

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

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**RETURNING OFFICERS' EXPENSES,  
NORTHERN IRELAND**

**STATEMENT OF ACCOUNTS  
2004-05**

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

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NORTHERN IRELAND**

**STATEMENT OF ACCOUNTS  
2004-05  
(FOR THE YEAR ENDED 31 MARCH 2005)**

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## RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND

### FOREWORD

#### Background Information

1. This Account covers the year 1 April 2004 to 31 March 2005 and is in a form directed by Treasury.
2. European Parliamentary elections are financed from the Consolidated Fund. The account includes the expenses of returning officers, postal charges to Royal Mail for delivery of free election material under the Representation of the People legislation and payments for the printing of election stationery.
3. Responsibility for the setting and reimbursement of the fees and expenses of returning officers at UK and European Parliamentary Elections in Northern Ireland was transferred from the Treasury to the Northern Ireland Office by the Transfer of Functions (Returning Officers' Charges) Order 1991 (S.I. 1991 No 1728) on 22 August 1991.
4. Under Section 29(4) of the Representation of the People Act 1983, as amended by Paragraph 6(3) of Schedule 21 to the Political Parties, Elections and Referendums Act 2000, a returning officer at a parliamentary election is entitled to recover his charges in respect of his services or expenses. The European Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) Order 2004 (S.I. 2004 No 1405) and The Parliamentary Elections (Returning Officer's Charges) (Northern Ireland) (Amendment) Order 2001 (S.I. 2001 No 1659) which came into force on 18 May 2004 and 15 May 2001, set maximum levels for returning officers' fees and expenses. Under the Returning Officer's Accounts (Parliamentary Elections) (Northern Ireland) Regulations 1991 and the Returning Officer's Accounts (European Parliamentary Elections) (Northern Ireland) Regulations 1992, a returning officer must submit his account to the Northern Ireland Office within twelve months of a parliamentary election.

#### Review of Activities

5. A European Parliamentary Election was held during the accounting period, on 10 June 2004. There were no parliamentary by-elections during the year and there were no transactions.
6. Receipts in the Account are mainly advances from the Consolidated Fund, surrender of unused advances, and the deposit of £5,000 forfeited by each candidate in the European Parliamentary Election because the number of votes credited to them at any stage did not exceed one quarter of the quota.

7. Advances were made during 2004-2005 to enable the Returning Officer to meet his election expenses. Election claims clearing most advances made in respect of all 18 constituencies were settled during 2004-2005.
8. Payments were made to Royal Mail for the cost of delivering poll cards and candidates' election literature to electors for the 2004 European Parliamentary Election.
9. The Northern Ireland Office is required to prepare a statement of accounts for each financial year in respect of Returning Officer's Expenses in the form and on the basis directed by Treasury. The accounts are prepared on a cash basis and must properly present the receipts and payments for the financial year and the balances held at year end.
10. The Treasury has appointed the Northern Ireland Office Accounting Officer as the Accounting Officer for Returning Officer's Expenses (Northern Ireland). His relevant responsibilities as Accounting Officer, including his responsibility for propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in Government Accounting.

**Statement of  
Accounting  
Officer's  
Responsibilities**

**Jonathan Phillips  
Accounting Officer**

**30 June 2006**

## **Statement on Internal Control**

### **1. Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Office (NIO) policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

The Operations of the Electoral Office for Northern Ireland (EONI) are funded by the NIO and the costs of running elections by HM Treasury. The Secretary of State for Northern Ireland is accountable to Parliament for all expenditure by the EONI.

### **2. The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northern Ireland Office for the year ended 31 March 2005 and up to the date of approval of the annual accounts, and accords with Treasury guidance.

### **3. Capacity to handle risk**

Executive responsibility for risk management within the Office of the Chief Electoral Office for Northern Ireland rests with me as Accounting Officer. Corporate governance and risk management in the NIO continued to develop over the past year, led by the Accounting Officer and supported by the Board. Corporate governance responsibilities have been delegated to the appropriate level throughout the Department. Risk management is now embedded into the business planning process at both strategic and operational levels. The new Public Service Agreement negotiated as part of the 2004 Spending Review fully incorporated risk management into the delivery, planning and monitoring mechanisms. Departmental staff have been trained in business planning techniques which incorporate risk management as an integral part of the planning and monitoring process. The Departmental Plan incorporates a high-level risk register, endorsed at Board level, and each risk has a risk owner who is a Board Director. Risk is cascaded down from the Departmental register through Directorate and Divisional plans each of which has an associated risk register.

The Department continued to work closely with the Treasury's Risk Support Team to have a programme in place to implement the recommendations contained in the Treasury's Strategy Unit report on risk. The Department continues to maintain or improve upon its scoring rating against all of the seven capabilities in the Treasury Risk Management Assessment Framework. A risk management policy has been developed to complement the Department's risk management toolkit.

### **4. The risk and control framework**

The system of internal control is based on a framework of regular management information, financial regulations, administrative procedures including segregation of duties, and a system of

delegation and accountability. In particular it included procedures to review and agree funding from H M Treasury.

The Northern Ireland Office exercised control over the funding of election expenses, and checked monthly accounts. Extensive audit of accounts was performed by senior members of staff and the Chief Electoral Officer.

I continue to give priority to the detection and investigation of fraud. In line with our Fraud Policy I have considered correspondence provided to me by the Chief Electoral Officer. That correspondence informed me of the successful outcome of two criminal prosecutions against persons connected with the Omagh Electoral Office. The relevant offences took place prior to 2001, and as a result new controls have been introduced to prevent any similar occurrence.

## **5. Review of effectiveness**

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the executive managers within the Department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

An Internal Audit Unit operating to the Government Internal Audit (GIA) Standards covers the NIO Core Department. Internal Audit services were procured by the EONI under contract during the year from private sector firms operating to GIA Separate Standards. The Head of Internal Audit (HIA) for the EONI is required to submit regular reports to the Chief Electoral Officer and the HIA of the NIO Core Department and significant internal control problems will be reported to the Departmental Audit Committee.

## **6. Significant Internal Control Problems**

There were no significant internal control problems identified during the year.

**Jonathan Phillips**  
Accounting Officer

**30 June 2006**

## **RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND**

### **Certificate of the Comptroller and Auditor General to the Houses of Parliament**

I certify that I have audited the financial statements on pages 7 to 9.

#### **Respective responsibilities of the Accounting Officer and Auditor**

As described on pages 1 and 2, the Accounting Officer for the Northern Ireland Office is responsible for the preparation of the financial statements in the form and on the basis directed by Treasury and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the Foreword. In discharging my responsibilities, as independent auditor, I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements properly present the receipts and payments of the Returning Officer's Expenses, Northern Ireland and are properly prepared in accordance with the directions issued by Treasury, and whether in all material respects the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Northern Ireland Office has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 3 and 4 reflects the Northern Ireland Office's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Northern Ireland Office's corporate governance procedures or its risk and control procedures.

#### **Basis of Audit Opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the judgements made by the Accounting Officer in the preparation of the financial statements.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In my opinion:

- the financial statements properly present the receipts and payments of the Returning Officer's Expenses, Northern Ireland for the year ended 31 March 2005 and the balances held at that date, and have been properly prepared in accordance with the directions made by Treasury; and
- in all material respects the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them.

John Bourn  
**Comptroller and Auditor General**

**18 July 2006**

National Audit Office  
**157-197 Buckingham Palace Road**  
**Victoria**  
**London SW1W 9SP**

**RETURNING OFFICER'S EXPENSES - NORTHERN IRELAND**

**RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005**

	Note	2004/05	2003/04	
		£	£	£
<b>Receipts</b>				
Advances from the Consolidated Fund		2,250,000	-	
Other Receipts	2	<u>21,689</u>	<u>-</u>	
		2,271,689		-
<b>Payments</b>				
Constituency Claims	3	1,257,626	-	
Other Payments	4	<u>752,638</u>	<u>-</u>	
	5	2,010,264		-
Excess of (payments over receipts)/ receipts over payments before amounts to be surrendered to the Consolidated Fund		261,425		-
Less: amounts surrendered to the Consolidated Fund in respect of:				
Forfeited Deposits		10,000	-	
Miscellaneous Receipts		-	-	
Refund of Surplus Advances		<u>183,763</u>	<u>-</u>	
		(193,763)		-
Excess of (payments over receipts)/ receipts over payments		67,662		-

**STATEMENT OF BALANCES AS AT 31 MARCH 2005**

Balance at 1 April 2004		13,733	13,733
Less: Excess of (payments over receipts)/ receipts over payments		67,662	-
Balance at 31 March 2005	6	81,395	13,733

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

## RETURNING OFFICER'S EXPENSES, NORTHERN IRELAND

### NOTES TO THE ACCOUNT

	2004/05 £	2003/04 £
1. This account is drawn up in a form directed by the Treasury		
2. Other receipts		
Forfeited Deposits	10,000	
Miscellaneous Receipts	11,689	-
Surrender of Advances	-	-
	<u>21,689</u>	<u>-</u>
3. Constituency claims: Payments to the Returning Officer		
Advances	-	-
Final payments	1,257,626	-
	<u>1,257,626</u>	<u>-</u>
4. Other Payments		
Royal Mail Costs	752,638	-
	<u>752,638</u>	<u>-</u>
5. Expenditure analysed by Election		
Parliamentary Election 2001	53	-
European Election 2004	2,010,211	-
	<u>2,010,264</u>	<u>-</u>
6. Statement of balances		
Cash at bank	81,395	13,733
Cash held at PGO	-	-
	<u>81,395</u>	<u>13,733</u>
<b>Consolidated Fund Extra Receipts</b>		
Restitution monies received	-	(9,455)
	<u>-</u>	<u>(9,455)</u>

**Jonathan Phillips**  
Accounting Officer

**30 June 2006**

## RELATED PARTY TRANSACTIONS

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

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

In addition, the Electoral Office for Northern Ireland had no 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 Electoral Office for Northern Ireland during the year.





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