

Exchequer Funding of Political Parties

in 2021

*Report to the Ceann Comhairle pursuant
to section 4(1) of the Electoral Act 1997*



Coimisiún um Chaighdeán in Oifigí Poiblí
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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. The report concerns annual statements of expenditure of Exchequer funding and related statutory auditors' reports, in respect of 2021, furnished to the Commission by qualified political parties pursuant to section 20 of the Act.



Garrett Sheehan
Chairperson
Standards in Public Office Commission
August 2022

Chapter 1: Introduction

This report concerns statements of expenditure of Exchequer funding and related statutory auditors' reports (referred to jointly as “the statements”), in respect of 2021, which were furnished to the Standards in Public Office Commission (the Commission) by qualified political parties.

In order to qualify for funding under the Electoral Act 1997 (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 general election held on 8 February 2020, seven political parties qualified for Exchequer funding under the Act in 2021. Fianna Fáil, Fine Gael, the Green Party, the Labour Party, Sinn Féin, Social Democrats and People Before Profit/Solidarity.

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 has increased in line with general pay increases in the civil service.

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.

The 2021 fund, including the flat rate amount, stood at €5,849,389.

Details of the payments made to the qualifying political parties in respect of 2021 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,
- the promotion of participation of women in political activity, and
- the promotion of participation of young people in political activity.

The funding received may not be applied to, or used to recoup, election or referendum expenses. The Commission requires the party's appropriate officer to confirm that none of the funding was used for election or referendum purposes. Each of the seven appropriate officers who submitted returns for 2021 stated that the funding was not used 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 respect of how the funding may be applied. The Commission has previously commented that the Act does not make any reference to capital or current expenditure, and does not specify whether funding may be used for capital or current spending. There is also no legal provision regarding the timing of expenditure, and whether or not unused amounts should be returned to the Exchequer. The Commission remains of the view that there is a need for greater clarity in these matters.

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 that funding received in respect of the reporting year was applied to some or all of the purposes referred to in section 18. The statement must also indicate 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 statutory auditor and a copy of the auditor's report must be furnished to the Commission with the statement.

Table 2 of the Appendix shows the breakdown in respect of 2021 of expenditure provided by the parties under the headings set out in section 18 of the Act.

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 related statutory auditors' report, 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 are compliant with the relevant provisions of the legislation and guidelines published by the Commission.

The Commission has notified the Department of Public Expenditure and Reform that all seven qualified parties submitted their statements of expenditure of Exchequer funding and related statutory auditor's reports for 2021.

As noted in its 2020 report on exchequer funding of political parties under the Electoral Act 1997, Renua failed to submit the necessary documents by the statutory deadline for the party's return for 2020. The return remains outstanding at the time of writing. As the party is no longer a qualified party, no further payments are due to it. Accordingly, no further action can be taken against Renua for failure to comply with its obligations or for late compliance.

The Commission is of the view that this situation is unacceptable. Where a party has received public funds and fails to account for the expenditure of those funds as required by the Act, the Act should provide for sanction. The Commission recommends

that failure to provide statutory returns of expenditure of public funds should be an offence, subject to prosecution, under both this section of the Act and the Ministerial and Parliamentary Offices Act 1938, which provides for the Parliamentary Activities Allowance.

Chapter 4: Publication of statements of expenditure of Exchequer funding

The Commission has furnished to the Minister for Public Expenditure and Reform a copy of the statements of expenditure of Exchequer funding, and related statutory auditors' reports, received in respect of 2021. The Commission has certified to the Minister that these statements are compliant with guidelines issued by the Commission and with the Act.

The Commission has today laid the statements furnished by qualified political parties before both Houses of the Oireachtas. The documents are available on the Commission's website at www.sipo.ie.

The Commission has also made the statements furnished to it available to the public for inspection and copying at its offices at 6 Earlsfort Terrace, Dublin 2, D02 W773.

Appendix: Funding and expenditure details

Table 1 Funding received by qualified political parties in 2021*

Qualified political parties	Closing balance 2020 €	Funding received for 2021 €	Expenditure in 2021 €	Closing balance 2021 €
Fianna Fáil	300,452	1,427,140	943,986	783,606
Fine Gael	321,740	1,350,251	1,106,975	565,016
Green Party	—	545,150	538,839	6,311
People Before Profit/Solidarity	36,122	281,248	237,878	79,491
Sinn Féin	1,299,585	1,565,044	1,091,040	1,773,589
Social Democrats	172,920	297,121	214,559	255,482
The Labour Party	380,998	383,435	527,367	237,066
Total	2,511,816	5,849,389	4,660,644	3,700,561

*Totals may not match due to rounding.

Table 2 Expenditure of Exchequer funding for 2021 disclosed by parties*

Qualified political parties	General administration €	Research, education & training €	Policy formulation €	Co-ordination of branches & members €	Participation by women €	Youth participation €	Total €
Fianna Fáil	778,124	34,996	30,000	43,279	42,038	15,549	943,986
Fine Gael	929,404	18,237	—	94,362	25,414	39,558	1,106,975
Green Party	390,310	22,438	9,731	96,868	14,942	4,550	538,839
People Before Profit/Solidarity	37,106	1,550	—	199,222	—	—	237,878
Sinn Féin	536,175	82,727	18,139	347,229	62,993	43,777	1,091,040
Social Democrats	182,616	—	19,897	7,246	—	4,800	214,559
The Labour Party	440,936	—	18,761	—	29,710	37,960	527,367
Total	3,294,671	159,948	96,528	788,206	175,097	146,194	4,660,644

*Totals may not match due to rounding