

Exchequer Funding of Political Parties in 2020

*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

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 statutory auditors' reports, in respect of 2020, along with a late return for 2019, furnished to the Commission by qualified political parties pursuant to section 20 of the Act.



Garrett Sheehan
Chairperson
Standards in Public Office Commission
September 2021

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 2020, which were furnished to the Standards in Public Office Commission (the Commission) by qualified political parties.

The 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 Chair 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 general election held on 8 February 2020, seven political parties qualified for Exchequer funding under the Act in 2020. Fianna Fáil, Fine Gael, the Green Party, the Labour Party, Sinn Féin, Social Democrats and Solidarity – People Before Profit. Renua received funding only for 1 January 2020 – 7 February 2020.

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 2020 fund, including the flat rate amount, stood at €5,846,848. 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 2020 are shown in Table 1 of the Appendix. Details of payments made in respect of 2019 are shown in Table 3 of the Appendix, amended to include expenditure by Renua as per its return to the Commission received on 17 August 2021.

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, and
- the 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 seven appropriate officers who submitted returns for 2020 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 2020 of expenditure provided by the parties under the headings set out in section 18 of the Act.

An amended breakdown in respect of 2019 is shown in Table 4 of the Appendix, to include expenditure by Renua as per its return to the Commission received on 17 August 2021.

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 seven parties submitted their statements of expenditure of Exchequer funding and related statutory auditor's reports for 2020. Once again this year, Renua failed to submit the necessary documents by the statutory deadline. While Renua submitted its statement in respect of 2019 on 17 August 2021, some 15 months after the statutory deadline, the party's return for 2020 remains outstanding at the time of writing. The Commission has notified the Department that the statement in respect of 2019 was received.

This marks the second year in a row that Renua has failed to meet its statutory obligations to account for public monies provided to it by the deadline set out in the Act. 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. However, where the party no longer qualifies for funding, there is no consequence.

In this case, Renua had failed to submit its returns by 30 April 2020 for the 2019 reporting year. It continued to receive funding up to the election in February 2020 and is obliged to submit returns for the 2020 reporting period for funds received in the first two months of the year. As the total first preference votes obtained by candidates for Renua at the February 2020 general election fell below the qualifying threshold, the party is no longer a qualified party and 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 Oireachtas (Ministerial and Parliamentary Offices)(Amendment) Act 2014 (known as 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 2020, along with the statement received from Renua in respect of 2019. 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 Oireachtas website www.oireachtas.ie and on the Commission's website at 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 in the usual way. Copies can be made available on application to the Commission via email at info@sipo.ie or by telephone at (01) 639-5666.

Appendix: Funding and expenditure details

Table 1 Funding received by qualified political parties in 2020*

Qualified Political Parties	Total funding received for 2020 €	Amount of funding brought forward from 2019 €	Overall total funding available for spending in 2020 €	Total expenditure of funding for 2020 €	Balance of funding carried forward to 2021 €
Fianna Fáil	1,440,627	126,057	1,566,684	1,266,232	300,452
Fine Gael	1,379,283	90,793	1,470,076	1,148,336	321,740
Green Party	517,446	—	517,446	517,446	—
Labour Party	397,406	471,206	868,612	487,614	380,998
Renua	26,922	147,023	173,945	n/a	n/a
Sinn Féin	1,497,935	733,855	2,231,790	932,205	1,299,585
Social Democrats	297,766	28,102	325,868	152,948	172,920
Solidarity/People Before Profit	289,464	7,849	297,312	261,191	36,122
Total	5,846,848	1,604,885	7,451,733	4,765,972	2,511,816

* Totals may not match due to rounding.

Table 2 Expenditure of Exchequer funding for 2020 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	979,031	32,448	30,000	165,853	50,741	8,159	1,266,232
Fine Gael	963,041	11,861	4,749	129,013	17,381	22,291	1,148,336
Green Party	281,978	24,894	—	210,574	—	—	517,446
Labour Party	355,954	—	56,240	—	32,210	43,210	487,614
Renua	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sinn Féin	510,221	75,110	25,803	229,482	49,184	42,405	932,205
Social Democrats	129,523	3,690	7,372	8,982	—	3,381	152,948
Solidarity/People Before Profit	41,519	1,285	—	218,387	—	—	261,191
Total	3,261,267	149,288	124,164	962,291	149,516	119,446	4,765,972

* Totals may not match due to rounding.

Table 3 Funding received by qualified political parties in 2019 (amended)*

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	225,720	147,023
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
Total	5,963,991	1,968,115	7,932,105	6,327,220	1,604,885

* Totals may not match due to rounding.

Table 4 Expenditure of Exchequer funding for 2019 disclosed by parties (amended)*

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	225,720	—	—	—	—	—	225,720
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
Total	3,434,793	320,432	172,260	2,030,739	212,739	156,257	6,327,220

* Totals may not match due to rounding.