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Returning Officers'  
Expenses,  
Northern Ireland

Statement of Accounts  
2016/17

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# Returning Officers' Expenses, Northern Ireland

## Statement of Accounts 2016/17

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

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<b>Contents</b>	<b>Page</b>
<b>PERFORMANCE REPORT</b>	
<b>Overview</b>	<b>8</b>
<b>Performance Analysis</b>	<b>8</b>
<b>ACCOUNTABILITY REPORT</b>	
<b>Governance Report</b>	<b>11</b>
<b>Parliamentary Accountability and Audit Report</b>	<b>17</b>
<b>FINANCIAL STATEMENTS</b>	
<b>Statements of Account</b>	<b>21</b>
<b>Notes to the Statements of Account</b>	<b>25</b>



# 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 referendums 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.

## PERFORMANCE ANALYSIS

	<b>2016-17</b>	<b>2015-16</b>
	<b>£</b>	<b>£</b>
Parliamentary Election 2015	-	4,146,746
Assembly Election 2016	5,127,123	-
Assembly Election 2017	4,730,606	-

### 2015 UK Parliamentary election

The 2015 Parliamentary Election was held on 7 May 2015. The election incurred candidates' mailing costs of £1,053,079, while the cost of conducting the poll was £3,093,667, resulting in an overall cost of £4,146,746.

### **2016 Assembly election**

The 2016 Assembly Election was held on 5 May 2016. The election incurred candidates' mailing costs of £1,866,762, while the cost of conducting the poll was £3,260,361 resulting in an overall cost of £5,127,123.

### **2017 Assembly election**

The 2017 Assembly Election was held on 2 March 2017. The election incurred candidates' mailing costs of £1,533,395, while the cost of conducting the poll was £3,197,211, resulting in an overall cost of £4,730,606.

### **Deposits**

The deposits of £15,600 forfeited by one hundred and four candidates in the Assembly Elections 2016 whose votes did not exceed one quarter of the quota of valid votes were surrendered to the Consolidated Fund during 2016-17.

The deposits of £13,350 forfeited by eighty nine candidates in the Assembly Elections 2017 whose votes did not exceed one quarter of the quota of valid votes were surrendered to the Consolidated Fund during 2016-17.

### **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.

**Sir Jonathan Stephens KCB**

**Accounting Officer  
22 February 2018**



# **ACCOUNTABILITY REPORT**

## **Governance Report**

### **Director's Report**

#### **Introduction**

These accounts cover the year 1 April 2016 to 31 March 2017 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 with the consent of two of the Lords Commissioners of Her Majesty's Treasury.

#### **Charges Orders**

The Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) Order 2015 (S.I. 2015 No. 885) and the Northern Ireland Assembly Elections (Returning Officer's Charges) Order 2016 (S.I. 2016 No. 473) which came into force on 21 March 2015 and 23 March 2016 respectively, set the overall maximum recoverable amount that the Returning Officer may recover in respect of the electoral region of Northern Ireland and 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 the Northern Ireland Assembly Elections is provided to the Northern Ireland Office by the Northern Ireland Executive through agreed funding mechanisms. The account includes payments for printing of election stationery, postage, hire of premises and transportation. 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 2017 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.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and that I take personal responsibility for it and the judgements required for determining that it is 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 Chief Electoral Officer who has responsibility for the development and maintenance of the internal control framework; 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 Northern Ireland Office'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 Northern Ireland Office to the Chief Electoral Officer. A review of this Framework Document commenced in late 2017 and will be completed not later than March 2018.

The Framework Document is supported within the Electoral Office (EONI) by internal governance policies and guidance that draw on best practice and 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 Northern Ireland Office's Annual Report and Accounts at:

<https://www.gov.uk/government/publications/nio-annual-report-and-accounts-2016-17>

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. It plays an important role in managing corporate governance and audit arrangements.

In addition to taking all strategic business decisions the EONI Senior Management Team consider as standing agenda items the review of performance against targets and development objectives, finance, 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.

During the reporting period the Senior Management Team demonstrated its effectiveness in monitoring performance against targets and development objectives by the achievement of all of its targets and fifteen of the seventeen development objectives set for the financial year. One development objective was partially achieved and another was not proceeded with. Full details of all EONI targets and objectives and progress against these are contained within the Chief Electoral Officer's Annual Report 2016-17 which was published on EONI website in October 2017 at:

[www.eoni.org.uk/Utility/About-EONI/Plans-and-reports](http://www.eoni.org.uk/Utility/About-EONI/Plans-and-reports)

### **Audit and Risk Committee**

Due to the size of EONI it would not be proportionate for the Chief Electoral Officer to be supported by an independent Audit and Risk Committee; therefore the Northern Ireland Office Audit and Risk Committee provided this advisory function to the Accounting Officer during 2016-17.

The Audit and Risk Committee received regular updates on the management of the governance arrangements of the Chief Electoral Officer during the reporting period. In addition, the chair of the Committee met with the Chief Electoral Officer to discuss a range of matters relating to the governance arrangements operated by the EONI.

As part of the Department's stewardship statement process the Chief Electoral Officer reported that she had operated effective internal controls and that no significant weaknesses had been identified.

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 2016-17, internal audit services were provided by the Government Internal Audit Agency. 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 Audit and Risk Committee.

In year, internal auditors undertook four planned audits agreed by the Chief Electoral Officer and the Department as suitable for detailed examination. The auditors made a total of eighteen recommendations which were all accepted by the Chief Electoral

Officer. Progress on implementation of these recommendations is monitored by the Chief Electoral Officer and the EONI Senior Management Team. Internal auditors reported that they were satisfied with progress made and that the majority of recommendations have been implemented by due dates and explanations provided where there has been slippage.

The internal audit opinion for 2016-17 reports a moderate<sup>1</sup> level of assurance that the EONI's overall risk control and governance framework is adequate to enable the achievement of its objectives in 2016-17 and that the EONI's key risks are being effectively measured. The opinion is based on a programme of work which has covered a reasonable range of areas

### **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. During 2016-17, all of the EONI staff were required to complete the annual mandatory Data Handling e-learning package, "Responsible for Information", provided by Civil Service Learning.

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 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 Department's sponsor team who report any significant risks to the Audit and Risk Committee.

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<sup>1</sup>Definition of moderate: Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

During the financial year, 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 2016-17, I am able to report that there were no significant weaknesses in 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**  
**22 February 2018**

## Parliamentary Accountability and Audit Report

### Parliamentary Accountability Disclosures

(This section is subject to audit)

#### 1. Income payable to the Consolidated Fund

<b>Forfeited Deposits</b>	<b>2016-17</b>	<b>2015-16</b>
	<b>£</b>	<b>£</b>
2015 Parliamentary Election	-	28,500
2016 Assembly Election	15,600	-
2017 Assembly Election	13,350	-
<b>Total</b>	<b>28,950</b>	<b>28,500</b>

#### 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**

I certify that I have audited the financial statements of the Returning Officers' Expenses (Northern Ireland) for the year ended 31 March 2017 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Parliamentary Accountability Disclosures that is described in that report as having been audited.

### **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 and for being satisfied that they give a true and fair view. 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 Returning Officers' Expenses (Northern Ireland) circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts 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 and report.

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

### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income 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.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Returning Officers' Expenses (Northern Ireland) as at 31 March 2017 and of its 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 HM Treasury directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- The parts of the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with HM treasury directions made under the Government Resources and Accounts Act 2000; 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 Parliamentary Accountability disclosures 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.

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

**Date**                    **23 February 2018**

# FINANCIAL STATEMENTS

## Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2017

		2016-17	2015-16
		£	£
	<b>Note</b>		
<b>2015 Parliamentary Election</b>			
Conduct of the poll	2	-	3,093,667
Candidate Mailing Costs		-	1,053,079
<b>2016 Assembly Election</b>			
Conduct of the poll	2	3,260,361	-
Candidate Mailing Costs		1,866,762	-
<b>2017 Assembly Election</b>			
Conduct of the poll	2	3,197,211	-
Candidate Mailing Costs		1,533,395	-
<b>Total Election Expenses</b>		<b>9,857,729</b>	<b>4,146,746</b>
Income payable to the consolidated fund		(28,950)	(28,500)
<b>Comprehensive Net Expenditure</b>		<b>9,828,779</b>	<b>4,118,246</b>

The notes on pages 25 to 29 form part of these accounts.

## Statement of Financial Position As at 31 March 2017

		31 March 2017	31 March 2016	01 April 2015
		£	£	£
	<b>Note</b>			
<b>Current assets</b>				
Trade and other receivables	3	24,310	70,312	135,691
Cash and cash equivalents	4	3,964,084	213,291	203,614
<b>Total current assets</b>		<b>3,988,394</b>	<b>283,603</b>	<b>339,305</b>
<b>Current Liabilities</b>				
Trade and other payables	5	(3,988,394)	(283,603)	(339,305)
<b>Total current liabilities</b>		<b>(3,988,394)</b>	<b>(283,603)</b>	<b>(339,305)</b>
<b>Total assets less current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Taxpayers' equity</b>				
General fund		-	-	-
<b>Total equity</b>		<b>-</b>	<b>-</b>	<b>-</b>

**Signed:**

**Accounting Officer: Sir Jonathan Stephens KCB**  
**Date: 22 February 2018**

The notes on pages 25 to 29 form part of these accounts.

## Statement of Cashflows for the Year Ended 31 March 2017

		2016-17	2015-16
	Note	£	£
<b>Cash flows from operating activities</b>			
Net operating cost		(9,828,779)	(4,118,246)
(Increase)/decrease in trade and other receivables	3	46,002	65,379
Increase/(decrease) in trade and other payables	5	3,704,791	(55,702)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	5	(211,271)	46,305
<b>Net cash outflow from operating activities</b>		<b><u>(6,289,257)</u></b>	<b><u>(4,062,264)</u></b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (non-supply)		<u>10,069,000</u>	<u>4,100,441</u>
<b>Net financing</b>		<b><u>10,069,000</u></b>	<b><u>4,100,441</u></b>
Non-Voted receipts of current year surrendered to the consolidated fund		<b>(28,950)</b>	<b>(28,500)</b>
Non-Voted receipts of prior year surrendered to the consolidated fund		<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	4	<b><u>3,750,793</u></b>	<b><u>9,677</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	4	<b><u>213,291</u></b>	<b><u>203,614</u></b>
<b>Cash and cash equivalents at the end of the period</b>	4	<b><u>3,964,084</u></b>	<b><u>213,291</u></b>

The notes on pages 25 to 29 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the Year ended 31 March 2017

	2016-17	2015-16
Note	£	£
<b>Balance at 1 April</b>	-	-
Consolidated Fund Standing Services (non-supply)	10,069,000	4,100,441
Non-voted receipts surrendered to the Consolidated Fund	(28,950)	(28,500)
Comprehensive Net (expenditure) / Income for the year	(9,828,779)	(4,118,246)
Utilisation of election advances from consolidated fund	(211,271)	46,305
<b>Balance at 31 March</b>	-	-

The notes on pages 25 to 29 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 2016-17 Government Financial Reporting Manual (FReM) 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.

This is the first year that this account has been produced on an accruals basis. Previously the account was a receipts and payment account and recorded only cash transactions during the financial year. The account has now moved to an accruals basis in line with the revised Accounts Direction issued by HM Treasury in 2017 and is now completed on a similar basis as other Election accounts in England, Scotland and Wales.

The change in accounting policy has meant production of a Statement of Comprehensive Net Expenditure, a Statement of Financial Position, A Statement of Cashflows and a Statement of Changes in Taxpayers' Equity instead of the Receipts and Payment Account and Statement of Balances prepared in previous Accounts. Opening Balances and comparative figures have been provided and are consistent with the receipts and payments information in previous accounts.

#### 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 Programme expenditure

The Statement of Comprehensive Net Expenditure classifies income and expenditure as programme. This classification follows the definition set out in the Consolidated Budgeting Guidance issued by HM Treasury which describes programme expenditure as associated with the provision of direct frontline services.

#### 1.5 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.

#### 1.6 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.

#### 1.7 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.

#### 1.8 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.

#### 1.9 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 drawdown 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 1.5).

#### 1.10 Impending application of newly issued accounting standards not yet effective

The following amendments to standards are expected to be applied in 2018-19 but early adoption is permitted in 2017-18 following EU adoption and review:

- **IAS 7 Statement of Cash Flows (Disclosure Initiative)** - These amendments come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The following standards and amendments are expected to be applied in 2018-19 following EU adoption and review:

- **IFRS 9 Financial Instruments** - The objective of the new standard is to provide users with more useful information about an entity's expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date of financial instruments.

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

**2. Election Expenses**

<b>Constituency</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2015-16</b>
	<b>£</b>	<b>£</b>	<b>£</b>
	<b>2016</b>	<b>2017</b>	<b>2015</b>
	<b>Assembly</b>	<b>Assembly</b>	<b>Parliamentary</b>
	<b>Election</b>	<b>Election</b>	<b>Election</b>
Belfast East	177,398	173,894	171,784
Belfast North	186,693	175,659	176,098
Belfast South	175,897	172,028	174,992
Belfast West	180,209	173,659	164,296
East Antrim	169,603	164,692	162,626
East Londonderry	180,850	175,457	166,401
Fermanagh and South Tyrone	202,922	203,614	202,273
Foyle	180,778	174,065	171,365
Lagan Valley	167,031	176,355	161,629
Mid Ulster	189,713	180,976	172,598
Newry and Armagh	188,038	182,475	175,373
North Antrim	211,048	211,433	198,835
North Down	156,923	156,315	148,963
South Antrim	163,050	156,574	159,752
South Down	179,931	189,293	175,142
Strangford	152,390	151,219	144,671
Upper Bann	191,780	184,595	177,697
West Tyrone	206,107	194,908	189,172
<b>Total</b>	<b>3,260,361</b>	<b>3,197,211</b>	<b>3,093,667</b>

This note discloses expenditure incurred in conducting election polls for the Parliamentary Election in 2015, the Northern Ireland Assembly Election in 2016 and the most recent Northern Ireland Assembly Election in 2017.

**3. Trade and Other Receivables**

	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owed by Councils	-	-	59,909
Prepayments and Accrued Income	24,310	70,312	75,782
<b>Total</b>	<b>24,310</b>	<b>70,312</b>	<b>135,691</b>

**4. Cash and Cash Equivalents**

	<b>2016-17</b>	<b>2015-16</b>
	<b>£</b>	<b>£</b>
<b>Balance at 1 April</b>	<b>213,291</b>	<b>203,614</b>
Net change in cash and cash equivalents	3,750,793	9,677
<b>Balance at 31 March</b>	<b>3,964,084</b>	<b>213,291</b>

The following balances at 31 March were held at :  
Government Banking Service

<b>Balance at 31 March</b>	<b>3,964,084</b>	<b>213,291</b>
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**5. Trade and Other Payables**

	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Candidate Deposits	-	14,550	24,500
Accruals	3,744,424	236,505	128,322
Advances from the Consolidated Fund	243,970	32,548	186,483
<b>Total</b>	<b>3,988,394</b>	<b>283,603</b>	<b>339,305</b>

The advances retained of £243,970 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**

IFRS 7 Financial Instruments Disclosures requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. 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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