

# **Exchequer Funding of Political Parties**

## **in 2019**

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



**Coimisiún um Chaighdeán in Oifigí Poiblí**  
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## Foreword

The Standards Commission has asked me to present 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 Statutory Auditors' Reports, in respect of 2019, furnished to the Commission by qualified political parties, pursuant to section 20 of the Act.

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Head of Ethics and Lobbying Regulation  
Secretary to the Commission  
December 2020

## Chapter 1: Introduction

This report concerns statements of expenditure of Exchequer funding and related statutory auditors' reports (referred to here jointly as “the statements”), in respect of 2019, 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 2016 Dáil general election, eight political parties qualified for Exchequer funding under the Act in 2019: 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 has increased in line with general pay increases in the civil service.

The 2019 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 2019 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 the party's appropriate officers to state whether the funding was used for election or referendum purposes. Each of the eight appropriate officers who submitted returns has stated that the funding was not used for such purposes in 2019.

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. The Commission has previously commented in particular that 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 remains of the view that there is a need for greater clarity in these regards.

## 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 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 the related Statutory 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.

The Department of Public Expenditure and Reform has been notified that seven parties had submitted their Statements of Expenditure of Exchequer Funding and the related Statutory Auditor's Reports for 2019. However, Renua had not submitted either their Statement of Expenditure or the Statutory Auditors' Report for 2019 by the 30 April 2020 deadline. At the time of writing, the return remains outstanding.

The Commission is very concerned that Renua has failed to meet its statutory obligations to account for public monies that had been provided to it as a qualified party. The Act provides that, where a qualified party fails to provide the Statement of Expenditure and the Statutory Auditors' Report, no further payment of Exchequer funding will be made to that party until it complies with its obligations in this regard.

In this case, as the total first preference votes obtained by candidates for Renua at the February 2020 general election expressed as a percentage of total first preference votes obtained by all candidates at that election was less than two per cent, the party is no longer a qualified party and no further payments are due to it. Accordingly, no action can be taken against Renua for failure to comply with its obligations.

## 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 statutory auditors' reports, which were received in respect of 2019. 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 documents are available on the Oireachtas website [www.oireachtas.ie](http://www.oireachtas.ie) and on the Commission's website at [www.sipo.ie](http://www.sipo.ie).

Section 73 of the Act requires the documents to be made available for public inspection at the Commission's offices at 6 Earlsfort Terrace, Dublin 2, D02 W773. In light of the current COVID-19 pandemic, the Commission's offices are closed to callers. It is therefore not possible to provide for public inspection. Copies can be made available on application to the Commission via email at [info@sipo.ie](mailto:info@sipo.ie) or by telephone at (01) 639-5666.



## Appendix: Funding and expenditure details

**Table 1 Funding received by qualified political parties in 2019\***

Qualified Political Parties	Total funding received for 2019 €	Amount of funding brought forward from 2018 €	Overall total funding available for spending in 2019 €	Total expenditure of funding for 2019 €	Balance of funding carried forward to 2020 €
Fianna Fáil	1,593,126	312,888	1,906,014	1,779,957	126,057
Fine Gael	1,663,390	505,663	2,169,053	2,078,260	90,793
Green Party	290,758	47,610	338,368	338,368	—
Labour Party	524,809	519,561	1,044,370	573,164	471,206
Renua	258,596	114,147	372,743	n/a	n/a
Sinn Féin	960,746	397,940	1,358,686	624,831	733,855
Social Democrats	308,078	35,766	343,844	315,742	28,102
Solidarity/People Before Profit	364,487	34,540	399,027	391,178	7,849
<b>Total</b>	<b>5,963,991</b>	<b>1,968,115</b>	<b>7,932,105</b>	<b>6,101,500</b>	<b>1,457,862</b>

n/a - not available

\* Totals may not match due to rounding.

**Table 2 Expenditure of Exchequer funding for 2019 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	985,428	255,872	65,000	405,087	41,261	27,309	1,779,957
Fine Gael	861,060	49,452	15,919	1,029,261	84,159	38,409	2,078,260
Green Party	273,583	—	—	59,598	500	4,687	338,368
Labour Party	441,942	—	54,525	—	32,190	44,507	573,164
Renua	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sinn Féin	374,344	8,837	10,146	137,531	54,629	39,344	624,831
Social Democrats	216,928	—	21,350	75,463	—	2,001	315,742
Solidarity/People Before Profit	55,788	6,271	5,320	323,799	—	—	391,178
<b>Total</b>	<b>3,209,073</b>	<b>320,432</b>	<b>172,260</b>	<b>2,030,739</b>	<b>212,739</b>	<b>156,257</b>	<b>6,101,500</b>

n/a - not available

\* Totals may not match due to rounding.