

**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)**

23 August 2019



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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 1 January 2017 to 31 December 2017 for members of the Dáil and 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. 1 January 2017 to 31 December 2017.

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, sixteen 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 amount of €300,681.48 claimed by them for the period under audit, i.e. 1 January 2017 to 31 December 2017 for members of the Dáil and 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, six 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 €9,650.45 claimed by them for the period under audit and this expenditure was deemed ineligible for a variety of reasons. A total of €3,753.66 was disallowed because the expenses claimed did not relate to the relevant period, €3,679.76 was disallowed because adequate supporting documentation could not be provided to support the expenses, and a total of €2,217.03 was disallowed as the cost did not fall within an allowable expenditure category. In respect of these six Members claims of €61,971.12 were considered eligible and were allowed. These expenses allowed include €307.50 which has been deemed allowable by the Clerk of Seanad Eireann and had previously been disallowed as part of the audit process.

5 Refunds

A full refund by the six Members of the €9,650.45 due in respect of the above ineligible expenditure claimed was received by the Oireachtas Commission by the date of this report.

6 Recommendations for future consideration in relation to the Oireachtas Guidelines

Having completed our review of Members expense claims for the period 1 January to 31 December 2017, we are presenting our recommendations for consideration in relation to future Oireachtas Guidelines to Members.

6.1 Overall Guidance

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

As noted in Section 4 above, in respect of 2017 a total of €9,650.45 claimed by the members was deemed ineligible and this expenditure was disallowed for a variety of reasons. During the 2017 audit we noted that the expenditure categories from the Regulations with the highest level of expenditure disallowed related to Advertising (Category 13), Hiring of rooms (Category 11) and Leaflet & Newsletter distribution (Category 12). When analysed on a different basis a total of €3,753.66 was disallowed because the expenses claimed did not relate to the relevant period, €3,679.76 was disallowed because adequate supporting documentation could not be provided to support the expenses, and a total of €2,217.03 was disallowed as the cost did not fall within an allowable expenditure category. These are arising although the PRA Guidelines set out clearly what is allowable and not allowable and have emphasised these requirements in a number of different locations in the Guidelines and for a number of the years.

We recommend that any publicity, correspondence and related seminars in relation to the PRA Guidelines should continue to particularly emphasise the requirements for Advertising (Category 13), Hiring of rooms (Category 11) and Leaflet & Newsletter distribution (Category 12) and also that the expenditure being claimed needs to be incurred in the relevant period, be supported by appropriate back-up documentation and be for allowable categories of expenditure only.

6.1.2 Purchase of Stationery (Category 6)

Although the PRA Guidelines clearly state on Page 14 that the eligibility under this category is for *'stationery that is not provided by the House of the Oireachtas Service required for the performance of his or her duties as a Member'*, we noted that several members PRA Returns included expenses related to stamps, envelopes and other stationery items which are provided by the Oireachtas Service.

We recommend that the PRA Guidelines for Category 6 be updated to provide details of specific stationery items that are provided by the Oireachtas Service and are not allowable.

6.1.3 Telephone calls, otherwise than from Leinster House (Category 9)

Under the current PRA Guidelines members must provide *'the telephone bills that identify the assigned numbers for the performance of the member's duties for the relevant period'* to determine the eligibility of the expense. We noted that some members included claims for the expense of purchasing "pay as you go" mobile phone credit from a retail outlet although the documentation provided did not identify that it was used by the member.

We recommend that the PRA Guidelines for Category 9 be updated to clarify what documentation is required by a member who chooses to use a "pay as you go" mobile phone credit for the cost to be deemed allowable, if applicable.