
**Election Accounts:
UK and European Parliamentary
Elections
2014-15 Account**

**Returning Officers' Expenses
(For the year ended 31 March 2015)**

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

*Ordered by the House of Commons to be printed
20 July 2015*



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Any enquiries regarding this publication should be sent to us at **The Scotland Office, 1 Melville Crescent, Edinburgh, EH3 7HW**

Print ISBN 9781474123693

Web ISBN 9781474123709

ID 10071502 07/15

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ELECTION ACCOUNTS: UK AND EUROPEAN PARLIAMENTARY ELECTIONS 2014-15 ACCOUNT - RETURNING OFFICERS' EXPENSES

1. FOREWORD

1.1 Statutory Background

The Representation of the People Act 1983 provides for the making of regulations to set out the range and scale of fees and expenses, which will apply to elections.

The Charges Order that relates to the relevant election date is applicable; thus, different Orders may apply to different accounts. The Order applied in this Account was:-

For the European Election on 22 May 2014 :

- The European Parliamentary Elections (Returning Officers' and Local Returning Officers' Charges) (Great Britain and Gibraltar) Order 2014 (SI 2014 No 325), which came into force on 13 February 2014.

1.2 History of the Account

The account came into effect on 22 August 1991 when responsibility for accounting related to parliamentary elections in the United Kingdom was transferred from HM Treasury to the Home Departments. The transfer was made in order to consolidate responsibility for parliamentary election matters within the areas where electoral policy and legislation were already covered.

UK Parliamentary elections in the United Kingdom are financed from the Consolidated Fund. European elections in Scotland are financed from the grant paid to the Scottish Consolidated Fund. Funds are drawn down as required either to meet expenses already incurred by Returning Officers (e.g. to purchase or maintain election equipment on an ad hoc basis) or, when an election is called, to provide sufficient advances for necessary preparations to be put in hand. Other calls on the account are made by the payment of postal charges to Royal Mail for the free election material permitted under the Representation of the People legislation. Finally, when Returning Officers' Election Accounts have been approved, any outstanding balances are received or disbursed as appropriate.

The Scotland Office Finance and Elections Team had managed to process all outstanding Election Accounts by 31 March 2015.

1.3 Main Areas of Payments and Receipts

The payments made during 2014-15 related to the advances to Returning Officers of £5.9m; final settlements of claims totalling £2.5m; and candidates free mailing costs of £2.8m all of which related to the 2014 European Election.

The only receipts received were in relation to forfeited deposits of £15,000.00 and £816.00 of bank interest, both amounts were subsequently surrendered to the Consolidated Fund .

Initial advances to returning officers are calculated on the basis of the formula created by the Cabinet Office. The formula is based on a number of categories which includes: the costs of previous elections; the number of voters; the number of polling places; and the numbers of postal voters etc. All completed election account claims from Returning Officers are checked thoroughly against the formula and all variances are questioned prior to payment being issued.

Francesca Osowska
Accounting Officer
Scotland Office
10 July 2015

2. STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Scotland Office to prepare a statement of accounts for each financial year in respect of Returning Officers' expenses for the Westminster and European Parliamentary elections. 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.

In preparing the accounts, the Accounting Officer is required to observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and prepare the accounts on a going concern basis.

For these accounts HM Treasury has appointed the Head of the Scotland Office as the Accounting Officer. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for the keeping of proper records and for safeguarding the Office's assets, are set out in *Managing Public Money* published by HM Treasury.

3. GOVERNANCE STATEMENT

The complete transactions and operations of the Scotland Office are reflected in the Scotland Office and Office of the Advocate General 2014-15 Annual Report and Accounts, due to be published at www.scotlandoffice.gov.uk.

3.1 Governance Arrangements

The Scotland Office finance team is responsible for processing all the relevant transactions. The Scotland Office finance team's operations in all respects are subject to the governance arrangements for the Scotland Office and the Office of the Advocate General are described in the Offices' annual report, and are set in particular in the Governance Statement.

The Scotland Office and Office of the Advocate General's corporate governance is overseen by the Joint Management Board of the two Offices. The Audit Committee is a sub-committee of the Joint Management Board. It is chaired by a Non-Executive Board Member of the Board. In addition to the chair there are two other members of the Audit Committee, one of whom is also a member of the Joint Management Board. The committee operates in accordance with the Treasury's Audit Committee Handbook and meets quarterly. The Audit Committee takes an overview of all the Scotland Office's financial transactions and is advised by the Internal Audit Directorate of the Ministry of Justice and is informed by the views of the National Audit Office.

Details of attendance at meetings of the Joint Management Board and of the Audit Committee during the financial year are also given in the Governance Statement in the Offices' 2014-15 Annual Report and Accounts.

3.2 Risk identification and management

The Scotland Office's and the Office of the Advocate General's control processes are designed to identify business risk and manage it to a reasonable level. This is a continuous process designed to identify and assess risks to the achievement of the Offices' objectives, and to manage them efficiently, effectively and economically. Particular attention is given by both officials of the Offices and the Audit Committee to risks relating to corporate governance and financial controls. In respect of the election accounts the Scotland Office finance team is alert to the risk of fraudulent claims.

During the year of this set of accounts there was no specific internal audit activity carried out in respect of the election processes.

3.3 Review of effectiveness

As Principal Accounting Officer for both Offices, I have responsibility for reviewing the effectiveness of the risk, control and governance framework. I am advised in this review by the Audit Committee, the Internal audit function of the Ministry of Justice which provides internal audit services to the Scotland Office and the Office of the Advocate General and comments made by the external auditors in their management letter and other reports. A detailed description of risk management in the Offices can be found in the Governance Statement in the Offices' 2014-15 Annual Report and Accounts.

On the basis of my review of the Offices' procedures and the assurance I have received, about the procedures in place during 2014-15, including from my predecessor who served as Accounting Officer for the greater part of 2014-15 I can give assurance that the risk, control and governance framework in the Scotland Office and the Office of the Advocate General is adequate and appropriate for the Offices' objectives. This is given on the basis that, where exposure to risk has been identified, including with respect to the UK and EU Parliament accounts, either action has been taken to minimize or remove the risk or the nature of the risk is fully understood and accepted.

Francesca Osowska
Accounting Officer
Scotland Office
10 July 2015

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

I certify that I have audited the financial statements of the UK and European Parliamentary Election: Returning Officers' Expenses Account for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. These comprise the Receipts and Payments Account, Statement of Balances and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scottish UK and European Parliamentary Election: Returning Officers' Expenses' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Scotland Office; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Foreword and the Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- the financial statements properly present the receipts and payments of the UK and European Parliamentary Election: Returning Officers' Expenses Account for the year ending 31 March 2015; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters for which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

Report

I have no observations to make on these financial statements.

*Sir Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP
13 July 2015*

**RECEIPTS AND PAYMENTS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 2015**

		2014-15	2013-14
RECEIPTS	Notes	£	£
Advances from the Consolidated Fund		11,237,000.00	-
Other Receipts	2	15,816.00	-
Total		<u>11,252,816.00</u>	-
 PAYMENTS			
Local Authority Claims	3	8,362,699.30	12,000.00
Other Expenditure	3	2,836,657.01	0.00
Total	3	<u>11,199,356.31</u>	<u>12,000.00</u>
Excess of payments over receipts before amounts surrendered to the Exchequer		53,459.69	-12,000.00
Less: Amounts Surrendered to the Exchequer in Respect of:			
Forfeited Deposits		15,000.00	-
Bank Interest Received		816.00	-
Total		<u>15,816.00</u>	-
Excess of receipts over payments in the year		37,643.69	-12,000.00

STATEMENT OF BALANCES AS AT 31 MARCH 2015

Balance at the beginning of the period	-	12,000.00	-
Excess of receipts over payments		37,643.69	-12,000.00
Balance at end of the period	4	<u>25,643.69</u>	<u>-12,000.00</u>

Francesca Osowska
Principal Accounting Officer
Scotland Office
10 July 2015

The notes on pages 8 to 10 form part of these accounts.

Note 1

These accounts have been prepared on a receipts and payments basis in accordance with the accounts direction issued by HM Treasury dated 1 November 2007.

Note 2

Breakdown of Other Receipts

	2014-15	2013-14
	£	£
Bank Interest	816.00	-
Forfeited Deposits	15,000.00	-
Total Other Receipts	<u><u>15,816.00</u></u>	<u><u>-</u></u>

Note 3

Payments Summary

	2014-15		2014-15			2014-15 Total £	2013-14 Prior Year Comparatives £
	Payment to Returning Officers Funding Advance £	Settlement £	Total Local Authority £	Royal Mail £	Other Payments Miscellaneous £		
European Election							
2014 European Election	5,868,767.00	2,493,932.30	8,362,699.30	2,836,657.01	-	2,836,657.01	12,000.00
Sub Total	5,868,767.00	2,493,932.30	8,362,699.30	2,836,657.01	-	2,836,657.01	12,000.00
By - Elections							
Sub Total	-	-	-	-	-	-	-
Total	5,868,767.00	2,493,932.30	8,362,699.30	2,836,657.01	-	2,836,657.01	12,000.00

Note 4	2014-15	2013-14
Breakdown of Year End Balances	£	£
Amounts due to the Consolidated Fund	<u>25,643.69</u>	<u>-12,000.00</u>
Total	<u>25,643.69</u>	<u>-12,000.00</u>

Note 5

Events After the Reporting Period

In accordance with the requirements of IAS10, events after the year end are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

There were no events to report.

ISBN 978-1-4741-2369-3



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