financial year 2003-04 in respect of the Returning Officers' 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.

HM Treasury designated the Permanent Secretary of the Department for Constitutional Affairs as Accounting Officer for Returning Officers' Expenses, England and Wales. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officers' memorandum issued by HM Treasury and published in Government Accounting 2000.

STATEMENT ON INTERNAL CONTROL

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Department for Constitutional Affairs' (DCA) 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.

A system of internal control operates in Departmental headquarters. This includes the monitoring of Office of Deputy Prime Minister's (ODPM) Financial Accounting Services Divisions (FASD) performance by the DCA Electoral Policy Division. To the extent that controls are delegated to FASD, I place reliance upon their Statements of Internal Control submitted by the FASD Divisional Manager to the DCA.

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 Department for the year ended 31 March 2004, and up to the date of approval of the annual accounts, and accords with HM Treasury guidance.

3. Capacity to handle risk

As Accounting Officer, I acknowledge my overall responsibility for the effective management of risk throughout the Department.

Risk management is also incorporated into FASD's day-to-day activities and forward planning. Risk assessments are carried out in accordance with the ODPM Risk Management guidance, in relation to the delivery of business objectives; and a risk register is maintained and reviewed as part of the business planning and performance reporting process.

4. The risk and control framework

The key elements of FASD's risk management strategy for identifying, evaluating and controlling risk are as follows:

- the FASD Business Risk Register sets out formal processes for identifying, evaluating, managing and reporting risk;
- FASD Corporate Planning team co-ordinating risk reporting and review across the Division, monitoring progress and responding to requirements issued by central Departments;

- FASD system of analysis and reporting that identifies risk to objectives, risk impact and likelihood, current and planned mitigating action and individual risk owners; and
- key importance is placed on the FASD's Compliance with ISO 9000-2001 the International Standard for Quality Management Systems.

Other key elements in FASD's control system are regular management information, financial regulations, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Business Planning, which is agreed and reviewed by the Management Team;
- target setting to measure financial and other performance; and
- a formal system of financial compliance controls, consisting of core control checks with an auditable trail of evidence, and a review and reporting mechanism to provide assurances from the FASD budget holder that internal financial controls are in place and operating effectively.

5. Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors from ODPM; the Statement on Internal Control for the ODPM, which sets out details of the risk and control framework, and highlights any significant internal control issues; and comments made by the external auditors in their management letter and other reports.

The key elements of the system of internal control are set out in section 4 above and contribute to my review of the system's effectiveness.

Significant Internal Control Issues

I outline below the significant internal control issues for the Returning Officers Expenses for England and Wales.

I am concerned at the length of time that it takes some Returning Officers to submit claims for re-imbusement of the costs of running national elections – in some cases many years after the event – and the negative affect this has on the ability to manage accurately the relevant budgets (including the delay in being able to close off accounts relating to a specific election). There is a statutory deadline of 12 months for submission of these claims (set out in the Returning Officers' (Parliamentary Elections) (England and Wales) Regulations 1991). However, there is no specific sanction prescribed for failure to meet this deadline.

I am therefore taking steps more actively to encourage Returning Officers to submit their accounts in a more timely fashion. In particular, I shall be writing personally directly to Returning Officers who have not submitted their account within the 12 month period. At the same time, I propose that the arrangement whereby a Returning Officer can apply for a 'further advance' to secure 90% of the estimated cost of the election should not be available to any Returning Officer who already has an account outstanding for more than 12 months from a previous election. Such Returning Officers will therefore only be entitled to claim the

'basic advance' amounting to 75% of the estimated election cost. I am actively considering two further measures. Firstly, the Ministry may reserve the right to send in its own Internal Auditors to investigate why a Returning Officer is unable to submit their account within 12 months of the election, where this is the case. Secondly, for the most serious transgressors, I am considering limiting the amount of the basic advance for any future election they claim for to 50% of the estimated cost (rather than 75%), although I will need to carefully balance that option against the risk that it may significantly impede the Returning Officer's ability to perform his duties.

The Department acknowledges the lateness of these accounts. This follows a series of machinery of government moves for this function and a resulting lack of clarity over responsibilities for accounts production. Accounts for 2002-03 and 2003-04 are now complete and those for 2004-05 and 2005-06 are ready for audit. The Department is planning to complete the 2006-07 accounts within the statutory deadline (before end November 2007), with a view to moving the accounts onto an accruals basis from 2007-08.

This statement applies to the accounts of the Returning Officers' Expenses for England and Wales. The Statement on Internal Control for the Department as a whole is included within the Lord Chancellor's Department 2003-04 Resource Accounts, which are available from the Stationery Office.

Alex Allan
Accounting Officer,
Department for Constitutional Affairs.

Date

RETURNING OFFICERS' EXPENSES, ENGLAND AND WALES 2003-04

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements on pages 16 and 17 under the Government Resources and Accounts Act 2000.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 3, the Accounting Officer is responsible for the preparation of financial statements in accordance with the Government Resources and Accounts Act 2000 and Treasury directions made thereunder and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and 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 and are properly prepared in accordance with the Government Resources and Accounts Act 2000 and Treasury directions made thereunder, 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 Accounting Officer 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 4 to 6 reflects the Department for Constitutional Affairs' 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 Department for Constitutional Affairs' 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 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.

The scope of my examination was limited because some Returning Officers have not yet submitted statements of account showing how they spent money advanced to them. No statements of account have been received for advances totalling £2.480 million. I was therefore unable to confirm that the advances received by these Returning Officers were applied to the purposes intended by Parliament and conform to the authorities which govern them.

Unqualified audit opinion and qualified regularity opinion arising from limitation in audit scope

In my opinion:

- the financial statements properly present the receipts and payments of the Returning Officers' Expenses for the year ended 31 March 2004 (and the balances held at that date) and have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by Treasury; and
- except for any adjustments that may have been necessary had I been able to obtain sufficient evidence on the £2.480 million advances which Returning Officers have not yet accounted for, 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 respect alone of the limitation on my work relating to statements not yet received from Returning Officers:

- I have not obtained all the information and explanations that I considered necessary for the purposes of my audit; and
- I was unable to determine whether proper accounting records had been maintained.

Details of these matters are explained more fully in my report on pages 9 to 15.

John Bourn
Comptroller and Auditor General

September 2007

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London SW1W 9SP

**RETURNING OFFICERS' EXPENSES (ENGLAND AND WALES)
ACCOUNTS FOR THE YEARS ENDED 31 MARCH 2003 AND 31 MARCH
2004**

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

Introduction

1. The Department for Constitutional Affairs (the Department), which became the Ministry of Justice on 9 May 2007, is responsible for paying the expenses incurred by Returning Officers for running Parliamentary and European elections and for preparing an annual statement of accounts in respect of the Returning Officers' expenses. The accounts are prepared on a receipts and payments basis. These responsibilities transferred to the Department, then the Lord Chancellor's Department, on 29 May 2002, following a series of machinery of Government changes¹.

Purpose of report

2. The purpose of this report is:
 - to explain why I have qualified my opinion in respect of the regularity of the transactions reported in the Returning Officers' Expenses (England and Wales) Accounts for the years ended 31 March 2003 and 31 March 2004;
 - to indicate the steps that the Department is taking to address the failure of some Returning Officers to account for the advance payments made to them;
 - to inform Parliament that the Department has not met the statutory timetable for the production of the Returning Officers' Expenses (England and Wales) Accounts for the years ended 31 March 2003 and 31 March 2004; and
 - to indicate the Department's intention to prepare the Returning Officers' Expenses (England and Wales) Accounts on an accruals² basis rather than a cash basis from the year ending 31 March 2008.

¹ Prior to this, responsibility rested with the Office of the Deputy Prime Minister (and its predecessor bodies) and before this the Home Office.

² The accruals basis of accounting requires organisations to record expenditure on and liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier. Under cash accounting, expenditure is recorded only once invoices are paid.

My obligations as auditor

3. Under section 7 (3)(b) of the Government Resources and Accounts Act 2000, I am required to examine and certify the Returning Officers' Expenses (England and Wales) Accounts and report on them. I am required, under Statements on Auditing Standards, to obtain evidence to give reasonable assurance that the Returning Officers' Expenses (England and Wales) Accounts are free from material misstatement. In forming my opinion, I examine, on a test basis, evidence relevant to the amounts, disclosures and regularity of financial transactions in the financial statements and assess the judgements made in the preparation of the financial statements.

4. I have qualified my opinion on the Returning Officers' Expenses (England and Wales) Accounts for the years ended 31 March 2003 and 31 March 2004 due to a lack of evidence over the regularity of transactions in the accounts.

Audit opinion

Qualified audit opinion on the regularity of transactions

5. As part of my audit of the accounts, I am required to satisfy myself that the expenditure and income shown in the accounts have been applied to the purposes intended by Parliament and conform to the authorities that govern them; that is, they are "regular". In determining whether expenditure and income conform to the authorities which govern them, I have regard to the legislation authorising the financial transactions and relevant regulations issued under the governing legislation.

6. The failure of some Returning Officers to submit statements of account means that I am unable to verify that the monies advanced from the Consolidated Fund to those Returning Officers have been spent in accordance with Parliamentary intention. At 25 June 2007, the total value of outstanding advances in respect of the 1997 and 2001 Parliamentary and 1999 European elections was £2,480,480. I have therefore qualified my audit opinion in respect of the regularity of the transactions in the Returning Officers' Expenses (England and Wales) Accounts for the years ended 31 March 2003 and 31 March 2004.

Returning Officers and their expenses

7. Section 29 of the Representation of the People Act 1983 provides for the expenses of Returning Officers at Parliamentary and European Parliamentary elections to be met directly from the Consolidated Fund. When an election is called the Department estimates the likely costs that each Returning Officer

will incur. The estimate is based largely on previous election costs adjusted for inflation, changes in voting methods and any other relevant changes. The Department agrees the estimate with the Treasury so that funds can be made available from the Consolidated Fund.

8. The Department makes an initial advance to each Returning Officer of 75% of the total costs that it estimates that the Returning Officer will incur. These costs include the costs of setting up and staffing polling stations. Further advances of up to 90% of the estimated total costs are made if requested by the Returning Officer. Returning Officers are then required to submit statements of account which show the actual costs they incurred in running the election. The Department confirms the validity of the expenditure reported in these statements of account to supporting documentation. Where the advance exceeds the total costs incurred, the Returning Officer returns the excess advance to the Department. Where the total costs incurred exceed the advance, the Department pays the Returning Officer the balance.
9. *The Returning Officers' Accounts (Parliamentary Elections) (England and Wales) Regulations 1991* and *The Returning Officers and Local Returning Officers Accounts (European Parliament Elections) (England and Wales) Regulations 1999* require Returning Officers to submit statements of account within a period of twelve months from the day on which the result of the Parliamentary election is announced. Although this deadline is statutory, the legislation does not provide for any sanctions to be applied for those failing to meet it. The regulations do allow for a Returning Officer to submit an incomplete account if necessary and to agree a date for delivery of the final account with the Department.
10. My audit identified a significant level of advances to Returning Officers for which no statements of account had been submitted, well after the twelve month deadline. For example, five years after the deadline for submission of statements of account for the 2001 general election, the Department had yet to receive accounts for £1.174 million of advances. In addition, over £1.306 million of advances for the 1999 and 1997 elections have not been accounted for. Until the Returning Officer submits their statement of account, the Department cannot confirm that the advances have been spent on the legitimate expenses of running an election.
11. The table below shows the advances made to Returning Officers for the 1997 and 2001 General Elections and 1999 European Election and the level of advances for which no statements of account had been submitted by Returning Officers as at 25 June 2007.

Election	Advances issued*	Advances for which no statements of account had been received as at 25 June 2007	
		Value	Number of constituencies
1997 General Election	£19,938,555	£331,037	7
1999 European Election	£20,959,719	£975,044	25
2001 General Election	£26,951,439 (this is total advances)	£1,174,399	25
Total		£2,480,480	

**For the 2001 general election, this figure is the total advances, ie initial advances (of 75% of estimated costs) and further advances (of up to 90% of estimated expenditure). For the 1997 and 1999 elections, the Department could not provide data for the total advances issued, so the figure is the initial (75%) advances only.*

12. Some Returning Officers were responsible for more than one outstanding statement of account. This occurred where the Returning Officer was responsible for more than one constituency, or had outstanding statements of account for more than one election, or both. This means that some Returning Officers are responsible for relatively large sums that have not been accounted for. For example, of the £2.480 million advances outstanding as at 25 June 2007, £0.697 million related to five constituencies, each of which had returns outstanding from all three elections. These constituencies are Luton South, Luton North, Harborough, Vauxhall and Streatham.
13. The failure of Returning Officers to submit accounts within the prescribed time frame means that the Department cannot assess the total cost of each election until several years after the election has taken place. For those constituencies where Returning Officers repeatedly fail to submit statements of account on time, the Department's estimate of the total expenses that the Returning Officer will incur in the next election, and therefore the amount advanced, cannot be based on the most up to date information.

Delayed production of Returning Officers' Expenses (England and Wales) Accounts for the years ending 31 March 2003 and 31 March 2004

14. Under section 7(2) of the Government Resources and Accounts Act 2000, the Treasury have directed the Department to prepare accounts in respect of Returning Officers' Expenses. As a consequence of this new direction, I am now statutory auditor of the accounts. Previously, the accounts were not

required by statute. I audited the accounts by agreement and the certified accounts were placed in the House of Commons library.

15. Under section 7(3) of the Government Resources and Accounts Act 2000, the Accounting Officer of the Department is required to submit the signed accounts for the year ended 31 March to me by 30 November of the same year. I am required to certify the accounts by 15 January of the following year and to send them to the Treasury, which is required to lay the accounts before the House of Commons by 31 January of the same year.
16. I wrote to the Department's Accounting Officer on 12 January 2005 asking for the accounts for the years ended 31 March 2003 and 31 March 2004 to be produced in time for laying before Parliament prior to the 2005 Easter recess. The Department responded on 31 January that they intended to produce the accounts by 31 March 2005 and lay them before Parliament's summer recess. The Department presented draft accounts for audit on 27 July 2005. My staff then undertook their audit and requested that revised accounts be submitted by 28 October 2005. These accounts were not submitted until September 2006. My staff were then able to complete the audit and agree the level of outstanding advances.
17. The Department attributed the lateness of production of the accounts to a series of machinery of Government changes moving responsibility for the administration of the Returning Officers' expenses and a resulting lack of clarity over responsibilities for the accounts production. The 2001-02 accounts, which were the responsibility of the Office of the Deputy Prime Minister, were not cleared until April 2005.
18. The Department is finalising the preparation of the 2004-05 and 2005-06 accounts and is planning to complete the 2006-07 accounts within the statutory deadline.

Actions taken or proposed to be taken by the Department to address the late submission of statements of account by Returning Officers

19. The Department are concerned at the length of time that it takes some Returning Officers to submit accounts for reimbursement of the costs of running national elections and the negative effect this has on the Department's ability to assess the costs of running specific elections. Although there is a statutory deadline of 12 months for submission of these accounts set out in the *Returning Officers' Accounts (Parliamentary Elections) (England and Wales) Regulations 1991*, there is no specific sanction prescribed for failure to meet this deadline.

20. The Department has taken steps to encourage Returning Officers to return their accounts in a more timely fashion by writing to them individually and they propose to follow this up by sending further letters where outstanding advances remain to be cleared. The Department is also using other methods to convey the importance of making timely returns, including the Electoral Policy Division Newsletter to electoral officials and other stakeholders. However, under legislation the Department has no power to withhold advance funding for further elections from Returning Officers with outstanding advances from previous elections.
21. The North East Regional Assembly Referendum in November 2004 was run by the Electoral Commission. All twenty three of the Counting Officers (who fulfilled a role similar to Returning Officers in Parliamentary elections) returned statements of account for their expenses within six months of the election taking place. The following factors contributed to this high rate of return of statements of account:
- Guidance for Counting Officers, setting out the clear expectation that claims should be submitted as soon as possible;
 - the time and effort devoted by the Electoral Commission to reminding counting officers to submit their claims, including monthly e-mail reminders and letters to the Finance Directors of Local Authorities; and
 - electronic claim forms, making it quicker for the Counting Officers to submit claims and for the Electoral Commission to process them.
22. Addressing the long running issue of late submission of accounts will require concerted effort by the Department. The Department should assess whether any lessons can be learnt from the positive experience of administering the North East Regional Assembly Referendum.

Developments in financial reporting

23. The Returning Officers' Expenses Accounts are currently prepared on a cash basis. This means that the costs of each election are accounted for in the year that payments are made, which may not be the year in which the election took place. The total costs of each election are therefore not transparent in the accounts. As a result, the Department is considering moving to an accruals accounting basis for the Returning Officers' Expenses Accounts. This change is planned for the accounts for the year ending 31 March 2008 and subsequent accounts.
24. Accruals based accounts would show the total costs of each election in the accounts of the year in which the election took place. The accounts would also include estimates of debtor balances (for any unspent advances to be repaid by Returning Officers) and creditor balances for further claims

expected from Returning Officers. The Department will need to ensure the timely submission of statements of accounts by Returning Officers, to enable it to prepare a defensible estimate of the debtors and creditors at the year end.

John Bourn
Comptroller & Auditor General
September 2007

National Audit Office
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Victoria
London SW1W 9SP

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2003-04 £	2002-03 £
Receipts			
Advances from the Consolidated Fund		3,811,315	2,500,000
Other Receipts	2	<u>121,158</u>	<u>324,221</u>
		<u>3,932,473</u>	<u>2,824,221</u>
Payments			
Constituency Claims	3	1,410,733	3,111,980
Other Payments	4	<u>406,801</u>	<u>105,042</u>
	5	<u>1,817,534</u>	<u>3,217,022</u>
Excess of receipts over payments/ (payments over receipts) before amounts to be surrendered to the Consolidated Fund		2,114,939	(392,801)
Less amounts surrendered to the Consolidated Fund in respect of:			
Forfeited Deposits		(6,500)	(10,659)
Bank Balance		-	(2,172)
Bank Interest		-	(9,226)
		<u>(6,500)</u>	<u>(22,057)</u>
Excess of receipts over payments/ (payments over receipts)		<u>2,108,439</u>	<u>(414,858)</u>

STATEMENT OF BALANCES AS AT 31 MARCH 2004

Balance at the beginning of the year		477,943	892,801
Excess of receipts over payments/ (payments over receipts)		2,108,439	(414,858)
Balance at the end of the year	6	<u>2,586,382</u>	<u>477,943</u>

Alex Allan
Accounting Officer,
Department for Constitutional Affairs.

Date

The notes on page 17 form part of these accounts.

NOTES TO THE ACCOUNTS

Note 1 – These accounts are compiled in accordance with the Accounts Direction issued by HM Treasury dated 16 October 2006.

	2003-04 £	2002-03 £
Note 2 - Other Receipts		
Forfeited Deposits	6,500	-
Bank Interest	1,928	9,253
Residue of Monies Returned	50,096	188,022
Settlement of Claim	62,634	121,544
Advance Receipt	-	322
Miscellaneous Receipts	-	5,080
	<hr/> 121,158	<hr/> 324,221
Note 3 – Payments to Acting Returning Officers		
Advance Payments	144,963	338,909
Final Payments	1,265,770	2,773,071
	<hr/> 1,410,733	<hr/> 3,111,980
Note 4 – Other Payments		
Royal Mail UK Costs	115,078	-
Purchase of Equipment	291,723	104,524
Solicitor Fees	-	518
	<hr/> 406,801	<hr/> 105,042
Note 5 – Election Breakdown		
European Election	194,268	222,314
General Election	1,547,029	2,994,708
By-elections	76,237	-
	<hr/> 1,817,534	<hr/> 3,217,022
Note 6 – Cash at Bank	<hr/> 2,586,382	<hr/> 477,943

Annex to the Accounts

ACCOUNTS DIRECTION GIVEN UNDER SECTION 7(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

RETURNING OFFICERS' EXPENSES

The Department of Constitutional Affairs shall prepare accounts in respect of Returning Officers' Expenses for the financial year ended 31 March 2004 and subsequent financial years.

The accounts and supporting documents shall comprise:

- a Foreword;
- a Statement of Internal Control;
- a Statement of Accounting Officer's responsibilities;
- a Receipts and Payments account; and
- a Statement of Balances.

including in each case such notes as may be necessary for the purposes referred to in the following paragraph and Schedule.

The accounts shall:

- properly present the receipts and payments for the year, and the cash and bank balances as at the year-end in respect of Returning Officers' expenses; and
- provide disclosure of any material receipts or payments that have not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities that govern them.



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