

**INDEPENDENT AUDITORS REPORT
TO THE HOUSES OF THE OIREACHTAS COMMISSION
PURSUANT TO THE PUBLIC REPRESENTATION ALLOWANCE
(S.I. No. 84 of 2010, S.I. No. 37 of 2012 and S.I. No. 149 of 2013)**

21 December 2017



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1 Background

The Public Representation Allowance (“PRA”) forms part of the Parliamentary Standard Allowance (“PSA”) system of expenses for Members. Member means a person who was at any time during the relevant period a Member of the 32nd Dáil or 25th Seanad. The PSA comprises a Travel and Accommodation Allowance and the Public Representation Allowance and was introduced on 1 March 2010 on the basis of Statutory Instruments (S.I. No. 84 of 2010, S.I. No. 37 of 2012 and S.I. No. 149 of 2013). This audit covers the period 26 February 2016 to 31 December 2016 for members of the Dáil, and 25 April 2016 to 31 December 2016 for members of the Seanad.

2 Audit Objectives

The core purpose of the audit was to establish whether Members had valid evidence of vouchers, receipts and bills in respect of the amount paid to them, for expenses which come within the allowable categories in the Regulations S.I. No. 84 of 2010, S.I. No. 37 of 2012 and S.I. No. 149 of 2013. The audit was based on the following objectives:

- Confirming that Members selected for audit on a random basis had received an allowance for the relevant period;
- Ensuring that Members selected for audit had receipts or vouchers for the final amount received during the relevant period and that this amount did not exceed the following **annual** allowance limits pro rata for the sample selected:
 - Ministers of the Government and Ministers for State - €16,000 per annum;
 - Members of Dáil Éireann, including office holders but excluding Ministers of the Government and Ministers for State - €20,350 per annum;
 - Members of Seanad Éireann, including office holders but excluding Ministers of the Government and Ministers for State - €12,225 per annum;
- Ensuring that Members selected for audit had certified the amount expended under Regulations in respect of expenses incurred in the performance of their duties as a Member;
- Ensuring that Members selected for audit had certified that the amount subject to vouched expenditure was applied for the purposes as set out in the S.I. No. 84 of 2010, S.I. No. 37 of 2012 and S.I. No. 149 of 2013 in the performance of their duties, which may include the following:

Members of Dáil Éireann, Ministers of the Government or Ministers of State:

- Rent, rates and other such charges in relation to an office or offices,
- Utilities of an office or offices,
- Improvements to office accommodation,
- Signage in respect of the constituency office,
- Purchase or maintenance of office furniture or equipment,
- Purchase of stationery,
- Insurance, including for office accommodation or equipment and public liability insurance,
- Cleaning of office accommodation,
- Telephone calls, otherwise than from Leinster House, including line rental and mobile phone calls relating to the performance of Members' duties (excluding Ministers of the Government and Ministers of the State),
- Web hosting and other related computer costs,
- Hiring rooms for clinics or other meetings relating to the performance of Members' duties,
- Leaflet and newsletter distribution,
- Advertising relating to the performance of Members' duties,
- Attendance at conferences relating to the performance of Members' duties (except expenses relating to travel),
- Purchase of secretarial support, public relations, information technology (not internet related) and training services for staff under a contract of service.

Members of Seanad Éireann:

- Telephone calls, otherwise than from Leinster House, including line rental and mobile phone calls relating to the performance of Members' duties,
 - Web hosting and other related computer costs,
 - Hiring rooms for meetings relating to the performance of Members' duties,
 - Leaflet and newsletter distribution,
 - Advertising relating to the performance of Members' duties,
 - Attendance at conferences relating to the performance of Members' duties (except expenses relating to travel),
 - Purchase of secretarial support, public relations, information technology (not internet related) and training services for staff under a contract of service.
- Confirming that adequate supporting documentation was available for vouched expenses incurred, including vouchers, receipts or bills;
 - Where the amount of vouched expenses incurred by Members selected for audit total to less than the amount paid to them, that the amounts not incurred are repaid within a period of 2 months of being notified of such overpayment;

- Ensuring that vouched expenditure subject to audit was only claimed in respect of expenses incurred as a Member of the Oireachtas during the relevant periods i.e. 26 February 2016 to 31 December 2016 / 25 April 2016 to 31 December 2016.

3 Basis of Selection

In accordance with Regulation 6 of S.I. No. 84 of 2010, 10% of Members in receipt of allowances were selected for audit on a random basis.

4 Audit Opinion

In our opinion, seventeen Members selected for audit were able to show receipts/relevant documentation, within allowable expenditure categories for the PRA as set out in the legislation, in respect of the amounts claimed by them during the period under audit, i.e. 26 February 2016 to 31 December 2016 for members of the Dáil, and 25 April 2016 to 31 December 2016 for members of the Seanad, and we are satisfied that:

- Evidence in the form of vouchers, receipts or bills was available to show that expenses were incurred in the relevant period to the amount of the allowance claimed,
- The amounts claimed were applied wholly in respect of expenses specified in S.I. No. 84 of 2010, S.I. No. 37 of 2012 and S.I. No. 149 of 2013, and
- The expenses were incurred in the performance of his/her duties as a Member.

In our opinion, five Members selected for audit were unable to show sufficient receipts/relevant documentation within allowable expenditure categories and/or the expenditure was not incurred in the relevant period for the PRA as set out in the legislation specified in S.I. No. 84 of 2010, S.I. No. 37 of 2012 and S.I. No. 149 of 2013 in respect of a total of €10,958.55 claimed by them during the period under audit and this expenditure was deemed ineligible for a variety of reasons. This included:- advertising and sponsorship that was not allowable totalling €3,882.80; expenses that did not relate to the relevant period totalling €2,639.23; evidence in the form of vouchers, receipts or bills was not available to support the expenditure totalling €1,683.88; or other expenditure that did not fall within an allowable expenditure category totalling €2,752.64.

5 Refunds

A full refund by the five Members of €10,958.55 in respect of the above ineligible expenditure claimed was received by the Oireachtas Commission by the date of this report.

Of the 5 Members of the 32nd Dáil or 25th Seanad who made the above refund to the Oireachtas Commission:

- 4 were new Members i.e. they were not members of the previous 31st Dáil or 24th Seanad. The amount refunded was €10,097.91.
- 1 was a previous Member i.e. he was a member of the 31st Dáil. The amount refunded was €860.64.

6 Recommendations for future consideration in relation to the Oireachtas Guidelines

Having completed our review of Members expense claims for the 26 February 2016 to 31 December 2016 / 25 April 2016 to 31 December 2016, we are presenting our recommendations for consideration in relation to future Oireachtas Guidelines to Members.

6.1 Overall Guidance

6.1.1 Advertising relating to the performance of his or her duties as a Member

The 2016 Guidance (Page 20) states that allowable expenditure is “Advertising to publicise work as a Member or to publicise meeting/clinic times, dates, venues”, and that copies of the advertisement are to be provided “to indicate that the content was for the performance of his/her duties as a Member”.

We note that some members have submitted claims for the full cost of advertisements where the advertisement is shared with other members and/or Councillors. Assuming that the advertisement satisfies the requirements under the Guidelines, we consider that further guidance is given to explain that in this situation the allowable expenditure should be prorated on a reasonable basis such as the prominence of the member in the advertisement and the space allocated to each member/councillor in the advertisement.

We recommend that the Guidance for advertising expenditure in Category 7 should be updated to explain that where an advertisement is shared with other members/councillors the cost of the advertisement should be prorated on a reasonable basis (such as the prominence of the member in the advertisement and the space allocated to each member/councillor in the advertisement).

6.1.2 Advertising relating to the performance of his or her duties as a Member

As stated above, the 2016 Guidance (Page 20) states that allowable expenditure is “Advertising to publicise work as a Member or to publicise meeting/clinic times, dates, venues”. The guidance also states that “Content is limited to the Member’s name, contact details, addresses, clinic times (TD’s only) or the title of the meeting, the venue, time and the date”.

We have noted a number of advertisements which do not comply with these requirements and there seems to be some confusion as to what is allowable. Although this is specified clearly in the guidelines it is one of the more common areas of ineligibility.

We recommend that the Guidance and any related seminars and correspondence (particularly to first time members) should continue to emphasise that advertisements which do not comply with the main requirements (such as contact details/addresses, clinic times, meeting title, venue, date) will not be allowable.

6.1.3 Utilities of an office or offices

We note that the 2016 Guidance is explicit in stating that an office can be a Member's office in the home. The Guidance provides further details to accompany Category 1 (Rent, rates and other such charges in relation to an office or offices) about the allowable portion of mortgage interest where the office is in the Member's home. For Category 2 (Utilities of an office or offices) the guidance is not as specific for home utility bills where a portion of the home is used as an office.

We recommend that the PRA Guidance for Category 2 be reviewed to specifically provide guidance on eligibility of home utility bills where a portion/room in the Member's home is used as the Member's office.