

Chapter 2 Central Fund

2.1 Returning Officers' Expenses

Appointment of Returning Officers

Section 30 of the Electoral Act, 1992, designates as Returning Officer

- The Sheriff, in relation to the county and county boroughs of Cork and Dublin, and
- The County Registrar, in relation to any other county or county borough

Sheriffs and County Registrars are officers of the Courts.

Administrative Arrangements

Under the terms of Section 32 of the Electoral Act, 1992, a Returning Officer is entitled to be paid, out of the Central Fund, the reasonable charges in respect of his/her services and expenses incurred by him/her in conducting an election to Dáil Éireann. The amounts chargeable are subject to limits set out in regulations (Charges Order) made by the Minister for Finance in respect of each election. The Minister may make advances on account of such expenditure, if so requested by a Returning Officer.

An account of charges incurred must be submitted to the Minister in a manner and form prescribed by him within 26 weeks of an election having taken place. Accounts are checked by the Department of Finance and any balancing amounts are paid from, or to, the Central Fund. Neither the Act or the regulations provide for any sanctions in the event of accounts not being submitted in a timely manner.

Similar statutory bases and administrative arrangements exist in the case of elections to the European Parliament, Presidential elections, local elections and referendums.

Audit Findings

Department of Finance Records

In the course of audit, it was noted that the Department's records in this area were not fully written up and in many cases were in conflict with each other. The poor quality of some of the records maintained by the Department in the area led to difficulty in accurately establishing some relevant facts. Particular difficulties were encountered on audit in relation to the

- Recording of when accounts had been submitted by Returning Officers
- Establishing the extent to which the accounts had been checked by the Department.

Returning Officers' Accounts

From information supplied by the Department the position as at 31 December 2003 was as follows

- Advances totalling €45,262,066 were made to 23 Returning Officers in respect of the 14 elections, bye-elections and referendums, held in the period 1997 to 2002. (This figure excludes amounts issued under Section 37 of the Electoral (Amendment) Act 2001 in respect of electronic vote counting)

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- Accounts in respect of 190 advances should have been submitted to the Minister
- Accounts in respect of 35 advances, valued in excess of €13m, were outstanding
- Three of the outstanding accounts related to 1997 elections
- Three Returning Officers are responsible for 19 of the outstanding accounts - the value of advances in these cases is almost €6m
- The highest advances outstanding are €4,162,336 and €3,697,697
- The Department had only fully checked and signed off on 29% of accounts
- The Department had not commenced checking 46% of accounts.

Table 2 shows the extent to which accounts were submitted on time while Table 3 indicates the extent to which the Department had checked accounts submitted.

Table 2 Submission of Returning Officers' Accounts 1997 – 2002 as at 31 December 2003

<i>Election</i>	<i>Accounts Submission Status</i>				<i>Advances Outstanding €</i>
	<i>Total</i>	<i>On Time</i>	<i>Late</i>	<i>Outstanding</i>	
1997 General	23	5	17	1	679,309
1997 Presidential/Referendums	23	9	12	2	162,526
1998 Referendums	23	8	12	3	653,280
1999 European & Referendum	23	5	15	3	433,617
2001 Referendums	23	4	16	3	853,505
2002 Referendum (Nice I)	23	7	12	4	1,091,638
2002 General	23	4	12	7	2,425,000
2002 Referendum (Nice II)	23	3	8	12	6,852,692
Bye-Elections (1998-2001)	6	3	3	0	NIL
	190	48	107	35	13,151,567

Table 3 Checking of Accounts by Department of Finance as at 31 December 2003

<i>Election</i>	<i>No. of Accounts Due</i>	<i>No. of Accounts Submitted</i>	<i>No. of Accounts Signed Off</i>	<i>No. of Accounts Being Queried</i>	<i>No. of Accounts Unchecked</i>	<i>No. of Accounts Outstanding</i>
1997 General	23	22	19	3	0	1
1997 Presidential/Referendums	23	21	15	4	2	2
1998 Referendums	23	20	15	3	2	3
1999 European & Referendum	23	20	0	3	17	3
2001 Referendums	23	20	1	0	19	3
2002 Referendum (Nice I)	23	19	0	0	19	4
2002 General	23	16	1	0	15	7
2002 Referendum (Nice II)	23	11	0	0	11	12
Bye-Elections (1998-2001)	6	6	3	0	3	0
Total	190	155	54	13	88	35
%		82	29	7	46	18

As I was concerned by

- the Department's failure to ensure that Returning Officers submitted accounts in a timely fashion
- delays in the Department's checking of accounts received
- the quality of records maintained by the Department.

I sought the views of the Accounting Officer.

Accounting Officer's Response

After each election or referendum, the Department takes steps to facilitate Returning Officers in submitting their accounts. The Department sends each Returning Officer a set of forms on which they are to account for the imprests they have received. The forms reflect the items in the Charges Order for the election or referendum concerned. In order to facilitate earlier return of accounts, the Department inserted in the Charges Order, for the elections and referendum held in June 2004, a new provision that will enable the Returning Officer to pay for any support necessary to facilitate the timely submission of their accounts. Other possibilities are also being considered. The Accounting Officer stated that it would be necessary to discuss any proposals for improvement with the Department of the Environment, Heritage and Local Government and with representatives of the Returning Officers.

Advances issued from the Exchequer to Returning Officers have always been accurately recorded in the Department's Exchequer Section and accounted for in the Finance Accounts. The current practice is that moneys refunded by Returning Officers are immediately recorded in the Central Fund ledger and lodged to the Central Fund, and receipt of the accounts recorded. The status of accounts vis-a-vis checking by the Department has been established on spreadsheets that cover all elections (including referendums) from 1994 onwards.

The Accounting Officer stressed that the Department does conduct an initial check of all Returning Officers' Accounts on receipt. They are checked to ensure that all the required forms have been submitted, that the total value of advances received from the Exchequer has been correctly stated, that the amounts being charged have been correctly totalled and that the refund due to the Exchequer is correctly calculated. Any such refunds are lodged immediately to the Exchequer. At a later stage the accounts are examined in greater detail. It is at that stage that any other defects or omissions in the accounts are detected and follow-up queries with the Returning Officers put in train.

The Department has long been concerned at the delay between the initial checking of the accounts and the full examination of them. In November 2001 the process was reorganised so as to concentrate the work in a single section. At that point a staff member was assigned full-time to this work and in addition a second person was assigned full-time to it in 2003. These changes have brought about some improvement but clearly the situation is still far from satisfactory. The Department is continuing with its efforts and plans to add further resources to the area with a view to resolving outstanding queries, carrying out a full examination of accounts which have so far only been subjected to an initial check, and getting in outstanding accounts, before the accounts due in respect of the June 2004 elections and referendum begin to be received.

It is the responsibility of Returning Officers to ensure that they submit their accounts within the 26-week deadline set out in the Charges Order issued to Returning Officers in advance of an election or referendum. The Department does not have power under the Act to compel Returning Officers to submit accounts, nor does the Act provide for sanctions for non-submission or late submission of accounts. The Department did not have plans to seek powers to impose such sanctions.

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The Accounting Officer stated that it is not acceptable that accounts are outstanding. Advances made to Returning Officers are based on their estimates of the fees and expenses arising from the election or referendum in question. Returning Officers base their requests for advances on their experience in running elections, and, in general, experience shows their estimates are soundly based. Departmental checking has never detected any instance of fraudulent claiming.

The Department has written to each Returning Officer who has accounts outstanding, listing them and asking that they be submitted as soon as possible. The Department will monitor developments going forward and issue reminders if necessary.