Exchequer Funding of Political Parties

in 2018

Report to the Chairman of Dáil Éireann pursuant to section 4(1) of the Electoral Act 1997



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Foreword

I am pleased to furnish this report to the Ceann Comhairle in accordance with section 4(1) of the Electoral Act 1997, as amended. The report concerns annual Statements of Expenditure of Exchequer Funding and related Public Auditors' Reports, in respect of 2018, furnished to the Standards in Public Office Commission by qualified political parties, pursuant to section 20 of the Act.

Justice Daniel O'Keeffe

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Chairperson

Standards in Public Office Commission

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Chapter 1: Introduction

This report concerns statements of expenditure of Exchequer funding and related public auditors' reports (referred here jointly as "the statements"), in respect of 2018, which were furnished to the Commission by qualified political parties.

The Standards Commission will consider every such statement furnished to it and, where it considers it appropriate to do so, furnish a report in writing to the Chairman of Dáil Éireann (Ceann Comhairle) on any matter arising.

In order to qualify for funding under the Electoral Act 1997, as amended, (the Act), a political party must be included in the Register of Political Parties and must have obtained at least 2% of the first preference votes at the last Dáil general election. Based on the results of the Dáil general election in 2016, eight political parties qualified for Exchequer funding under the Act in 2018: Fianna Fáil, Fine Gael, the Green Party, the Labour Party, Renua, Sinn Féin, Social Democrats and Solidarity – People Before Profit.

Each qualified political party is paid annually:

- a) a flat rate amount of €126,974 and
- b) a share of an annual sum which was set in 2001 at €3,809,214 and which increased in line with general pay increases in the civil service.

The 2018 fund including the flat rate amount stood at €5,963,992. The share of the fund payable to a qualified political party is determined by expressing the first preference votes of the qualified party as a percentage of the total first preference votes received by all qualified political parties.

Details of the payments made to the qualifying political parties in respect of 2018 are shown in Table 1 of the Appendix.

Chapter 2: Purposes for which Exchequer funding is provided

As provided for in Section 18 of the Act, Exchequer funds received by qualified parties must be applied as provided for by law. This allows for the funding to be used for "the general conduct and management of the party's affairs and the lawful pursuit by it of any of its objectives". Without prejudice to the generality of this provision, the legislation specifies that the funding may be applied to any or all of the following:

- the general administration of the party,
- research, education and training,
- policy formulation,
- the co-ordination of the activities of the branches and members of the party,
- promotion of participation of women, and
- promotion of participation of young people.

The funding received may not be applied to, or used to recoup, election or referendum expenses. The Commission requires appropriate officers to state if the funding had been used for election or referendum purposes. Each of the eight appropriate officers has stated that the funding was not used in 2018 for such purposes.

Apart from prohibitions on the use of the funding in relation to election or referendum expenses, the Act is very general in its specification of how the funding may be applied. In particular, the Act does not make any reference to capital or current expenditure, and does not specify whether the expenditure of the funding received should be in respect of capital or current spending. There is also no legal provision over the timing of use of the funding, and whether or not it should be returned if unused. The Commission is of the view that there is a need for greater clarity in this regard.

Chapter 3: Furnishing of Statements of Expenditure of Exchequer Funding and related Auditors' Reports

The appropriate officer of each qualified party must furnish to the Commission a statement stating that funding received in respect of the reporting year was applied to some or all of the purposes referred to in section 18, and indicating the actual matters to which the funding was applied, including the amounts applied to the promotion of participation by women and young persons in political activity. The statement must be audited by a public auditor and a copy of the auditor's report must be furnished to the Commission with the statement.

No payment shall be made to a qualified party after 30 April in any year unless and until -

- (i) the party has furnished to the Commission a Statement of Expenditure of Exchequer Funding and the related Public Auditors' Report and a Donation Statement and Statutory Declaration (required under section 24(1)(b) of the Act), and
- (ii) the Commission has furnished a copy of these statements to the Minister for Public Expenditure and Reform and has certified that they have been completed in accordance with the relevant provisions of the legislation and guidelines published by the Standards Commission.

Table 2 of the Appendix shows the breakdown of expenditure provided by the parties under the headings set out in section 18 of the Act.

Chapter 4: Publication of Statements of Expenditure of Exchequer Funding

The Commission has now furnished to the Minister for Public Expenditure and Reform a copy of the Statements of Expenditure of Exchequer Funding, and the related Public Auditors' Reports, which have been received from each of the qualified political parties in respect of 2018. The Commission has certified to the Minister that these statements have been completed in accordance with guidelines issued by the Commission and that they comply with the relevant provisions of the Act.

The Commission has today laid the statements furnished by qualified political parties before each House of the Oireachtas.

The Standards Commission has made the statements furnished to it available to the public for inspection and copying at its offices on 18 Lower Leeson Street, Dublin 2. The information contained in the documents is also available at www.sipo.ie.

Appendix: Funding and expenditure details

Table 1 Details of funding received by qualified political parties in 2018

Qualified Political Parties	Total funding received for 2018	Amount of funding brought forward from spending in		Total expenditure of funding in 2018	Balance of funding carried forward to	
	€000	2017 €000	2018 €000	€000	2019 €000	
Fianna Fáil	1,593	371	1,964	1,651	313	
Fine Gael	1,663	582	2,245	1,740	505	
Green Party	291	107	398	350	48	
Labour Party	525	430	955	435	520	
Renua	259	107	366	252	114	
Sinn Féin	961	243	1,204	806	398	
Social Democrats	308	104	412	376	36	
Solidarity/People						
Before Profit	364	132	496	368	128	
Total	5,964	2,076	8,040	5,978	2,062	

Table 2 Details of spending provided by political parties of Exchequer funding received under the Act for 2018

Qualified Political Parties	General Administration €000	Research, Education & Training €000	Policy Formulation €000	Co- ordination of Branches & Members €000	Participation by Women €000	Youth Participation €000	Total €000
Fianna Fáil	1,046	251	65	201	51	37	1,651
Fine Gael	1,192	26	2	364	104	53	1,741
Green Party	265	2	_	78	3	3	351
Labour Party	362	_	_	_	30	43	435
Renua	185	21	26	20	_	_	252
Sinn Féin	575	7	74	93	26	31	806
Social Democrats	279	3	28	65	_	_	375
Solidarity/People Before Profit	53	3	33	278	_	_	367
Total	3,957	313	228	1,099	214	167	5,978