Auditor’s report template and explanatory notes

When to use this form?

If you spend more than £250,000 at a referendum you must submit a report prepared by an independent qualified auditor – as defined by section 160 of PPERA – when you submit your campaign spending return.

The template provided sets out the minimum requirements for the auditor’s report.

Explanatory notes

The purpose of the auditor’s report
The purpose of the auditor’s report is to provide an opinion as to whether the summary of expenditure reported is a fair representation of the campaign spending return you are submitting.

Presentation and content of the report
The audit report should be attached to the summary of campaign expenditure incurred at the referendum.

The summary should specify:

- the registered campaigner’s name
- the name of the referendum
- the amount of expenditure incurred at the referendum
- the registered campaigner’s campaign spending limit

The auditor’s report should confirm that the registered campaigner’s total campaign expenditure, as reported in the summary of expenditure, has been prepared from the expenditure return. It should provide an opinion as to whether this summary provides a fair representation in all material respects of the registered campaigner’s spending as reported in the return and whether the summary has been prepared in accordance with the law.

What you should expect from the audit
The auditor will need to carry out sufficient work to be satisfied that the campaign spending return is free from material misstatement. This work should include a review of the controls in place to ensure that all campaign expenditure
has been properly recorded and has been included in the return. It will include testing to ensure that misstatements are identified.

The auditor will examine the key systems of control employed by the campaigner to ensure that expenditure is incurred and paid in accordance with PPERA. For example, that formal delegation of authority was set up, or that proof exists that services have been incurred by the responsible person. If the auditor is unable to verify that a material amount of expenses have been incurred or paid in accordance with PPERA, they will give a qualified audit opinion.

The auditor should be aware of the reporting requirements for notional spending and they will satisfy themselves that the declaration signed by the responsible officer reflects the requirements of the PPERA. They will review the controls for identifying, valuing and reporting items of notional expenditure and, as far as can be reasonably expected, will satisfy themselves that all items of notional expenditure have been included in the return at a fair value. For our guidance on notional spending see Overview of referendum spending. Similar consideration should be given to the completeness and value of incremental overhead costs.

The auditor engaged to carry out this task should provide a letter of engagement that sets out the scope and nature of the work to be carried out in order to form their audit opinion. You should submit this letter of engagement to the Commission when you submit the campaign return and audit report. This letter will not be made public.

The campaign spending return, auditor’s report and summary of the return of campaign spending will be made available for public inspection. Copies may be taken of the supporting documents submitted with the return.

**Time frame and public inspection of report**
You should submit the completed campaign spending return and the auditor’s report to us within 6 months of the date of the referendum.

The campaign spending return, auditor’s report and summary of the return of campaign spending will be made available for public inspection. Copies may be taken of the supporting documents submitted with the return.

**How we can help**

If you need help you can call us on 020 7271 0616 or contact us by email at pef@electoralcommission.org.uk.
Template auditor’s report

[Title of Referendum]

[Name of the responsible person], Responsible person,

[Name of the registered campaigner]

Campaign expenditure limit: Amount spent:

We have examined the attached summary of campaign expenditure for the registered campaigner’s 20[xx] referendum campaign, which has been extracted from the campaign spending return prepared by [name of the responsible person], the responsible person, under section 120 of the Political Parties, Elections and Referendums Act 2000 (PPERA).

It is our opinion that the summary of campaign expenditure reported by [responsible person] [fairly represents] [does not fairly represent] [registered campaigner]’s campaign expenditure as required by PPERA.

Respective responsibilities

The responsible person is accountable for:

- Keeping proper accounting records for the registered campaigner in respect of the referendum campaign.
- Ensuring that the registered campaigner’s expenditure was authorised in accordance with the requirements of section 113 of PPERA.
- The completion, under section 120 of PPERA, of the return of campaign spending incurred by or on behalf of [registered campaigner] between [start of regulated period] and [date of the referendum] in respect of the 20[xx] [title of referendum].
- Making reasonable judgements and estimates in determining the referendum campaigner’s spending.
- Confirming to the best of his/her knowledge and belief that the expenditure reported in the campaigner’s return is complete and correct.
- Preparing the summary of campaign expenditure and ensuring it is consistent with the return.

It is our responsibility, as a qualified auditor, to report on the summary of campaign spending under section 121 of PPERA. Specifically, our objective is to provide an opinion on whether the campaign expenditure reported on the
summary is fairly presented in all material respects, in accordance with the law. Our opinion does not extend to the completeness of notional expenditure.

We also report to you if, in our opinion, [responsible person] has not kept proper accounting records in respect of [registered campaigner]’s expenditure – except in relation to the completeness of notional expenditure – if expenses have not been incurred or paid in accordance with the requirement of sections 113–118 of PPERA, or if we have not received all the information and explanations we require for our examination.

Basis of our opinion

The nature of our examination is set out in our letter of engagement dated [insert date]. A copy has been provided to The Electoral Commission. We have reviewed the basis on which [responsible person] has prepared the summary of campaign expenditure for [registered campaigner]. This included examination, on a test basis, of evidence relevant to the campaign expenditure incurred by or on behalf of the campaigner in respect of the 20[xx] [title of referendum]. We have also assessed the significant estimates and judgements made by [responsible person] in preparing the return.

We planned and performed our procedures so as to obtain all the information and explanations that we considered necessary to provide us with sufficient evidence to give a reasonable assurance that the summary of campaign expenditure fairly presents in all material respects the campaigner’s campaign expenditure, in accordance with the law.

Opinion

In our opinion the summary of campaign expenditure [does not] fairly present[s] in all material respects the campaign expenditure incurred by, or on behalf of, [registered campaigner] between [start of regulated period] and [date of referendum] in respect of its 20[xx] [title of referendum] campaign, in accordance with the law, except that our opinion does not extend to the completeness of the campaigner’s notional expenditure.

This report is intended solely for the use of [responsible officer] and The Electoral Commission, in connection with the campaigner’s responsibilities under section 124 of PPERA. The Electoral Commission may allow the report to be viewed by members of the public, as required by PPERA, but may not allow such persons to take copies of the report. Our report is not to be used for any other purpose or to be distributed to any other parties. We do not accept any duty of care or responsibility to The Electoral Commission in relation to our report and will not accept any liability or responsibility to any other third party to whom it is shown or into whose hands it may come.

[Signed and dated by the auditor]