
Returning Officers' Expenses, Northern Ireland

Statement of Accounts 2018/19

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Statement of Accounts 2018/19

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

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PERFORMANCE REPORT

OVERVIEW

The Northern Ireland Office supports the Secretary of State for Northern Ireland in promoting the best interests of Northern Ireland within a stronger United Kingdom. It ensures Northern Ireland interests are fully and effectively represented at Westminster and the heart of Government, and the Government's responsibilities are fully and effectively represented in Northern Ireland.

The Secretary of State for Northern Ireland has responsibility for electoral policy in Northern Ireland. As a result, the responsibility for setting the expenses of the Returning Officer for Northern Ireland rests with the Secretary of State for Northern Ireland.

The arrangements for electoral administration in Northern Ireland are different from elsewhere in the United Kingdom. The system in Northern Ireland is administered centrally by the Chief Electoral Officer for Northern Ireland who is an office holder independent of Government. She is assisted by the staff of the Electoral Office for Northern Ireland (the "EONI"), the administrative structure created to support her in the discharge of her duties.

The Chief Electoral Officer is both the electoral registration officer for all 18 constituencies in Northern Ireland and returning officer for all elections and referenda in Northern Ireland. The cost of running European and Parliamentary Elections is funded by the UK Consolidated Fund. Funding for the Northern Ireland Assembly Elections is provided to the Northern Ireland Office by the Northern Ireland Executive through agreed funding mechanisms. The costs of local elections are funded by local authorities.

The Secretary of State for Northern Ireland is accountable to Parliament for all expenditure by the Chief Electoral Officer.

A detailed account of the governance arrangements can be found in the Governance Statement.

EXPENDITURE ANALYSIS

	2018-19	2017-18
	£	£
Parliamentary Election 2015	-	(41,039)
Assembly Election 2016	(8,237)	(16,492)
Assembly Election 2017	(9,459)	(14,204)
Parliamentary Election 2017	17,725	4,013,132
Recall Election 2018	165,644	-
West Tyrone By-Election 2018	254,632	-

This table shows costs from electoral events incurred in 2018-19 and 2017-18.

2015 UK Parliamentary election

The 2015 Parliamentary Election was held on 7 May 2015. The costs were recorded in previous accounts however an adjustment to reduce previously recorded costs is required to take account of variance in final costs.

2016 Assembly election

The 2016 Assembly Election was held on 5 May 2016. The costs were recorded in previous accounts however an adjustment to reduce previously recorded costs is required to take account of variance in final costs.

2017 Assembly election

The 2017 Assembly Election was held on 2 March 2017. The costs were recorded in previous accounts however an adjustment to reduce previously recorded costs is required to take account of variance in final costs.

2017 UK Parliamentary election

The 2017 Parliamentary Election was held on 8 June 2017. The costs were recorded in previous accounts however an adjustment to increase previously recorded costs is required to take account of variance in final costs.

2018 West-Tyrone By election

The West-Tyrone By election was held on 3 May 2018. The election incurred candidates' mailing costs of £59,051, while the cost of conducting the poll was £195,581, resulting in an overall cost of £254,632.

2018 Recall Petition election

The Recall Petition was open for signing for six weeks from 8 August to 19 September. The cost of conducting the petition was £165,644.

Deposits

The deposit of £500 forfeited by one candidate in the 2018 West-Tyrone By election whose votes did not exceed 5% of the quota of valid votes were surrendered to the Consolidated Fund during 2018-19.

Candidates' mailings

The cost of candidates' mailing expenses, where there is provision in statute for the costs to be met, is funded separately from Returning Officers' fees for all elections by HM Treasury.

Sir Jonathan Stephens KCB

**Accounting Officer
4 July 2019**

ACCOUNTABILITY REPORT

Governance Report

Director's Report

Introduction

These accounts cover the year 1 April 2018 to 31 March 2019 and have been prepared in a form directed by HM Treasury.

The legislative framework

Under section 29(3) of the Representation of the People Act 1983 as amended by section 68 of the Electoral Administration Act 2006, a Returning Officer is entitled to recover their charges in respect of services necessarily rendered, or expenses necessarily incurred, for or in connection with, a Parliamentary election and for Northern Ireland Assembly elections as provided by article 3(1) of, and Schedule 1 to, the Northern Ireland Assembly Elections (Elections) Order 2001.

The overall maximum recoverable amount that the Returning Officer in Northern Ireland may recover in respect of services rendered, or expenses incurred, for or in connection with Parliamentary or Assembly elections is set out in an Order by the Secretary of State for Northern Ireland. The Parliamentary elections charges order requires the consent of two of the Lords Commissioners of Her Majesty's Treasury before being brought into force.

Charges Orders

The Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) Order 2017 (S.I. 2017 No. 652) and the Northern Ireland Assembly Elections (Returning Officer's Charges) Order 2016 (S.I. 2016 No. 473) and the Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) Order 2015 (S.I. 2015 No. 887) which came into force on 10 May 2017, 23 March 2016 and 21 March 2015 respectively, The Charges Orders set the overall maximum recoverable amount that the Returning Officer may recover in respect of each of the eighteen Parliamentary Constituencies in Northern Ireland.

Accounts regulations

Under the Returning Officer's Accounts (Parliamentary Elections) (Northern Ireland) Regulations 1991, the Returning Officer must submit his account to the Northern Ireland Office within the period of twelve months commencing with the day of the declaration of result of the election to which the charges in the account relate.

Funding Mechanism

UK Parliamentary Elections are financed from the UK Consolidated Fund. Funding for Northern Ireland Assembly Elections is provided to the Northern Ireland Office by the Northern Ireland Executive through agreed funding mechanisms. The funding covers all costs necessarily incurred in the delivery of an election. Funding for elections is held in separate bank accounts from the departmental commercial bank accounts.

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Northern Ireland Office to prepare, for each financial year, a statement of accounts in respect of the Returning Officers' Expenses for Northern Ireland in the form and on the basis set out in the Accounts Direction which they have provided.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Returning Officers' Expenses for Northern Ireland at 31 March 2019 and of their income and expenditure, changes in taxpayers' equity and cash flow for the financial year. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Secretary of the Northern Ireland Office as Accounting Officer for Returning Officers' Expenses in Northern Ireland.

Statement on the disclosure of relevant audit information

I hereby confirm that so far as I am aware, there is no relevant audit information of which the Office's auditors are unaware and that I have taken all reasonable steps to ensure that I am aware of any relevant audit information and to establish that the Office's auditors are aware of that information.

I hereby confirm that these accounts as a whole are fair, balanced and understandable, and that I take personal responsibility for these accounts and the judgements required for determining that they are fair, balanced and understandable.

Governance Statement

Introduction

As Principal Accounting Officer, I have personal responsibility for the robustness of the control and governance arrangements operated by the Chief Electoral Officer. This Governance Statement outlines how I have discharged my responsibility to manage and control the resources made available to the Chief Electoral Officer during the course of the year. This sound governance system, as outlined in this Statement, supports the achievement of the Chief Electoral Officer's and the wider Department's policies, aims and objectives, whilst safeguarding public funds and Departmental assets in accordance with the responsibilities assigned to me in Managing Public Money.

I also have responsibility for reviewing the effectiveness of the system of internal control operated by the Chief Electoral Officer. My assessment of the effectiveness of the governance arrangements is informed by: the work of the internal auditors; the assurances provided by the Chief Electoral Officer who has responsibility for the development and maintenance of the internal control framework; assurances provided by managers within the Department who have sponsorship responsibility for the Chief Electoral Officer; and comments made by the external auditors in their management letter and other reports. I am also advised on the Chief Electoral Officer's system of internal control by the Department's Audit and Risk Committee.

Governance Framework

The Chief Electoral Officer has agreed a Framework Document with the Northern Ireland Office 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 Department to the Chief Electoral Officer. A review of the Framework Document was completed during the reporting period and an updated version was signed off in July 2018.

The Framework Document is supported within the Electoral Office (EONI) by internal governance policies and guidance that draw on best practice. EONI Policies are aligned to Departmental guidance on matters such as: Anti-Fraud and Whistleblowing; Gifts and Hospitality; Financial Management; Procurement; Risk Management and Information Assurance.

Governance Structure

The Northern Ireland Office Board has a corporate responsibility for setting objectives, agreeing priorities and implementing ministerial policy, including ensuring that the Chief Electoral Officer discharges her statutory duties and complies with her governance responsibilities. The Board also has responsibility for monitoring the Chief Electoral Officer's financial performance and ensuring that she complies with key policies, such as those relating to risk management, information assurance and workforce planning. Further details of the Board's governance arrangements can be found in the Department's Annual Report and Accounts. The latest version of which can be found at:

<https://www.gov.uk/government/publications/>

At an organisational level the Chief Electoral Officer is supported by the EONI Senior Management Team. The Senior Management Team meets at least monthly and provides collective strategic and operational leadership and monitors progress against business plans. It also plays an important role in managing corporate governance, audit arrangements, financial management, contracts and procurement, staffing issues, risk management and complaints. The equality and human rights obligations of any policy matter are considered as part of the normal decision making process.

Each year, the EONI publishes a business plan that outlines the practical objectives set for the organisation from the strategic plan. The EONI's business plan for 2018-19 can be found at:

<https://www.eoni.org.uk/getmedia/c3a94b36-82b3-4f5b-8d47-4946aeacc08c/Business-Plan-2018-19>

The achievement of targets and objectives is contained within the Chief Electoral Officer's Annual Report. The latest version was published in June 2018 and can be found at:

www.eoni.org.uk/Utility/About-EONI/Plans-and-reports

Audit and Risk Committee

The Chief Electoral Officer does not operate a separate audit and risk committee; however, there is a long-standing agreement that the Northern Ireland Office Audit and Risk Committee will provide an oversight and challenge function to ensure that resources provided by the Northern Ireland Office are used appropriately. The Committee, in turn, provides assurances to the Principal Accounting Officer.

The Audit and Risk Committee received regular updates on the operation of the EONI's governance arrangements and the Committee took assurance from the Chief Electoral Officer's stewardship statement returns.

On the basis of the issues discussed and evidence presented at its meetings, the Audit and Risk Committee concluded that the assurances it received throughout the year were satisfactory, and it was not aware of any significant internal control issues.

Internal Audit

During 2018-19, internal audit services were provided to the Chief Electoral Office by the Government Internal Audit Agency (GIAA) under a Memorandum of Understanding. The Head of Internal Audit for the EONI is required to submit regular reports to the Chief Electoral Officer and report any significant internal control problems to the Department's Audit and Risk Committee.

The audit plan for 2018-19 focussed on reviewing governance arrangements and accountabilities. The first review, of the Finance Function, evaluated EONI's finance function from a value-for-money perspective, assessing the extent to which it

supports the Organisation in achieving its objectives. The second audit of Governance Arrangements reflected risks presented through a period of significant change and restructuring.

The auditors provided a 'moderate'¹ annual audit opinion on the EONI's framework of risk management, governance and control. The overall opinion was based on the observations during audit work, engagement with senior management and understanding of the operation of EONI. The results of the work have highlighted some weaknesses in governance and control in the areas reviewed and a total of 19 recommendations were made with a priority of medium or low. These findings were isolated to specific systems and arrangements which were specifically requested for review by the Chief Electoral Officer. In providing their annual opinion, the auditors acknowledged that key financial controls and activities were maintained during the year, and two elections were successfully delivered, despite the EONI undergoing a period of significant change, and that work is currently being taken forward to realign accountabilities and responsibilities. Progress on implementation of these recommendations will be monitored by the Chief Electoral Officer and the EONI Senior Management Team.

Information Assurance

I am responsible for ensuring that information risks are assessed and mitigated to an acceptable level. Information is a key business asset for the Chief Electoral Officer and she continues to make Information Assurance a priority.

In her role as Information Asset Owner, the Chief Electoral Officer manages information assurance and risk across her organisation. All EONI staff are required to complete an annual mandatory Data Handling e-learning package, "Responsible for Information", provided by Civil Service Learning.

This year the Chief Electoral Officer focused on developing implementation plans for the General Data Protection Regulations. Progress was monitored by the Department's Executive Management Committee and Audit and Risk Committee. A Data Protection Officer was appointed by the Chief Electoral Officer in early 2018 following a procurement exercise. The contract is for an initial period of 18 months.

I am satisfied that the Chief Electoral Officer has implemented the necessary internal controls and measures, policies and training to ensure that her employees continued to comply with Government standards.

Risk Management

As Accounting Officer, I acknowledge my overall responsibility for the effective management of risk within the Northern Ireland Office and its sponsored bodies. In meeting this responsibility, I am supported by the Board and the Audit and Risk Committee. The Board owns and maintains the corporate risk register, which sets out the key strategic risks facing the wider Department and the controls in place to manage these risks, and reviews this document on a quarterly basis. The Audit and

¹ Definition of moderate: some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Risk Committee receive the register for periodic review, as well as regular updates on the Department's sponsored bodies.

The senior risk owner within the EONI is the Chief Electoral Officer who delegates accountability for risk management to her Senior Managers. Senior Managers are in turn responsible for personally managing the risks in their respective business area and reporting to the Chief Electoral Officer.

The EONI Strategic Risk Register is regularly submitted to the sponsor team who report any significant risks to the Audit and Risk Committee.

During the reporting period, I received assurance first hand through discussions with the Chief Electoral Officer, sponsoring Deputy Director and the chair of the Audit and Risk Committee.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control within the Department and its sponsored bodies. My review is informed by the work of auditors, an assurance from the Department's sponsor team and the stewardship statement from the Chief Electoral Officer, which includes assurances from her that the EONI's 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.

For the period 2018-19, I am able to report that there were no significant weaknesses in the Chief Electoral Officer's system of internal controls which affected the achievement of the EONI's objectives, the Chief Electoral Officer's statutory duties or the Department's key policies, aims and objectives. In addition, I am satisfied that the Chief Electoral Officer exercised control over the election expenses through detailed review of expenditure.

Sir Jonathan Stephens KCB
Accounting Officer
4 July 2019

Parliamentary Accountability and Audit Report

Parliamentary Accountability Disclosures

(This section is subject to audit)

1. Income payable to the Consolidated Fund

Forfeited Deposits	2018-19 £	2017-18 £
2017 Parliamentary Election	-	19,500
West -Tyrone By Election	500	-
Total	500	19,500

2. Regularity of expenditure - losses and special payments

There are no losses and special payments to report.

3. Contingent Liabilities

There are no specific contingent liabilities requiring disclosure.

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

Opinion on financial statements

I certify that I have audited the financial statements of the Returning Officer's Expenses (Northern Ireland) for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Returning Officer's Expenses (Northern Ireland)'s affairs as at 31 March 2019 and of the comprehensive net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Returning Officer's Expenses (Northern Ireland) in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Returning Officer's Expenses (Northern Ireland)'s ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for

the purpose of expressing an opinion on the effectiveness of the Returning Officer's Expenses (Northern Ireland)'s internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure 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.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the Statement of Accounts, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the Returning Officer's Expenses (Northern Ireland) and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 9 July 2019

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure For the Year Ended 31 March 2019

		2018-19 £	2017-18 £
	Note		
2015 Parliamentary Election			
Conduct of the poll	2		(41,039)
Candidate Mailing Costs		-	-
2016 Assembly Election			
Conduct of the poll	2	(8,237)	(16,492)
Candidate Mailing Costs		-	-
2017 Assembly Election			
Conduct of the poll	2	(9,459)	(14,204)
Candidate Mailing Costs		-	-
2017 Parliamentary Election			
Conduct of the poll	2	17,725	3,031,959
Candidate Mailing Costs		-	981,173
West-Tyrone Election			
Conduct of the poll	2	195,581	-
Candidate Mailing Costs		59,051	-
Recall Election			
Conduct of the poll	2	165,644	-
Candidate Mailing Costs		-	-
Total Election Expenses		420,305	3,941,397
Income payable to the consolidated fund		(500)	(19,500)
Comprehensive Net Expenditure		419,805	3,921,897

The notes on pages 28 to 32 form part of these accounts.

Statement of Financial Position As at 31 March 2019

		31 March 2019	31 March 2018
		£	£
	Note		
Current assets			
Trade and other receivables	3	-	-
Cash and cash equivalents	4	29,901	923,227
Total current assets		29,901	923,227
Current Liabilities			
Trade and other payables	5	(29,901)	(923,227)
Total current liabilities		(29,901)	(923,227)
Total assets less current liabilities		-	-
Taxpayers' equity			
General fund		-	-
Total equity		-	-

Signed:

Accounting Officer: Sir Jonathan Stephens KCB

Date: 4 July 2019

The notes on pages 28 to 32 form part of these accounts.

Statement of Cashflows for the Year Ended 31 March 2019

		2018-19	2017-18
	Note	£	£
Cash flows from operating activities			
Comprehensive net expenditure		(419,805)	(3,921,897)
(Increase)/decrease in trade and other receivables	3	-	24,310
Increase/(decrease) in trade and other payables	5	(893,326)	(3,065,167)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	5	(29,672)	(563,869)
Net cash outflow from operating activities		<u>(1,342,803)</u>	<u>(7,526,623)</u>
Cash flows from financing activities			
From the Consolidated Fund (non-supply) Net financing		449,977	4,505,266
		<u>449,977</u>	<u>4,505,266</u>
Non-Voted receipts of current year surrendered to the consolidated fund		(500)	(19,500)
Non-Voted receipts of prior year surrendered to the consolidated fund		-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	4	<u>893,326</u>	<u>3,040,857</u>
Cash and cash equivalents at the beginning of the period	4	<u>923,227</u>	<u>3,964,084</u>
Cash and cash equivalents at the end of the period	4	<u>29,901</u>	<u>923,227</u>

The notes on pages 28 to 32 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the Year ended 31 March 2019

	2018-19	2017-18
Note	£	£
Balance at 1 April	-	-
Consolidated Fund Standing Services (non-supply)	449,977	4,505,266
Non-voted receipts surrendered to the Consolidated Fund	(500)	(19,500)
Comprehensive Net (expenditure) / Income for the year	(419,805)	(3,921,897)
Utilisation of election advances from consolidated fund	(29,672)	(563,869)
Balance at 31 March	-	-

The notes on pages 28 to 32 form part of these accounts.

NOTES TO THE RETURNING OFFICERS' EXPENSES ACCOUNTS 1. Statement of accounting policies

1.1 Statement of compliance

This statement of accounts has been prepared in accordance with the 2018-19 Government Financial Reporting Manual (FReM) and the specific Account Direction both issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. They have been applied consistently in dealing with items that are considered material to the statement of accounts.

1.2 Basis of preparation

This statement of accounts has been prepared under the modified historic cost convention.

1.3 Going concern

The statement of accounts has been prepared on the basis of going concern. The election expenses of the Returning Officer for Northern Ireland for European, Parliamentary and Assembly elections are met directly from HM Treasury's Consolidated Fund as a Consolidated Fund Standing Service without the need for further annual authorisation from Parliament.

1.4 Income payable to the Consolidated Fund

The forfeited deposits of unsuccessful election candidates are accounted for on an accruals basis and are treated as non-voted receipts surrenderable to the Consolidated Fund; see Note 1.9. Deposits are forfeited by those candidates who fail to obtain one twentieth of the total valid votes cast at UK Parliamentary elections and by-elections or one quarter of the quota at Northern Ireland Assembly Elections.

1.5 Value added tax

The activities performed by the Returning Officers are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category.

1.6 Financial assets

Trade and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made where there is objective evidence that balances will not be recovered in full. Balances are written off when the probability of recovery is assessed as being remote.

1.7 Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at bank. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash, net of outstanding bank overdrafts.

1.8 Financial liabilities

Trade and other payables are recognised at cost which is deemed to be materially the same as the fair value. Trade and other payables include cash drawn down to fund elections which if unspent is surrenderable to the Consolidated Fund.

Non-voted receipts surrenderable to the Consolidated Fund

Election expenses are classified as Consolidated Fund Standing Services which Parliament has decided by statute should be met directly from the Consolidated Fund rather than being voted annually by Parliament. The Consolidated Fund is the Government's current account operated by HM Treasury. Non-voted receipts include forfeited deposits (see Note 1.4).

1.9 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2019

The standards, interpretations and amendments to published standards that became effective during 2018-19 which are relevant to this account. The adoption of these standards has not had a significant impact on these accounts.

IFRS 9 – Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard was adopted from 1 January 2018 and applied from 1 April 2018. IFRS 9 provides a more principles based approach, including the classification and measurement of financial assets and liabilities. The standard has not had any significant impact on these accounts.

IFRS 15 – Revenue from Contracts with Customers replaces IAS 18 Revenue. The standard was adopted from 1 January 2018 and applied from 1 April 2018. The core principle of this standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. This standard has not had any significant impact on these accounts.

1.10 Impending application of newly issued accounting standards not yet effective

The following standards or interpretations have been issued by the International Accounting Standards Board but have not yet been adopted

IFRS 16 - Leases replaces IAS 17 Leases and related interpretations and has an effective date of 1st January 2019. The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The new standard is expected to be applied in central government from 1st April 2020.

It is anticipated that the adoption of this standard is unlikely to have material impact on the financial statements in the period of application.

2. Election Expenses

	£	£	£	£	£
Constituency	2018 Recall Election	2018 West- Tyrone Election	2017 Parliamentary Election	2017 Assembly Election	2016 Assembly Election
Belfast East			985	(526)	(458)
Belfast North			985	(525)	(458)
Belfast South			985	(526)	(458)
Belfast West			985	(525)	(458)
East Antrim			985	(526)	(458)
East Londonderry			985	(525)	(458)
Fermanagh and South Tyrone			985	(526)	(458)
Foyle			985	(525)	(458)
Lagan Valley			985	(526)	(458)
Mid Ulster			985	(525)	(458)
Newry and Armagh			985	(526)	(458)
North Antrim			985	(525)	(457)
North Down	165,644		985	(526)	(457)
South Antrim			984	(525)	(457)
South Down			984	(526)	(457)
Strangford			984	(525)	(457)
Upper Bann			984	(526)	(457)
West Tyrone		195,581	984	(525)	(457)
Total	165,644	195,581	17,725	(9,459)	(8,237)

This note discloses expenditure incurred in conducting election polls for the Parliamentary Election in 2017, the Northern Ireland Assembly Elections in 2016 and 2017, and the West-Tyrone Elections in 2018 and the Recall Petition Election in 2018.

3. Trade and Other Receivables

	2018-19	2017-18
	£	£
Amounts owed by Councils	-	-
Prepayments and Accrued Income	-	-
Total	-	-

4. Cash and Cash Equivalents

	2018-19 £	2017-18 £
Balance at 1 April	923,227	3,964,084
Net change in cash and cash equivalents	(893,326)	(3,040,857)
Balance at 31 March	29,901	923,227

The following balances at 31 March were held at :

Government Banking Service

Balance at 31 March	29,901	923,227
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5. Trade and Other Payables

	2018-19 £	2017-18 £
Accruals	200	163,494
Advances from the Consolidated Fund	29,701	759,733
Total	29,901	923,227

The advances retained of £29,701 will contribute to any final payments before the current election accounts are closed and any remaining balance will be returned to the Consolidated Fund.

6. Financial instruments

Funding for the Returning Officers' expenses is received directly from the Consolidated Fund and therefore there is no exposure to liquidity risk. Material deposits are held with the Government Banking Service so there is no exposure to interest rate risk. All material assets and liabilities are denominated in sterling so there is no exposure to exchange rate risk.

7. Related Party Transactions

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 Chief Electoral Officer nor the 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 Chief Electoral Officer or the EONI during the year.

8. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the Reporting Period, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as being the date on the Certificate and Report of the Comptroller and Auditor General to the House of Commons. There are no events after the reporting period which affects these accounts.

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