

# Political Parties' Statements of Accounts

2016

*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 Standards in Public Office Commission

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## Foreword

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I am pleased to furnish this report to the Ceann Comhairle (Chairman of Dáil Éireann) in accordance with section 88(1) of the Electoral Act 1997, as amended (the Act). The report relates to statements of accounts and auditors' reports in respect of 2016, furnished to the Standards in Public Office Commission (the Commission) by political parties pursuant to section 87(1) of the Act.



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Justice Daniel O'Keeffe  
Chairperson

**November 2017**

## Chapter 1 Introduction

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The Electoral Act 1997, as amended by the Electoral (Amendment) (Political Funding) Act 2012 (the Act), provides for the disclosure of accounts by political parties. It also makes provision for the keeping of accounting records underpinning those accounts. This report contains information about accounts disclosed in 2016.

The Act requires that the accounts comply with the requirements 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 and Reform.

## Chapter 2 Accounts furnished by political parties

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Twenty political parties were registered in the Register of Political Parties in 2016.

### Guidelines for Political Parties

The Commission published Guidelines, entitled **Annual Statement of Accounts: Guidelines for Political Parties** (the Guidelines), in December 2014 as practical guidance to political parties in meeting the requirements of the Act. Following a consultative process with political parties and the Department of Housing, Planning and Local Government, the Guidelines were updated and revised to reflect practical experience administering the Act. The key changes to the guidelines were:

- clarification of the treatment of specific income and expenditure items where questions had arisen, for example, subscriptions and donation fees.
- clarification of the treatment of standard services provided to parties by the Oireachtas.
- changes to the information required to be included in the auditor's certificate to ensure consistency with standard accounting practices, and
- a number of other technical and terminology changes to bring the guidelines in line with current accounting practice.

The revised version of the guidelines was approved by the Minister for Housing, Planning and Local Government, and published in *Iris Oifigiúil* in July 2017. However, the 2014 guidelines were still in effect for the 2016 reporting period.

### Review of Statements of Accounts

Parties were required to furnish their statements of accounts and auditor's reports to the Commission by 30 June 2017.

The Commission considered each of the accounts submitted, having regard to the Act and the Guidelines. Some queries were raised in respect of the statements of accounts received and parties were given an opportunity to respond. Where the

parties dealt adequately with the queries raised, the Commission confirms that these parties are in compliance with the legislation and the Guidelines. In some instances, queries were not addressed, or not satisfactorily addressed, by the date of publication of this report. In these instances, this report notes where a party is not in compliance and provides associated notes.

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 accounts 2016	Name of political party
<b>Compliant</b>	Anti-Austerity Alliance/People Before Profit
	Fianna Fáil
	Fine Gael
	Green Party
	Independents 4 Change
	Kerry Independent Alliance
	Labour Party
	Renua
	Sinn Fein
	Social Democrats
	Socialist Party
<b>Not Compliant</b>	Communist Party
	Direct Democracy Ireland
	Workers & Unemployed Action Group
<b>No accounts received</b>	Catholic Democrats
	Fís Nua
	Identity Ireland
	Irish Democratic Party
	United People
	Workers Party

## Compliant Statements of Account

Statements of accounts are considered to be compliant where the party has complied with the legislation and Guidelines, and has dealt adequately with any query raised by the Commission. Compliant statements have been published on the Standards Commission's website.

Paragraph 2.8 of the Guidelines required that "miscellaneous" or "other" categories ought not to contain a class of expenditure that represents more than 20% of the total expenditure. The Commission notes that the 2016 statement of accounts of the Independents 4 Change includes a non-specific category of expenditure that is more than the 20% of reported expenditure. This non-conformance with the guidelines has been acknowledged by the party who have stated that it will be taken into account for the 2017 accounts. However, the Commission considers that the 2016 accounts are compliant.

## Non-Compliant Statements of Account

Three parties have not furnished compliant statements of accounts and/or auditor's reports to the Commission

- *Communist Party of Ireland*  
A statement of accounts was received from the party. It has not been audited. The party indicated that due to its limited resources and as a small party, it was unable to get the accounts publicly audited.
- *Direct Democracy Ireland*  
A partial statement of accounts was received from the party. No auditor's report was received.
- *Workers & Unemployed Action Group*  
Unaudited statement of income and expenses received.

The Commission may under Section 5 of the Act exercise its discretion to appoint a public auditor to audit any unaudited accounts. Given the fact that the unaudited accounts were from parties that do not received funding from the Exchequer under the Electoral Act, and having regard to whether the public interest necessitated 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

Six registered parties have not furnished statements of accounts to the Commission and so are not compliant with the requirements of the Acts

- *Catholic Democrats - the National Party*  
No statement was received. The relevant persons were informed that although the party no longer exists, the obligation remained to make a return in respect for the portion of the year in 2016 when the party did exist.
- *Fís Nua*  
No statement received. The party indicated that they have no income or expenditure and they do not have a political bank account.
- *Identity Ireland*  
The party has indicated that they do not have a bank account.
- *United People Party*  
No statement was received. The party indicated that there were no financial transactions during the period and indicated that no statement has been or will be prepared.
- *Irish Democratic Party*  
No statement was received. The party stated that due to the small balance in its accounts it was not in a position to have the accounts professionally audited.
- *The Workers Party*  
No statement was received.

## Chapter 3 Recommendations

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This report relates to the second year that political parties have been required to furnish statements of accounts to the Commission. As was discussed in the 2015 report, issues have arisen that may not have been anticipated when the legislation was being drafted.

A number of parties are not compliant with the requirements of the Act and the Guidelines.

A number of the smaller parties subject to the Act's obligations reported no income during 2016, while others reported insufficient funds available to have accounts audited. These political parties do not receive any funding from the Exchequer. As was the case in the previous year, several parties noted that they are aggrieved that the Commission must now report their non-compliance with what they view as overly burdensome provisions of the legislation.

As mentioned in last year's report, the Commission remains of the view that the requirement on all registered political parties to furnish statements of accounts and to have them audited by a public auditor, regardless of the size of the party or the extent of its income and expenditure is excessive. Therefore, the Commission again recommends that the legislation be reviewed with a view to exempting smaller parties, especially those that receive no funding from the Exchequer under either the electoral or party activities allowance legislation, from the requirement to furnish audited statements of accounts to the Commission. The Commission considers that the requirement for all registered political parties to furnish statements of accounts should remain, but that it is unnecessary in these circumstances for the statements to be audited.

The Commission again further notes that the requirements of other legislation to produce financial reports or statements of accounts are not always consistent with one another. It would be useful 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

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In accordance with section 90 of the Act, as soon as reasonably practicable after receiving an annual statement of accounts and auditor's report pursuant to section 87, the Commission shall make a copy of the statement and report available for public inspection, without charge, at its principal office during normal working hours and on the Commission's website.

Accordingly, the Commission has made the annual statements of accounts and auditors' reports as noted in this report available for public inspection and copying at its offices on 18 Lower Leeson Street, Dublin 2. The information is also available on the Commission's website, at [www.sipo.ie](http://www.sipo.ie).