

Political Parties' Statements of Accounts

2022

Report to the Chairman of Dáil Éireann pursuant
to section 88(1) of the Electoral Act 1997, as amended



Coimisiún um Chaighdeán in Oifigí Poiblí
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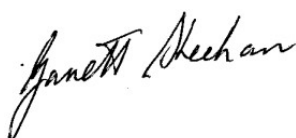
December 2023

Foreword

I am pleased to present this report on political parties' annual statements of accounts for 2022 to the Chairman of Dáil Éireann (Ceann Comhairle) and to the Minister for Public Expenditure, National Development Plan Delivery and Reform, in accordance with section 88 of the Electoral Act 1997, as amended (the Act).

The Electoral Act 1997 provides for the preparation of statements of accounts by political parties. It also makes provision for the keeping of accounting records underpinning those statements of accounts.

- Section 84 of the Act requires a designated official of a political party – the appropriate officer – to prepare the statements of accounts.
- Section 86 requires the statements of accounts to be audited by a statutory auditor.
- Section 87 obliges the appropriate officer to furnish the statements of accounts to the Standards in Public Office Commission (the Commission) together with a copy of the auditor's report no later than 30 June in the year following that to which the statements of accounts relate.
- Section 88 provides that the Commission shall, where it considers it appropriate to do so, shall furnish a report in writing to the Chairman of the Dáil on any matter arising in relation to the statements of accounts furnished, or to the report. It also provides that the Commission shall report on any non-compliance with the guidelines to the Minister for Public Expenditure, National Development Plan Delivery and Reform and the Chairman of the Dáil.



Garret Sheehan
Chairperson
Standards in Public Office Commission
December 2023

Chapter 1 Introduction

The Act provides for the disclosure of statements of accounts by political parties. It also makes provision for the keeping of accounting records underpinning those statements of accounts. This report contains information about statements of accounts disclosed in respect of 2022.

The Act requires that the statements of accounts comply with the directions as to form and content provided for in guidelines issued by the Commission.

In accordance with the requirements of the Act, a copy of this report will be furnished to the Chairman of Dáil Éireann and to the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Chapter 2 Statements of furnished by political parties

Twenty-three political parties were on the Register of Political Parties during 2022.

Guidelines for Political Parties

The Commission published revised guidelines, entitled **Annual Statement of Accounts: Guidelines for Political Parties** (the guidelines), in July 2017 as practical guidance to political parties in meeting the requirements of the Act.

Review of Statements of Accounts

Parties were required to furnish their 2022 statements of accounts and auditors' reports to the Commission by 30 June 2023.

The Commission considered each of the statements or submissions received, having regard to the Act and the guidelines. Some of the statements were materially compliant and did not require follow up. Queries and clarifications were raised with parties in relation to some of the submissions received and parties were given an opportunity to respond. Where the parties dealt adequately with the queries raised, the Commission considers that these parties are materially in compliance with the legislation and the guidelines.

The outcome of the Commission's review of the parties' compliance with the requirements of the Act is shown in Table 1.

Table 1 – Compliance of registered political parties with Electoral Act requirements for disclosure of annual statements of accounts

Status of statements of account 2022	Name of Political Party
Compliant	Aontú
	Fianna Fáil
	Fine Gael
	Green Party
	Independents 4 Change
	Kerry Independent Alliance
	People Before Profit -Solidarity
	Sinn Féin
	Social Democrats
	The Labour Party
Non-compliant – unaudited statements of accounts provided, disclosing some transactions and/or balances	Communist Party of Ireland
	Direct Democracy Ireland
	Irish Freedom Party
	Party for Animal Welfare
	The Right to Change Party
	Workers and Unemployed Action
Non-compliant – unaudited statements of accounts provided, disclosing nil transactions and balances	Fís Nua
	Human Dignity Alliance
	United People
Non-compliant - no statements of accounts received	Identity Ireland (now disbanded)
	Renua Ireland (renamed in 2023 as The Centre Party of Ireland)
	The National Party
	The Workers’ Party

Non-Compliant Statements of Account

The following parties have furnished statements which were not compliant with the guidelines:

- *Communist Party of Ireland*

Unsigned financial statements submitted broadly follow the format set out in the guidelines. The statements of accounts have not been audited and have not been reviewed in detail.

- *Direct Democracy Ireland*

A two page, signed, set of financial statements was submitted. They are not in the format required by the guidelines and have not been audited and have not been reviewed in detail.

- *Fís Nua*

Signed financial statements, in the required format, were submitted. They disclose no financial transactions for the period, and nil balances. The party stated that it has no income. The statements were not audited.

- *Human Dignity Alliance*

Unsigned financial statements, in the required format, were submitted. They disclose no financial transactions for the period. The statements were not audited. The party stated that it does not have a bank account, received no donations and has no assets.

- *Irish Freedom Party*

Signed financial statements, in the required format, were submitted. They have not been audited and have not been reviewed in detail.

- *Party for Animal Welfare*

A signed statement of the appropriate officer's responsibilities was submitted with a short statement summarising the party's structures. A list of transactions was also submitted, along with bank statements. They have not been audited and have not been reviewed in detail.

- *The Right to Change Party (RTOC)*

Unsigned financial statements in the required format were submitted. They have not been audited. They have not been reviewed in detail.

- *United People*

An unsigned, unaudited 'statement of accounts' was submitted. No transactions are disclosed. The party stated that it is presently non-functional, has no assets, no bank account and no financial activity.

- *Workers and Unemployed Action*

An unsigned statement of income, expenditure and closing bank balance submitted, with accompanying bank statements. This is unaudited, is not in the format required and has not been reviewed in detail.

Under Section 86(4) of the Act, the Commission may exercise its discretion to appoint a statutory auditor to audit any unaudited accounts. Because the unaudited accounts were from parties that do not receive funding from the Exchequer under the Electoral Act, and having regard to whether the public interest required the investment of the necessary resources to undertake such an audit, the Commission decided not to have the relevant statements audited.

Although not compliant for purposes of the Act, the statements received have been published on the Commission's website.

No Statement of Accounts Received

Four registered parties have not, at the time of writing, furnished statements of accounts to the Commission and are not compliant with the requirements of the Act:

- Identity Ireland (now disbanded)
- Renua Ireland (renamed in 2023 as The Centre Party of Ireland)
- The National Party
- The Workers' Party

General comments

In a number of instances, there were differences between the information provided in the financial statements and that which was requested in the guidelines and associated template provided by the Commission.

While not in strict compliance with the guidelines, the manner in which these areas were addressed by the parties was broadly similar to previous years.

The three areas where material differences were identified are:

- the statement of responsibilities
- income recognition – membership fees and subscriptions
- signing and dating of statements (the Income and Expenditure Account, the Balance Sheet, and the Cash Flow Statement).

The manner in which these areas were addressed by the parties was broadly similar to 2021 and earlier years, while not in strict compliance with the guidelines.

Chapter 3 Recommendations

As has been noted previously, several issues have arisen in the provision of party statements of accounts that may not have been anticipated when the legislation was being drafted.

In previous reports on statements of accounts, the Commission recommended that smaller parties should be exempted from the requirement to furnish audited statements of accounts to the Commission.

The Commission also noted that the Act provides that, where a registered political party that qualifies for Exchequer funding fails to provide a statement of accounts accompanied by a statutory auditor's Report, no further payment of Exchequer funding will be made to that party until it complies with its obligations in this regard. It also noted that no action can be taken against a party that does not qualify for Exchequer funding for failure to comply with their obligation to submit a statement of accounts.

Finally, the Commission has previously noted that the requirements of other legislation to produce financial reports or statements of accounts are not always consistent with one another. The Commission has stated that it would be useful to consolidate or at least to reconcile the reporting requirements of all legislation that provide for state funding of political parties for administrative ease and legislative coherence.

Electoral Reform Act 2022

As the Commission noted in its report on the statements of accounts for 2021, the enactment of the Electoral Reform Act 2022 (the 2022 Act) in July 2022 has addressed in part some of the Commission's concerns as expressed in previous reports.

The 2022 Act amends provisions of the Electoral Act 1997. It provides:

- Statements of accounts for a political party must include its subsidiaries, including those outside the State, unless the subsidiary falls below certain income/asset thresholds, and
- Statements of accounts in respect of subsidiaries must be audited by a statutory auditor, unless the subsidiary falls below certain income/asset thresholds;

The 2022 Act also provides the following:

- There are new offences of failing to keep proper and usual books of accounts, failing to prepare an annual statement of accounts, failing to furnish the Commission with the statement of accounts and auditor's report and knowingly furnishing a false or misleading statement of accounts to the Commission.

- Statements of accounts must include all property within the ownership of the political party and its subsidiaries, including property situated outside the State;
- Commission guidelines under section 89 may explicitly incorporate requirements under FRS 102;
- There is a requirement on Irish political parties to keep the books of accounts of their subsidiaries, including those outside the State, in accordance with Commission guidelines, and

Other than the provisions for offences, the above provisions have been commenced by order by the Minister for Housing, Local Government and Heritage. They will apply when guidelines have been drafted by the Commission and approved by the Minister. At the time of writing, the guidelines are being drafted. It is expected that the provisions for offences will be commenced after the guidelines have been published.

The Commission again notes that the 2022 Act does not address its concerns that the requirements of other legislation to produce financial reports or statements of accounts are not always consistent with one another. It remains of the view that it would be useful to consolidate or at least to reconcile the reporting requirements of all legislation that provide for state funding of political parties for administrative ease and legislative coherence.

Chapter 4 Publication of Statutory Documentation

Statements of accounts and auditors' reports received from political parties pursuant to section 87 can be viewed on the Commission's website, www.sipo.ie. Once the Commission has completed its consideration, it will also make copies of the statement and reports available for public inspection, without charge, at its office at 6 Earlsfort Terrace, Dublin 2, D02 W773, during normal working hours. If you wish to inspect the statutory documentation, please contact the Commission via email at info@sipo.ie or by telephone (01) 639-5666.