

# **Guidelines for Political Parties on Exchequer funding under the Electoral Act 1997**



**Coimisiún um Chaighdeán in Oifigí Poiblí**  
**Standards in Public Office Commission**

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**December 2023**

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## 1. Introduction

- 1.1 These guidelines have been published by the Standards in Public Office Commission (the Standards Commission) under section 4 (6) of the Electoral Act, 1997 (the 1997 Act<sup>1</sup>). They set out the main requirements of the legislation which are relevant to the exchequer funding of qualified parties under the 1997 Act, in particular the steps to be taken by the appropriate officers of qualified political parties in relation to furnishing, to the Standards Commission, statements showing how the funding was applied and accompanying statutory auditors' reports.
- 1.2 These guidelines replace previous guidelines on this subject published by the Standards Commission. The Guidelines are legally binding. However, where there is a discrepancy between the guidelines and the 1997 Act, the 1997 Act prevails.

### Advice

- 1.3 Apart from the guidelines, the Standards Commission Secretariat is available to provide advice, or other assistance, in relation to the application of the legislation. Advice is provided at the discretion of the Standard Commission. The circumstances where advice may not be provided include:
- where there is insufficient information to advise the requester;
  - where the request for advice relates to a matter which is outside the expertise of the Standards Commission e.g. accountancy queries.
  - where the request for advice relates to a matter which is under examination by the Standards Commission.

### Powers of Inquiry

- 1.4 The Standards Commission is entitled to make such enquiries as it considers appropriate and may require any person to furnish any information, document or thing in the possession or procurement of the person which the Standards Commission may require for the purpose of its duties under the legislation

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<sup>1</sup> A reference to the Act refers to the Electoral Act 1997 as amended by the Electoral (Amendment) Act 1998, Local Elections (Disclosure of Donations and Expenditure) Act 1999, Electoral (Amendment) Act 2001, Local Government Act 2001, Electoral (Amendment) Act 2002, Local Government (No. 2) Act 2003, Electoral (Amendment) Act 2004, Electoral (Amendment) Act 2005, Electoral (Amendment) Act 2007, Electoral (Amendment) Act 2009, Ministers and Secretaries (Amendment) Act 2011, Electoral (Amendment) Act 2011, Electoral (Amendment) (Political Funding) Act 2012, Gaeltacht Act 2012, Electoral, Local Government and Planning and Development Act 2013, Local Government Reform Act 2014, Court of Appeal Act 2014, Electoral (Amendment) Act 2015 and the Electoral Reform Act 2022.

- 1.5 Where a person fails to comply with an inquiry request within a reasonable time, the Commission may direct the person to comply with the inquiry within a particular period of time. Information provided as part of a direction by person is not admissible in proceedings brought against that person for an offence.
- 1.6 Failure to comply with a direction of the Commission is an offence.
- 1.7 Where a person is charged with the offence of failing to comply with a direction of the Commission, it is a defence to show that the information, document or thing which was the subject of the direction was not in that person's possession or control and it was not reasonably practicable for them to comply with the direction.

#### Reporting information regarding a contravention of the 1997 Act

- 1.8 Where a person wishes to provide the Commission with information regarding a potential contravention of the 1997 Act, they may do so by contacting the Secretariat of the Commission at [info@sipo.ie](mailto:info@sipo.ie).
- 1.9 Reports of information will be acknowledged and reviewed. Such reports may form part of the Commission's consideration as to whether it will exercise its powers under the 1997 Act.
- 1.10 The 1997 Act does not provide for a complaints mechanism regarding a potential contravention of the 1997 Act. Reporters of information will not be provided with the outcome of the Commission's considerations.
- 1.11 Where a contravention has been committed by a specified person with the meaning of section 4 of the Standards in Public Office Act 2001, a person may submit a complaint to the Commission under the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 and will be dealt with in accordance with the Commission's complaints process, available [here](#).

## 2. Appropriate Officer

- 2.1 Section 71 (1) of the 1997 Act requires each political party to appoint an appropriate officer. One of the functions of the appropriate officer is to furnish the party's Exchequer Expenditure Statement and statutory auditor's report under the 1997 Act to the Standards Commission. Where no appropriate officer is appointed, the leader of the party is deemed to be the appropriate officer.
- 2.2 In addition, if the political party is registered to contest Dáil elections, and the party received 2% or more of first preference votes in the previous Dáil election the parties are also required to notify the Minister for Public Expenditure, National Development Plan Delivery and Reform of the name and address of the appropriate officer who is appointed. If, at any time, no

appointment of an appropriate officer is made, the leader of the party will be deemed to have been appointed as the appropriate officer. The Standards Commission and the Minister should also be notified of the resignation of an appropriate officer and of any new appointment.

2.3 Political parties should notify the Commission of the details of the appropriate officer as soon as possible after their appointment by emailing [info@sipo.ie](mailto:info@sipo.ie) with the subject line “Appropriate Officer notification for [Insert name of political party]”.

2.4 The appropriate officer has a number of responsibilities in respect of the Exchequer Funding Statement including:

- Completing and furnishing the annual Exchequer Expenditure Statement to the Standards Commission
- Responding to the Standards Commission’s queries regarding same.

2.5 The decision as to whom to designate as appropriate officer is one for each political party. It is important that the person so designated has sufficient authority within the party (including authority with subsidiary organisations of the party) to discharge the obligations placed on them by the 1997 Act.

2.6 The 1997 Act does not require the appropriate officer to have particular professional qualifications to undertake the role. However, the appropriate officer should have the relevant skills and expertise for the role which include:

- In-depth understanding of accountancy standards including FRS102;
- In-depth understanding of the 1997 Act; and
- Thorough knowledge of the political party, its finances and structures.

### **3. Definition of qualified political party**

3.1 Section 16 of the 1997 Act defines a qualified political party as one:

which is registered in the Register of Political Parties in accordance with Chapter 6 of Part 2 of the Electoral Reform Act 2022 as a party organised (within the meaning of section 45 of that Act) in the State to contest a Dáil election, and whose candidates received not less than 2% of the total first preference votes obtained by all candidates at the most recent Dáil general election.

3.2 As soon as possible after a Dáil general election, the Minister for Housing, Local Government and Heritage furnishes to the Standards Commission details of the total percentage of first preference votes obtained by candidates of each political party at the election. The Standards Commission subsequently informs each party whether or not it is a qualified party.

#### **4. Application of funding**

4.1 Section 18 (1)(a) of the 1997 Act, provides that funding received by qualified political parties must be applied to the general conduct and management of the party's affairs and the lawful pursuit by it of any of its objectives and, without prejudice to the generality of the foregoing, any or all of the purposes stated in the following four headings:

- general administration of the party;
- research, education and training;
- policy formulation;
- co-ordination of the activities of branches and members of the party.

4.2 Funding received is deemed to include provision in respect of expenditure by qualified parties in relation to the promotion of participation by women and young persons in political activity.

4.3 Funding may not be applied to, or to recoup, election expenses (as defined in the 1997 Act) incurred at Dáil, Seanad, Presidential, European or local elections. Similarly, funding cannot be used to further any particular outcome at a referendum.

#### **5. Funding available to qualified parties**

5.1 Pursuant to section 17 (1) of the 1997 Act, each qualified party is allocated a sum of €126,973 annually. In addition to this, each qualified party is allocated a proportion of a fund not exceeding €3,809,214. The allocation for each qualified party is determined by expressing the first preference votes received by the candidates of each qualified party at the last Dáil general election as a proportion of the total first preference votes received at the election by the candidates of all qualified parties. (The first preference votes of candidates of non-qualified parties and independent candidates are not taken into account.)

5.2 The fund will increase or decrease in line with general pay increases in the Civil Service. Payments are exempt from income tax and are not reckoned in computing the income of a party for the purposes of the Income Tax Acts.

#### **6. Payment of Exchequer funds**

6.1 Section 19 (1) of the 1997 Act provides that payments are made in arrears on a quarterly basis by the Minister for Finance with the approval of the Minister for Public Expenditure, National Development Plan Delivery and Reform to qualified parties who apply for such payments. Payments apply from polling day at a Dáil general election until the day before polling day at

the next following such election. If the Dáil is dissolved in the middle of a quarter, payments are made on a pro rata basis from the beginning of the quarter to the date of dissolution.

- 6.2 No payments shall be made from 1 January in any year unless and until-
- a) an annual statement of accounts of the political party concerned and a copy of the auditor's report, is furnished to the Commission, and
  - b) the Commission has informed the Minister for Public Expenditure, National Development Plan Delivery and Reform that it is satisfied that the relevant annual statement of accounts complies with the 1997 Act and the published guidelines.
- 6.3 Payments of Exchequer funding under the Electoral legislation will be reduced by 50% unless at least 40% of the candidates of the political party at the preceding general election were women and at least 40% were men. This provision applies in respect of the general election held after February 2023.

## 7. Exchequer Expenditure Statements

- 7.1 Section 20 (1) of the 1997 Act requires the appropriate officer of each qualifying party to furnish to the Standards Commission an annual Exchequer Expenditure Statement. In the Exchequer Expenditure Statement, the appropriate officer is required to:
- i. state the amount of funding received in respect of the preceding year;
  - ii. confirm that the funding was not used in connection with election or referendum expenses;
  - iii. confirm that the funding was applied to some or all of the purposes referred to at 4 above;
  - iv. provide a breakdown of expenditure relating to each of the purposes referred to at 4 above, indicating the actual matters to which the funding was applied and being specific as to the nature of the expenses incurred.
- 7.2 Amounts applied to the promotion of participation by women and young persons in political activity may, if appropriate, be identified and included under any or all of the headings at 5, 6, 7 or 8 of the Exchequer Expenditure Statement. Whether or not they are shown under these headings, they must be shown separately under heading 9 of the Exchequer Expenditure Statement. A sample copy of the Exchequer Expenditure Statement is at Appendix A.
- 7.3 If funding in respect of a particular year is not spent in that year, it must be accounted for in the Exchequer Expenditure Statement for the year in which it is actually spent.

- 7.4 The Exchequer Expenditure Statement must be audited by a statutory auditor. In the State, a statutory auditor means a statutory auditor for the purposes of the Companies (Statutory Audits) Act 2018. A copy of the auditor's report must be furnished to the Standards Commission with the Exchequer Expenditure Statement. The cost of the audit will be borne by the party concerned. Attached at Appendix A (part 12) is a pro-forma auditor's report.
- 7.5 The Standards Commission has set a deadline of 31 March for furnishing to it the Exchequer Expenditure Statement and auditor's report. This is not a statutory deadline. It was chosen by the Standards Commission because it coincides with the date by which each registered political party must furnish its annual Donation Statement and Statutory Declaration to the Standards Commission. It is also an appropriate date given that copies of Exchequer Expenditure Statements and auditors' reports, together with certain other material, are required to be forwarded by the Standards Commission to the Minister for Finance not later than 30 April each year, in order that payments may continue to be made to qualified political parties - see 8 below.
- 7.6 The Standards Commission will also, in accordance with section 20 (3) of the 1997 Act, lay a copy of each Exchequer Expenditure Statement and auditor's report before both Houses of the Oireachtas.

## **8. Sanction for failure to furnish an Exchequer Expenditure Statement**

- 8.1 Pursuant to section 19 (4) of the 1997 Act, no payment will be made to a qualified political party after 30 April in any year unless and until that party has furnished to the Standards Commission in respect of the preceding year:
- i. an Exchequer Expenditure Statement and accompanying statutory auditor's report and
  - ii. a Donation Statement and Statutory Declaration (due by 31 March) outlining details of donations received by the party which have a value exceeding €1,500

and the Standards Commission has furnished copies of each to the Minister for Public Expenditure, National Delivery Plan and Reform and has certified to the Minister that they were completed in accordance with the relevant provisions of the legislation and the Standards Commission's guidelines. (The statutory requirements relating to Donation Statements are outlined in separate guidelines.)

## **9. Review by the Standards Commission**

- 9.1 The Standards Commission must consider every Exchequer Expenditure Statement furnished to it and where it considers it appropriate to do so, shall furnish a report in writing to the Chairman of the Dáil on any matter arising in relation to such statements.



Where the Standards Commission finds a minor error or omission in the statement, it will furnish details of the error or omission to the provider of the statement and will notify them that he/she has 14 days from the date of the notice in which to correct the error or make good the omission.

## **10. Inspection of Documents furnished to the Standards Commission**

- 10.1 In accordance with section 73 of the 1997 Act, each Exchequer Expenditure Statement and auditor's report will be retained at the offices of the Standards Commission for a period of three years and will be available for public inspection (once the Standards Commission has completed its review as outlined in Chapter 9) above and copying at the offices of the Standards Commission.

## **11. Deductions**

- 11.1 Pursuant to section 40 (a) of the 1997 Act, where, in relation to permitted election expenditure at a Dáil or European election, there is an overspend by, or on behalf of, the national agent of a qualified political party, the Minister for Department of Public Expenditure, National Development Plan Delivery and Reform will, on the recommendation of the Standards Commission, deduct an amount equal to such overspend from any amount which may be payable, or become payable, to that party from the Exchequer under the Electoral Act 1997.

Appendix A - Sample form

**Statement of Expenditure of Exchequer funding under the  
Electoral Act 1997, as amended.  
1 January 2023 - 31 December 2023**

Please complete this form in black ink

**Part 1: Political Party**

Political Party:	
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**Part 2: Appropriate Officer**

Name:	
Address:	
Telephone Number:	
Email Address:	

**Part 3: Statutory Auditor**

Name:	
Address:	
Telephone Number:	
Email Address:	

## Part 4: Details of Funding Received

Total exchequer funding received under the Act for the period 1 January 2023 to 31 December 2023:	.....
Amount of funding brought forward from 2022:	.....
Overall total funding available for spending in 2023:	=====
Total expenditure, if any, of funding in 2023:	.....
Balance of funding carried forward to 2017:	=====
Was any of the funding applied in connection with Dáil, Seanad, European, presidential or local election expenses or in connection with referendum expenses?	.....
Was the funding applied to some or all of the purposes referred to in section 18(1) of the Act?	.....

### Part 5: Funds applied to General Administration of the Party

Details of Expenditure	Amount (€)
<b>Total</b>	<b>€</b>

**Part 6: Funds applied to Research, Education & Training**

<b>Details of Expenditure</b>	<b>Amount (€)</b>
<b>Total</b>	<b>€</b>



**Part 8: Funds applied to Co-ordination of the Activities of the Branches & Members of the Party**

Details of Expenditure	Amount (€)
<b>Total</b>	<b>€</b>

**Part 9: Funds applied to the Promotion of Participation by  
Women in Political Activity\***

\*Funding applied under this heading may already be included in any or all of headings 5 - 8 above. Whether or not this is the case, the amount and details of such funding should be shown separately under this heading.

Details of Expenditure	Amount (€)
<b>Total</b>	<b>€</b>



**Part 10: Funds applied to the Promotion of Participation by  
Young People in Political Activity\***

\* Funding applied under this heading may already be included in any or all of headings 5 - 8 above. Whether or not this is the case, the amount and details of such funding should be shown separately under this heading.

Details of Expenditure	Amount (€)
<b>Total</b>	<b>€</b>

**11. Signature**

<b>Signature of Appropriate Officer:</b>	.....
<b>Date:</b>	.....

## Part 12: Auditor's Report

**AUDITOR'S REPORT TO THE STANDARDS IN PUBLIC OFFICE  
COMMISSION ON STATEMENT OF EXPENDITURE OF MONIES  
RECEIVED BY A POLITICAL PARTY FROM THE CENTRAL FUND  
UNDER SECTION 17 OF THE ELECTORAL ACT 1997 AS  
AMENDED**

I am reporting, as required by section 20(2) of the Electoral Act 1997, on the Statement for 2023 prepared by the Appropriate Officer of [*name of political party*]

.....pursuant to subsection 20(1) of the Act.

I have obtained all the information and explanations I considered necessary for the purposes of my audit.

Proper accounting records have been kept by [*name of political party*]

.....in respect of the monies received under section 17 and their disbursement. The Statement, which is in the form directed by the Standards Commission, is in agreement with the accounting records.

In my opinion –

- the Statement properly presents the payments made in the year ended 31 December 2023 and the balance of monies not applied at that date
- payments made out of the monies received under section 17 have been applied in accordance with section 18(1) of the Act.

Signature of Auditor \_\_\_\_\_

Date: \_\_\_\_\_